

COMPANIES ACT 1985 AND 1989

WRITTEN RESOLUTIONS

of

YPCS 49 PLC

(Company Number: 3280170)

Pursuant to Article 1(a) of the
Company's Articles of Association (Article 53 Table A)

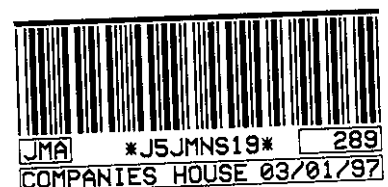
We, the undersigned, being the members for the time being of the above-named Company, for the time being entitled to attend and vote at General Meetings, **HEREBY PASS** the following resolutions, pursuant to Regulation 53 in Table A (which Regulation is embodied in the Articles of Association of the Company) and agree that the said resolutions shall for all purposes be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

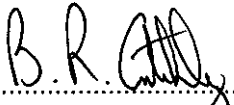

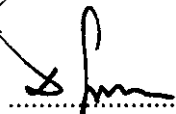
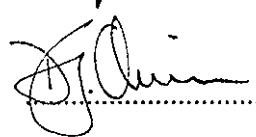
Special Resolution

1. That the document attached to this resolution and marked A for identification purposes be adopted as the new Articles of Association in place of the existing Articles of Association of the Company.

Ordinary Resolution

2. That the Digital Projection Employee Benefit Trust, a copy of the draft Trust Deed of which is attached to this resolution and marked B for the purposes of identification, be and is hereby approved and the directors be and they are hereby authorised to do all such things as may be necessary or desirable to carry the same into effect.



<u>Date</u>	<u>Signature</u>	<u>Name of Shareholder</u>
19/12/96		Brian Critchley
19/12/96		Michael Blackburn
19/12/96		David Green
19/12/96		Dermot Quinn

Dated 1st December 1996

YPCS 49 PLC

and

DIGITAL PROJECTION TRUSTEE LIMITED

TRUST DEED

establishing the

DIGITAL PROJECTION

EMPLOYEE BENEFIT TRUST

Garrett & Co
Bank House
9 Charlotte Street
Manchester
M1 4EU
Ref SNQ.SD

TRUST DEED
establishing the
DIGITAL PROJECTION
EMPLOYEE BENEFIT TRUST

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THIS DEED is made 19 December 1996

BETWEEN

- (1) YPCS 49 plc (Number 328170 whose registered office is at Greenside Way, Middleton, Manchester M24 1XX (the "Company"); and
- (2) DIGITAL PROJECTION TRUSTEE LIMITED (Number: 3287386) whose registered office is at Greenside Way, Middleton, Manchester M24 1XX (the "Original Trustee").

WHEREAS

- (A) The Company wishes to establish the Digital Projection Employee Benefit Trust on the terms of this Deed.
- (B) The Original Trustee has agreed to act as first trustee of the Trust on the terms of this Deed.
- (C) With a view to establishing the Trust, the Company intends to pay to the Original Trustee the sum of £100, to be held on the trusts declared in this Deed.

NOW THIS DEED WITNESSES as follows:-

1. DEFINITIONS

- 1.1 In this Deed the following words and expressions shall have, where the context so admits, the meanings set forth below:

"Accumulation Period" the period beginning on the date of this Deed and ending upon the first to happen of:

- (a) the expiry of twenty-one 21 years or such longer period as may be allowed by the law relating to accumulations for the time being in force in relation to this Deed; and
- (b) such date as the Trustee declares to be the end of the Accumulation Period (not being a date earlier than the date of such notice);

"Beneficiary" a bona fide Employee or former Employee or the wife, husband, widow, widower or children or step-children under the age of 18 of such Employee or former Employee PROVIDED THAT, subject to Clause 19 below, any person who is an Excluded Person shall not be a Beneficiary);

"Company"	YPCS 49 plc (Number: 3280170) or any successor company thereto;
"Employees"	the employees (including executive directors) of the Group from time to time;
"Excluded Person"	the meaning given to that term in Schedule 2;
"Group"	the Company and its Subsidiaries from time to time;
"IHTA"	Inheritance Tax Act 1984;
"Property"	any property, including any chose in action and any interest in real or personal property;
"Shares"	fully paid ordinary shares in the capital of the Company;
"Subsidiary"	a company as defined in Section 736 of the Companies Act 1985;
"Trust"	the Digital Projections Employee Benefit Trust or "EBT" established on the trusts declared in this Deed;
"Trustee"	the Original Trustee or any additional or replacement trustee, being the trustee for the time being of the Trust;
"Trust Fund"	subject to the provisions of Clause 4: <ul style="list-style-type: none"> (a) the sum of £100 referred to in Recital (C); and (b) Property at any time added thereto by way of accumulation of income, capital accretion, payment, transfer, gift, loan or otherwise; and (c) all money, investments and other Property from time to time representing or derived from (a) and (b) respectively;
"Trust Period"	the period beginning with the date of this Deed and ending upon the first to happen of: <ul style="list-style-type: none"> (a) the expiry of seventy-nine (79) years; or (b) the date when an order for the winding up of the Company is made or a resolution is passed for the voluntary winding up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company which becomes the

Company for the purposes of this Deed as envisaged in the definition of "Company"); or

- (c) such date as the Trustee declares by deed to be the end of the Trust Period (not being a date earlier than the date of such deed);

and so that a period of eighty (80) years from the date of this Deed shall be the perpetuity period for the purposes of section 1 of the Perpetuities and Accumulations Act 1964.

- 1.2 Words and expressions not otherwise defined herein have the same meaning they have in the Income and Corporation Taxes Act 1988.
- 1.3 Where the context so admits or requires words importing the singular shall include the plural and vice versa and words importing the masculine shall include the feminine.
- 1.4 Reference in this Deed to any statutory provisions are to those provisions as amended, extended or re-enacted from time to time and shall include any regulations made thereunder. The Interpretation Act 1978 shall apply to this Deed mutatis mutandis as if it were an Act of Parliament.
- 1.5 The headings in this Deed are for the sake of convenience only and should be ignored when construing the Deed.

2. THE PARTIES' OBLIGATION

The Trustee and the Company shall use their respective best endeavours to procure that the Trust constitutes and remains part of an Employees' Share Scheme and as a trust for the benefit of employees, as that term is described in Section 86 of the IHTA.

3. DISCRETIONARY TRUST OF CAPITAL AND INCOME

- 3.1 Subject to the provisions of Clauses 3.3, 4 and 7, the Trustee shall hold the Trust Fund and the income thereof upon trust for all or any one or more exclusively of the Beneficiaries in such shares and upon such trusts and subject to such powers and provisions as the Trustee shall during the Trust Period in its absolute discretion by any deed or deeds revocable during the Trust Period or irrevocable appoint.
- 3.2 Subject to Clauses 3.1 and 3.3, the Trustee shall during the Trust Period hold the Trust Fund upon trust to pay or apply the income and may from time to time apply the capital thereof to or for the benefit of all or any of the Beneficiaries in such shares and in such manner generally as the Trustee shall in its absolute discretion think fit PROVIDED THAT the Trustee may during the Accumulation Period, if it in its absolute discretion thinks fit, accumulate the whole or any part of the income of the Trust Fund by investing the same and any resulting income in any investments authorised by this Deed and adding the accumulations to the capital of the Trust Fund.

3.3 The Trust Fund shall be divided into so many sub-funds as shall be required by Clause 3.3.1 below so that on receipt by the Trustee of any asset forming part of the Trust Fund that asset shall forthwith be allocated to and held on trust only for the purposes of the relevant sub-fund.

3.3.1 All assets contributed by any one member of the Group and all income and other assets derived therefrom shall be allocated to a single sub-fund comprising only assets contributed by that same member and any income and other assets derived therefrom.

3.3.2 The assets of any single sub-fund shall be held upon trust for, and may be transferred, paid or applied only to or for the benefit of those Beneficiaries whose membership of the class of Beneficiaries as a whole results from their employment or former employment by the undertaking to which the sub-fund relates.

3.3.3 In accordance with Clauses 3.3.1 and 3.3.2 above the trusts established by this Deed shall have effect as if every reference to the Trust Fund were a reference to each of the sub-funds severally or any of them as the context may require or permit and every reference to a Beneficiary, the Beneficiaries or any of them were a reference to the same as defined in relation to each such sub-fund or any of them pursuant to paragraph 3.3.2 above.

3.3.4 Any asset contributed otherwise than by a member of the Group shall be allocated to a separate sub-fund.

3.4 No power, authority or discretion conferred on the Trustee by this Deed or by law shall (notwithstanding anything to the contrary expressed or implied in this Deed) be exercisable in such a manner as to cause:

3.4.1 any part of the Trust Fund or the income thereof to become applicable for the benefit of any member of the Group (save that the Trustee shall be empowered to repay out of the Trust Fund all loans to the Trustee made by any member of the Group and shall be permitted to subscribe for Shares);

3.4.2 a breach of Clause 2; or

3.4.3 an infringement of the rule against perpetuities.

4. OPERATION OF THE TRUST WITH EMPLOYEES' SHARE SCHEMES

Without prejudice to Clause 3, the Trustee may operate the Trust in conjunction with employees' share schemes operated by the Company or may themselves operate employees' share schemes under the Trust.

5. **TRUSTS AT THE EXPIRATION OF THE TRUST PERIOD**

- 5.1 At the expiry of the Trust Period, the Trustee shall hold the capital and income of the Trust Fund (after paying or providing for any costs, charges or expenses incurred or to be incurred by the Trustee) UPON TRUST absolutely:
- 5.1.1 for such of the Beneficiaries then living and in such proportions as the Trustee decides before the end of the Trust Period; or
 - 5.1.2 in default of such decision by the Trustee before the end of the Trust Period,
 - (i) for all of the Employees in equal shares, or (ii) if there are no Employees at that time, for such charity as may then be specified by the Trustee.
- 5.2 There shall be no resulting trust in favour of any member of the Group at the expiration of the Trust Period.

6. **ADDITIONS TO THE TRUST FUND**

The Trustee may at any time receive any gift or donation, whether of money or other Property, from any person, company or corporation, to be held by them as an addition to the Trust Fund, and any such additions which shall be accepted and received by the Trustee shall (in the absence of any contrary direction from the donor) be held by the Trustee upon the trusts declared in this Deed.

7. **POWER TO ACQUIRE AND HOLD SHARES AS BARE TRUSTEE**

The Trustee may apply cash paid to the Trustee by or on behalf of a Beneficiary pursuant to the rules of an Employees' Share Scheme and use such cash to purchase Shares and hold such Shares as nominee or bare trustee for the Beneficiary subject to the rules of the Employees' Share Scheme so that the Employee will be absolutely and beneficially entitled to the Shares and any rights arising from those Shares which shall be held subject to a separate sub-fund within the Trust. Provisions in this Trust Deed inconsistent with the declaration of such bare trusts shall not apply.

8. **INVESTMENT POWERS**

- 8.1 Subject to Clause 7 the Trust Fund or any part of it may, as the Trustee in its absolute discretion thinks fit, be:
- 8.1.1 applied in the acquisition or disposal of Shares in any manner from any person, or in the acquisition or disposal of securities issued by the Company or any member of the Group;
 - 8.1.2 placed on current or deposit account with any bank or financial institution which is an authorised institution for the purposes of the Banking Act 1987 or a bank or financial institution established and operating in the Channel

Islands or the Isle of Man or invested in negotiable instruments issued by any such bank or financial institution;

8.1.3 invested in fixed-interest Government securities of the United Kingdom or any local authority thereof; or

8.1.4 applied in the acquisition or disposal of such shares, stocks, units in unit trusts, funds, securities, land, buildings, chattels or property of whatsoever nature and wheresoever situate and whether involving liabilities or producing income or not or upon personal credit with or without security,

to the intent that, in exercise of the investment powers conferred by this clause, the Trustee shall have the same full and unrestricted powers of investing and transposing investments and laying out moneys in all respects as if they were an absolute beneficial owner thereof PROVIDED THAT the Trustee shall not be required to invest, or to invest at interest, the Trust Fund or any part of it.

8.2 The Trustee shall not be under any obligation to diversify the investment of the Trust Fund and, in particular, may retain, in their existing condition, any investments, including Shares or other securities or other Property (including uninvested money) for the time being forming part of the Trust Fund for so long as the Trustee in its absolute discretion thinks fit, notwithstanding that the same may comprise the sole investment of the Trust Fund, without being liable for any loss occasioned thereby.

8.3 The Trustee shall be under no obligation to:

8.3.1 become a director or officer, or interfere in the management or affairs, of the Company or any company any of the shares or stock of which are, for the time being, comprised in the Trust Fund or any company associated with such company, notwithstanding that the Trustee have (whether directly or indirectly) a substantial holding in or control of any such company; or

8.3.2 seek information about the affairs of any such company, but may leave the conduct of the affairs of any such company to its directors or other persons managing the company (so long as they have no actual notice of any act of dishonesty on the part of such directors or others in connection with the management of the company).

8.4 Subject to Clauses 4 and 7, the Trust Fund shall be held in the name of, or to the order of, the Trustee. The Trust Fund or any part may be held in the name of a nominee or nominees for and on behalf of the Trustee, and the Trustee shall have power to pay such nominee or nominees reasonable fees for their services.

9. ADDITIONAL POWERS

In addition to all the powers vested in Trustee by law or statute, the Trustee shall (subject to Clauses 2, 3.3 and 3.4) have the powers regarding the Trust Fund set out in Schedule 1 to this Deed, which shall be separate powers in addition and without prejudice to the generality of all other powers vested in the Trustee, and may exercise

all or any of the same from time to time, without the intervention of any Beneficiary, in such manner and to such extent as it shall in its absolute discretion think fit.

10. POWER OF RESETTLEMENT

10.1 The Trustee may (subject to Clauses 3.3, 3.4, 8 and 10.2), if they shall in their absolute discretion think fit, at any time or times during the Trust Period, transfer the Trust Fund or any part of it into the names or the legal control of the Trustee or trustee (whether resident in the United Kingdom or abroad) of and for the purposes of any settlement or trust (the "Transferee Settlement") administered and taking effect in any part of the world and governed, as its proper law, by the law of that or any other part of the world. Upon any such transfer being made, the property so transferred shall be held upon the trusts and with and subject to the powers and provisions declared and contained in the Transferee Settlement, freed and discharged from all the trusts, powers and provisions of this Deed.

10.2 No transfer pursuant to Clause 10.1 shall be made:

10.2.1 if it offends any applicable rules against perpetuities or excessive accumulations;

10.2.2 unless the Trustee (whose decision shall be final and binding on all persons beneficially interested under this Deed) is satisfied:

10.2.2.1 that the Transferee Settlement is such that the transfer will only be for the benefit of all of the Beneficiaries;

10.2.2.2 that the Transferee Settlement is fully enforceable in law, for which purpose the Trustee shall be entitled to rely on advice received from professional advisers practising in the territory where the Transferee Settlement is intended to take effect; and

10.2.2.3 that the Transferee Settlement will constitute a trust for the benefit of employees, as that term is described in Section 86 IHTA.

11. PAYMENTS AND RECEIPTS

11.1 The Trustee may from time to time, in writing signed by the Trustee, authorise such one or more of their number or such other person or persons as the Trustee shall think fit to make any payments or transfers of Property and to give receipts and discharges for any Property payable, transferable or deliverable to the Trustee. Every such receipt or discharge shall be as valid and effective as if such receipt or discharge were given by the Trustee.

11.2 The production of a written authority of the Trustee given pursuant to Clause 11.1 shall be a sufficient protection to any person taking any such receipt or discharge as is mentioned in Clause 11.1 and (unless that person shall have received express notice in writing of the revocation of the authority) he shall be entitled to assume and to act upon the assumption that the authority remains unrevoked.

12. REMUNERATION OF TRUSTEE

- 12.1 Any corporate Trustee may act in accordance with its standard terms and conditions from time to time in force and, in addition to reimbursement of its proper expenses, it shall be entitled to remuneration (free of any probate, succession, estate or other death duties wheresoever payable and as a first charge on the Trust Fund) for its services as Trustee in accordance with its published scale of fees in force from time to time.
- 12.2 Any individual Trustee hereof, being a person engaged in any profession or business (but not being an Employee or former Employee), shall be entitled to be paid all usual professional or proper charges for the business transacted, time expended and acts done by him or his firm in connection with the trusts hereof, including acts which a trustee, not being in any profession or business, could have done personally.
- 12.3 Any corporate Trustee:
- 12.3.1 may transact, in its own office, on behalf of the Trust or of any Beneficiary, any business which by its constitution it is authorised to undertake and in which it is then, in fact, ordinarily engaged, upon the same terms as would for the time being be made with an ordinary customer and if it is a bank, it shall be entitled to act as a banker to and make advances to the Trustee in connection with the Trust, without accounting for any profit thereby made and in all respects as if it were not Trustee; and
- 12.3.2 may employ as a banker or investment adviser or other agent, on behalf of the Trust, any corporation, firm or enterprise associated with it PROVIDED THAT such agent is authorised by its constitution to undertake such business and that it is, in fact, ordinarily so engaged and that all charges made by it for work done or services provided in connection with the Trust are reasonable and normal.
- 12.4 The Company may from time to time determine that some or all costs, charges and expenses in connection with the administration of the Trust or management of the Trust Fund shall be met by any member of the Group in such proportions as the Company shall determine.
- 12.5 The Trustee may, notwithstanding Clause 12.4, pay from the Trust Fund all costs, charges and expenses in connection with the administration of the Trust or the management of the Trust Fund but no cost, charge or expense shall be paid more than once and the Company shall reimburse the Trustee for payment of any cost, charge to expense paid by the Trustee which the Company or any of its Subsidiaries were liable to pay under Clause 12.4.

13. PERSONAL INTERESTS OF TRUSTEE

- 13.1 Subject to Clause 13.2, no decision of or exercise of a power by the Trustee shall be invalidated or questioned on the grounds that the Trustee or any individual trustee or any director or other officers of a corporate trustee had a direct or personal interest in the result of any decision or in the exercising of any power and any such person may

vote in respect thereof and be taken into account for the purposes of a quorum notwithstanding his interest.

13.2 If the interest of the Trustee or other person concerned for the purposes of Clause 13.1 is such that:

13.2.1 it arises otherwise than solely because the Trustee or other person concerned is a Beneficiary or a director or other officer or shareholder of any member of the Group; and

13.2.2 it is material,

then the nature of the interest must (unless any the other trustee agree otherwise) have been declared at the meeting of the Trustee (or if there is a sole corporate Trustee, the meeting of the board of directors of the sole Trustee) at which the item of business to which the interest relates was discussed or, if the Trustee or other person concerned was not present at such meeting, at the next meeting of the Trustee (or next meeting of the board of directors of the sole corporate Trustee, as appropriate) at which he was present.

13.3 A Trustee (or director or other officer of a corporate Trustee) who is or becomes a Beneficiary may retain all benefits to which he becomes entitled under this Deed and shall not be liable to account for any such benefit. The exercise of any power or discretion by any such person shall not be invalidated or questioned on the grounds that he had a direct or indirect interest in it.

13.4 A Trustee or any director or other officer of a corporate Trustee shall not be precluded from acquiring, holding or dealing with debentures, debenture stock, shares or securities whatsoever of any member of the Group or from entering into any contract or other transaction with any member of the Group or being interested in any such contract or transaction and none of them shall be in any manner whatsoever liable to account to any member of the Group or the Beneficiaries for any profits made or benefits obtained by him or it thereby or in connection therewith.

13.5 Any trustee or any employee, director or officer of a corporate trustee may be employed and remunerated as a director or other officer or employee or as agent or adviser of any corporation, body or firm in any way connected with the Trust Fund and may keep as his property (and without being liable to account therefor) any remuneration, fees or profits received by him in any such capacity, notwithstanding that his situation of office may have been obtained, held or retained by means or by reason of his position as one of the trustee or as an employee, director or officer of a corporate trustee.

14. PROTECTION OF TRUSTEE

14.1 In the professed execution of the trusts and powers contained in this Deed, no Trustee, director or officer of a corporate Trustee shall be liable for any loss arising by reason of any mistake or omission made in good faith by him or by reason of any other matter or thing including fraud, negligence or default of another Trustee, nominee, agent, officer

or other delegate unless fraudulent, in wilful default or negligent himself (including respecting the selection of agents).

14.2 The Company shall keep the Trustee and each director, officer or employee of any company which is a corporate trustee hereof fully indemnified against any actions, claims, costs, demands, expenses and other liabilities whatsoever to which they shall as Trustee hereof be or become liable by virtue of any act or event or thing whatsoever unless such actions, claims, costs, demands, expenses and other liabilities shall be attributable to fraud, misconduct or negligence on the part of the Trustee who or which is sought to be made liable save in each case to the extent that the same is capable of being discharged from the capital or income of the Trust Fund and in addition the Trustee shall have the benefit of all the powers, privileges and immunities conferred upon Trustee by statute or by law.

14.3 The Trustee shall not be liable to provide benefits under the Trust which in aggregate exceed the value of the Trust Fund from time to time.

15 CHANGE OF TRUSTEE AND PROCEEDINGS OF TRUSTEE

15.1 The minimum number of persons to be the Trustee (or of any part of the Trust Fund in respect of which a separate set of Trustee has been appointed) shall be:

15.1.1 one, in the case of a corporate Trustee; or

15.1.2 two, in any other case.

15.2 So long as the number of Trustees is below the minimum number, a continuing trustee shall not be entitled to exercise any discretion or power under this Deed.

15.3 Any Trustee may, at any time, by written notice given to the Company and to the remaining Trustee (if any), retire from his office at the expiry of one month from the date when such notice is received by the Company (or any shorter period agreed in writing by the Company) PROVIDED THAT this power shall not be exercised unless immediately after its exercise there will be, as trustees (whether by virtue of an appointment taking effect forthwith upon such removal or otherwise), at least the minimum number of persons required by Clause 15.1 to be the Trustee.

15.4 The Company shall have power by deed:

15.4.1 to remove from office any Trustee without assigning any reason therefor
PROVIDED THAT

15.4.1.1 the deed shall only take effect following receipt by the Trustee; and

15.4.1.2 this power shall not be exercised unless immediately after its exercise there will be, as Trustee (whether by virtue of an appointment taking effect forthwith upon such removal or otherwise), at least the minimum number of persons required by Clause 15.1 to be the Trustee.

- 15.4.2 to appoint a new Trustee or new trustees in the place of any Trustee who for any reason ceases to be a Trustee and whether or not the number of trustee is below the minimum number required by Clause 15.1 prior to such appointment;
- 15.4.3 to appoint (without limitation as to number) an additional Trustee or additional trustees.
- 15.5 In the event that the number of trustee falls below the minimum number required by Clause 15.1, the Company shall forthwith appoint such number of new or additional Trustee as shall be necessary to comply with the requirements of Clause 15.1.
- 15.6 Any person (including any other corporation and any director, officer or employee of the Company or any of its subsidiaries) may be appointed, on such terms and conditions as the Company shall in its absolute discretion agree with that person, as a Trustee, wherever that person is domiciled or resident or (being a corporation) is incorporated or carries on business.
- 15.7 An outgoing Trustee shall execute all such transfers or other documents and do all such acts or things as may be necessary for vesting the Trust Fund in new or continuing Trustee PROVIDED THAT an outgoing Trustee who is liable as a Trustee of this Deed for any fiscal imposts, taxes, duties or other liabilities shall not be bound to transfer the Trust Fund as aforesaid unless reasonable security is provided for indemnifying such outgoing Trustee against such liability.
- 15.8 Unless there is a sole corporate Trustee, the following provisions of this Clause 15.8 shall govern the proceedings of the Trustee:
 - 15.8.1 the trusts, powers and discretions vested by this Deed in the Trustee must be exercised by all the trustee; and
 - 15.8.2 unless otherwise agreed by the Trustee, a resolution in writing signed by all the trustee shall be as valid and effectual as if it has been passed at a meeting of the Trustee and the same may consist of two or more documents in similar form each signed by one or more of the trustee.
- 15.9 The Trustee may act by a majority in the execution of the trusts and the administration of the Trust Fund (including the exercise of any power hereby or by law conferred on the Trustee) PROVIDED THAT
 - 15.9.1 the minority shall not be liable for any acts or default on the part of the majority;
 - 15.9.2 the majority shall keep written records of their proceedings and shall without undue delay inform the minority of the Trustee not joining in any execution or administration of the manner in which the majority have effected the said execution or administration;
 - 15.9.3 all acts necessary for giving effect to any decision of the majority shall be performed by all of the trustee.

16. INFORMATION SUPPLIED BY ANY MEMBER OF THE GROUP

- 16.1 The Trustee shall be entitled to rely, without further enquiry, on all information supplied to them by any member of the Group with regard to its duties as Trustee and in particular, but without prejudice to the generality of the foregoing, any notice given by any member of the Group to the Trustee in respect of the eligibility of any person to become or remain a Beneficiary or Employee shall be conclusive in favour of the Trustee.
- 16.2 In particular, but without prejudice to the generality of Clause 16.1, any written statement signed by a person being or purporting to be a director or secretary of the Company to the effect that any person is or has ceased to be a Beneficiary or Employee or as to any other circumstance affecting a person believed by the Trustee to be or not to be a Beneficiary or Employee may be treated by the Trustee as conclusive evidence of the matters therein stated.

17. POWER OF MODIFICATION AND PERPETUITY RESTRICTION

- 17.1 Subject to Clause 17.2, during the Trust Period the Trustee shall have power by deed to vary, amend, restrict, release, modify, alter or extend the trusts, powers and provisions of this Deed in any manner and in any particular whatsoever.
- 17.2 No exercise of the power contained in Clause 17.1 may:
- 17.2.1 have the effect of breaching, or removing the restrictions contained in Clause 3.4; or
 - 17.2.2 have effect without the consent of the Company; or
 - 17.2.3 extend the power conferred by Clause 17.1 or remove the restrictions contained in this Clause 17.2.
- 17.3 Every power, authority or discretion conferred upon the Trustee or any other person and not expressly made exercisable only during a period allowed by law shall (notwithstanding anything to the contrary herein expressed or implied) only be exercisable during the Trust Period and during such further period if any (whether definite or indefinite) as in the case of the particular power, authority or discretion the law may allow.

18. IRREVOCABILITY

The trusts declared in this Deed are irrevocable.

19. EXCLUSIONS AND LIMITATIONS

Notwithstanding anything else contained or implied by this Deed no trust discretion or power by this Deed or by law conferred on the Trustee or any other person shall be

exercised and no provision of this Deed shall operate directly or indirectly at any time so as:-

- 19.1.1 to cause the whole or any part of the Trust Fund or the income thereof to be paid, lent, applied or transferred to or for the benefit of a Group Member other than as consideration for the exercise of options granted under an employees' share scheme;
- 19.1.2 to cause the whole or any part of the Trust Fund or the income therefrom to be paid, lent, applied or transferred to or for the benefit of any Beneficiary hereunder who is an Excluded Person otherwise than to make a payment which is the income of that Excluded Person for any of the purposes of income tax or which would be his income for any of those purposes if that Excluded Person being a person not resident in the United Kingdom were so resident.

20. MISCELLANEOUS

- 20.1 No benefits or rights under this Deed are capable of being assigned, charged or alienated in any way and no payment shall be made in respect of any such benefit if the person entitled thereto shall, to the knowledge of the Trustee, have purported to assign or charge the same or any part thereof or any interest therein, or if to such knowledge any act or event shall have been done or happened whereby the same or any part thereof or interest therein if belonging to him absolutely would have become vested in or charged in favour of any person or persons other than such person or his legal personal representatives. Subject to Clauses 2 and 7 and the Trustee shall have full discretion as to the payment or application of any benefits so forfeited to or for the benefit of such person.
- 20.2 Any notice to be given to a Beneficiary may be served by being handed to the Beneficiary personally, by being sent by first class post to the Beneficiary at his or her last known private postal address or by such other method as the Trustee considers appropriate. Any notice served by post shall be deemed to have been served on the fourth day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the Trustee reasonably believes that the envelope containing the notice was properly addressed and posted as a prepaid letter by first class post.
- 20.3 Each power and discretion given to the Company in this Deed (whether alone or jointly with any other person) is given to it for its own absolute benefit and not in any fiduciary capacity and the Company may exercise, or refrain from exercising, any such power at its own absolute discretion.
- 20.4 Any person entitled to or claiming any benefit under the Trust shall produce such evidence and information as may be required by the Trustee or the Company for the purposes of the Trust and payment of benefit under the Trust to any person shall be conditional upon production by that person of any evidence or information that the Trustee or the Company may require.

- 20.5 The Trustee shall be entitled to deduct from any benefit payable any tax or duty for which the Trustee is liable in respect of the benefit concerned.
- 20.6 The Trustee shall not be accountable in respect of or obliged to see to the application of any payment which is otherwise made in accordance with this Deed if it is made:
- 20.6.1 to a minor direct or to his parent or guardian or to the person with whom he resides; or
 - 20.6.2 to any individual or institution who or which is or appears to be responsible for the care of a person to whom the payment may be made under this Deed if the Trustee consider that that person's incapacity does not warrant their making the payment to him direct.

21. GOVERNING LAW

This Deed is governed by, and shall be construed in accordance with, the laws of England.

22. ALTERATION OF GOVERNING LAW

Notwithstanding anything hereinbefore contained the Company may at any time during the Trust Period with the consent in writing of the Trustee declare by deed that the trusts powers and provisions hereof shall from the date of such declaration take effect with such necessary modifications as shall be specified in the said deed in accordance with the law of such other territory as shall be therein specified and as from the date of such declaration the law of such other territory shall be the law applicable hereto and the Courts in such other territory shall be the forum for the administration hereof but subject to the powers conferred by this Clause and until any further declaration is made hereunder PROVIDED THAT the foregoing power shall not be exercisable in any manner which might directly or indirectly cause this Deed under the law applicable thereto to become illegal, void or voidable.

IN WITNESS whereof this Deed has been entered into the day and year first above written.

SCHEDULE 1

Additional Powers of the Trustee

(Clause 9.1)

1. Power, subject to the restrictions on the investment powers of the Trustee contained in Clauses 8.1 and 7, to promote, alone or with others, and to approve, concur or acquiesce in, or agree to carry into effect, alone or with others, any scheme, proposal or offer for or leading to or being a step in:
 - (a) the issue or sale of shares in the Company or any member of the Group to any persons; or
 - (b) the reconstruction or amalgamation with any other company or corporation of any company or corporation in whose securities the Trust Fund or any part thereof shall be for the time being invested; or
 - (c) the alteration of the rights attached to any investments or other Property forming part of the Trust Fund or attached to any Property whatever having rights affecting any such investments or other Property; or
 - (d) the exchange of any investments or other Property forming part of the Trust Fund for any other investments or other Property.
2. Power to enter into an agreement with any body corporate that if such body shall at any time by notice in writing direct the Trustee to transfer to any Beneficiary any number of Shares in respect of which such Beneficiary shall have exercised an option or right granted under a share scheme adopted by such body in consideration of the payment to the Trustee of the price (if any) at which such Shares may be acquired by the exercise of such option or right the Trustee shall (to the extent that such Shares shall be comprised in the Trust Fund) transfer to such Beneficiary such Shares.
3. Power, subject to Clauses 3.3 and 7, to grant options or rights to any one or more of the Beneficiaries to acquire some or all of the assets comprised in the Trust Fund and the Trustee shall be entitled in their absolute discretion to determine the consideration for the grant of such options or rights and the price at which such options or rights shall be exercised.
4. Power, subject to Clauses 3.3 and 7, to apply the Trust Fund or any part of it or the whole or any part of the income of the Trust Fund in paying any stamp duty or stamp duty reserve tax payable in respect of any transfer of or agreement to transfer Shares to a Beneficiary.
5. Power to borrow moneys or otherwise receive credit from any person, corporation or company for any purpose (including, without prejudice to the generality of the foregoing, for the purposes of making investments) on such terms as to the payment of interest (if any) and as to repayment and otherwise as the Trustee shall in its absolute discretion think fit and whether on the security of the Trust Fund, or any part thereof, or on personal security only or without security and the Trustee may provide for

- repayment thereof or payment of costs associated therewith out of the capital or income of the Trust Fund as the Trustee may decide.
6. Power to pay any duties or taxes or other fiscal impositions (together with any related interest or penalties or surcharges) for which the Trustee may become liable on behalf of the Trust in any part of the world notwithstanding that such liability as aforesaid may not be enforceable through the courts of the place where the trusts declared in this Deed are for the time being administered and to have entire discretion as to the time and manner in which such duties, taxes and fiscal impositions shall be paid and no person interested under this Trust shall be entitled to make any claim whatsoever against the Trustee by reason of it making such payment.
 7. Power to arrange for any member of the Group to account to the Inland Revenue or other authority concerned for any amounts deducted from the sums of money paid or credited to the Trustee by any member of the Group; or from or in respect of any amounts paid or Property transferred by the Trustee under Clause 3, 4 or 5 to Beneficiaries in respect of income tax or any other deductions required by law.
 8. Power to delegate to any other person or persons all or any of the administrative management functions and powers (including investment powers) vested in them either by virtue of the terms of this Deed or by virtue of their office as Trustee and to pay such persons for their services PROVIDED THAT the Trustee shall not pursuant to this paragraph (8) be entitled to delegate the exercise of discretionary trusts and powers in relation to the Trust Fund which require or empower the determination of beneficial interests in the Trust.
 9. Power, subject to the restrictions on the investment powers of the Trustee contained in Clauses 8.1 and 7, to effect any transaction not otherwise authorised by this Deed concerning or affecting any part of the Trust Fund if the Trustee thinks the transaction is for the benefit of the Trust Fund or the Beneficiaries as if the Trustee was a sole absolute beneficial owner of the Trust Fund. For the purposes of this paragraph (9) *transaction* includes any option, sale, exchange, assurance, grant, lease, surrender, reconveyance, release, reservation, subordination or other disposition and any assignment, pledge, charge or mortgage or other security provision and any purchase or other acquisition and any covenant, guarantee, contract, licence or right of pre-emption and any compromise, waiver, release, forbearance, partition, insurance or other dealing or arrangement and *effect* has the meaning appropriate to the particular transaction.
 10. Power to act on the advice or opinion of any lawyer, actuary, accountant, investment adviser, broker or other professional person and, instead of acting personally to appoint or employ agents and advisers to transact any business and to do all acts to be done by the Trustee under the trusts of this Deed including (without prejudice to the generality of the foregoing) the day-to-day management of any investments and the payment of any benefits. The Trustee shall determine the remuneration of such agents or advisers but shall not be liable for the default of any such agent or adviser appointed or employed in good faith or for any loss arising from the appointor acting in accordance with the advice of any adviser PROVIDED THAT the Trustee shall not pursuant to this paragraph (10) be entitled to delegate the exercise of discretionary trusts and powers in relation to the Trust Fund which require or empower the determination of beneficial interests in the Trust.

11. Power from time to time to cause any Property forming part of the Trust Fund to be registered in the name or names of any other persons or corporations whatsoever and wheresoever resident or situated on behalf of the Trustee and to pay any expenses in connection with the same out of the capital or income of the Trust Fund as may be appropriate without liability for any loss to the Trust Fund which may be occasioned by the exercise of this power.
12. Power at any time or times to have any assets valued for any purpose in such manner as the Trustee shall in its discretion thinks fit.

SCHEDULE 2

Excluded Persons

1. For the purposes of this Settlement "Excluded Person" means:-
 - (a) any participator of any company which has made a disposition of property at a time when that company was close whereby the property becomes comprised in the Trust Fund if the Trust Fund can be applied:-
 - (i) for persons employed by or holding office with that company or
 - (ii) for persons employed by or holding office with that company or any one or more subsidiaries of that company;
 - (b) any other person who is a participator in any close company that has made a disposition whereby property becomes comprised in the Trust Fund being a disposition which but for Section 13 of the IHTA would have been a transfer of value for the purposes of that Act;
 - (c) any person who has been a participator in any such company as is mentioned in (a) or (b) above at any time after or during the ten years before the disposition made by that company;
 - (d) any person who is connected with any person mentioned within sub-paragraphs (a) (b) or (c) of this paragraph 1.
2. The participators in a company who are referred to in paragraph 1 above do not include any participator who:-
 - (a) is not beneficially entitled to, or to rights entitling him to acquire 5 per cent or more of or of any class of the shares comprised in, its issued share capital; and
 - (b) on a winding-up of the company would not be entitled to 5 per cent or more of its assets.
3. For the purposes of this Schedule the expressions:-
 - (a) "participator";
 - (b) "close company";
 - (c) "ordinary shares"; and
 - (d) "subsidiary"have the meanings given to them by Section 13(5) of the IHTA or such other sections of that Act or such other Acts as may be specified therein.
4. For the purposes of this Schedule the expression "connected with" has the meaning given to it by Section 270 of the IHTA.

SIGNED AND DELIVERED as a deed by
YPCS 49 plc acting by a director and
its secretary or two directors

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Director
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Secretary/Director

SIGNED AND DELIVERED as a deed by
DIGITAL PROJECTION TRUSTEE
LIMITED acting by a director and its
secretary or two directors

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.....
Director for and on behalf of
YPCS 49 PLC
.....
Secretary/Director

"A"

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of

YPCS 49 plc

Registered Number 3280170

(adopted by special resolution on 19 December 1996)

Preliminary

1. In these articles:-
 - 1.1 'the Act' means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.
 - 1.2 'Table A' means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985.
 - 1.3 '3i' means 3i Group plc.
 - 1.4 'PDV' means the group of parallel limited partnership investment funds constituted by the Fund Constituents.
 - 1.5 'Fund Constituents' means together the 'A' Fund, the 'B' Fund, the 'C' Fund and the 'D' Fund as described in the Schedule to these Articles (constituting the fund).
 - 1.6 The expression 'Investor' shall mean each of 3i and PDV, or any nominee of 3i or of PDV but excluding any person nominated by 3i or PDV to subscribe for shares beneficially in his own right other than the PDV Co-Investment Scheme. The expression 'member of an Investor's Group' shall mean an Investor, any subsidiary of that Investor and any holding company of that Investor and any subsidiary of

such holding company and any nominee of any of the foregoing and 'Investor's Group' or 'Group' shall be construed accordingly.

- 1.7 'the Investment Agreement' means the agreement for loans and share subscription entered into or to be entered into between the Company (1) the Managers (as defined therein) (2) 3i plc (3) 3i (4) and PDV (5).
- 1.8 'Investment Fund' means any person, company, trust, limited partnership or fund holding shares for investment purposes.
- 1.9 The expression 'voting rights' shall be construed in accordance with section 736(A) of the Act.
- 1.10 The expression 'Relevant Directors' shall mean the Company's and any subsidiary's directors and former directors where such directors are interested in shares in the Company and their connected persons (as defined by section 839 Income and Corporation Taxes Act 1988) but excluding any Special Director (as hereinafter defined).
- 1.11 The expression "Executive Director" shall mean a director of the Company from time to time who is employed on a full time basis and who devotes the whole of his time and attention to the business of the Company. The expression "Non-executive Director" shall mean a director of the Company from time to time who is not an Executive Director, but excluding Special Directors (as defined in Article 17).
- 1.12 The word 'emoluments' shall include all salary and all items set out in paragraph 1(4) of schedule 6 to the Act.
- 1.13 Where any amount is stated to be Index Linked it shall be increased on 1 January in each year for the following period of 12 months. The first increase shall take place on 1 January 1998. The amount of the increase shall be the percentage increase (if

any) in the retail price index published by the Government for the preceding 12 months except that the first increase shall be made by reference to the period from the first day of the month in which these articles were adopted to 31 December 1997.

- 1.14 The expression "Employee Member" means a person who is or has been a director and/or an employee of the Company or any of its subsidiaries save that Richard Raworth and his permitted successors and assigns shall not be or be treated as an Employee Member in respect of any 'A' ordinary shares or 'A' Preference shares held by him or them from time to time but, for the avoidance of doubt Richard Raworth and his permitted successors and assigns shall be an Employee Member in respect of all ordinary shares held by him or them from time to time.
- 1.15 The expression "Employee Trust" means the Digital Projection employee benefit trust established by a trust deed dated 19 December 1996 and in respect of which the trustee is Digital Projection Trustee Limited, a subsidiary of the Company and whose beneficiaries are the bona fide employees of the Company or any of its subsidiaries.
- 1.16 The expression "Early Leaver" means an Employee Member who ceases to be a director or employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them by reason of resignation where such cessation occurs less than two years after the date of adoption of these Articles.
- 1.17 The expression "Bad Leaver" means an Employee member who ceases to be a director or employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them where cessation occurs for one of the following reasons:-

1.17.1 fraud;

- 1.17.2 gross misconduct conclusively determined by a court or tribunal of competent jurisdiction;
- 1.17.3 having been convicted of an offence under any statutory enactment or regulation relating to insider dealing;
- 1.17.4 having been disqualified from acting as a director of a company under the Company Directors Disqualification Act 1986 in circumstances where a court has made a declaration under section 213 or 214 of the Insolvency Act 1986 (participation in fraudulent trading/wrongful trading);
- 1.17.5 having tendered, and had accepted, his resignation other than for one of the following reasons:-
- (a) death;
 - (b) illness;
 - (c) disablement;
 - (d) retirement at normal retirement age.

where the Termination Date arising from such resignation falls within the period beginning on the date on which these Articles are adopted and ending on the day immediately preceding the second anniversary of the date of adoption of these Articles (both dates inclusive).

- 1.17.6 having tendered and had accepted his resignation other than for one of the reasons specified in paragraphs (a) to (d) inclusive in sub-Article 1.17.5 where the Termination Date arising from such resignation falls within the period beginning on the second and ending on the fourth anniversary of the

date of the adoption of these Articles (both dates inclusive) save where such resignation has been approved or sanctioned or ratified by a resolution of the board of directors or, absent of any such resolution, where such resignation has been approved or sanctioned or ratified by an Investor Majority.

- 1.18 The expression "Good Leaver" means an Employee Member who ceases to be a director or employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them in circumstances where he is neither an Early Leaver nor a Bad Leaver.
- 1.19 The expression "Termination Date" means:
- 1.19.1 where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
 - 1.19.2 where a contract of employment is terminated by the employer and a payment is made in lieu of notice and accepted by the Employee Member, the date on which notice of termination was served;
 - 1.19.3 where the Employee Member concerned is a director but not an employee, the date on which his contract for services with the Company is terminated;
 - 1.19.4 in any case, where the Employee Member leaves and becomes involved in a business competitive with the Company, the date on which the Company becomes aware of such involvement; and
 - 1.19.5 in any other case, the date on which the contract of employment is terminated.

- 1.20 The expression "Relevant Employee Member Shares" shall mean shares held by an Employee Member or his permitted successors or assigns and which are subject to the provisions relating to mandatory transfer on cessation of employment pursuant to Article 8.11.
- 1.21 The expression "Non-relevant Employee Member Shares" shall mean such numbers or ordinary shares or, as the case may be, Enhanced Shares (as defined in Article 3.5) as shall represent the proportion of the Company's equity share capital set opposite the names of the Employee Members who are shareholders at the date of the adoption of these Articles set out below which shares shall not be subject to the provisions relating to the mandatory transfer on cessation of employment pursuant to Article 8.7

PROVIDED THAT the Employee Member is a Good Leaver:-

Brian Critchley	2%
Dermot Quinn	0.33%
Michael Blackburn	0.33%
David Green	0.33%
Richard Raworth	0.5%
Peter Blaxtan	0.16%

- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the articles hereinafter contained shall be the regulations of the Company.
- 2.2 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

Share capital

3. The share capital of the Company is , £390,000 divided into 50,000,000 'A' preference shares of 0.1p each, 1,000,000 'A' ordinary shares of 10p each and 8,000,000 ordinary shares of 3p each.
- A Prior to the Company becoming a company any of whose shares are listed on a recognised investment exchange as defined in Section 207 of the Financial Services Act 1986 or on EASDAQ ("Quoted Company") the rights attaching to the respective classes of shares shall be as follows:-

3.1 Income

The profits of the Company available for distribution shall be applied as follows:-

- 3.1.1 First in paying to the holders of the 'A' preference shares (if any) a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Preference Dividend') of 8 pence per annum on each share accruing from the date of subscription for the 'A' preference shares and payable half yearly on 1 July and 31 December commencing on 1 July 1997.
- 3.1.2 Second in paying to the holders of the 'A' ordinary shares and the ordinary shares as a class in respect of each financial year of the Company a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Participating Dividend') to be calculated as set out below and paid to the holders of the 'A' ordinary shares and ordinary shares in the proportions set out below:-

The aggregate amount of the Participating Dividend for the relevant financial year shall be calculated as follows:-

- (a) if the amount of the Preference Dividend exceeds a sum equal to 20% of the Net Profit (calculated as hereinafter provided), then the Participating Dividend for the relevant financial year shall be £nil; or
- (b) if a sum equal to 20% of the Net Profit exceeds the amount of the Preference Dividend, then the aggregate Participating Dividend for the relevant financial year shall be an amount equal to the difference between the amount of the Preference Dividend and the sum of 20% of Net Profit.

The Participating Dividend (if any) for each financial year due and payable on each "A" ordinary and each ordinary share shall be DA and DM respectively where:

$$DA = P (A + (M/18.55))$$

$$DM = DA/18.55$$

P = the aggregate amount of the Participating Dividend due

A = the number of "A" ordinary shares in issue

M = the number of ordinary shares in issue

and so that the amount of the Participating Dividend payable (if any) to each holder of ordinary shares in respect of the relevant financial year shall be rounded down to the nearest whole penny calculated by reference to the total number of ordinary shares held by such shareholder on the relevant record date.

PROVIDED THAT the Participating Dividend to be paid to the holders of the ordinary shares (if any) shall be paid in respect of all financial years of the Company up to and including the financial year ending 31 December 2001 whereafter the Participating Dividend payable to the holders of the ordinary shares shall be declared but not paid and shall accrue.

The Participating Dividend (if any) shall be paid not later than 4 months after the end of each successive accounting reference period of the Company or not later than 14 days after the audit report on the accounts of the Company for such period is signed by the Company's auditors, whichever is earlier.

For the purpose of calculating the Participating Dividend, the expression 'Net Profit' shall mean the profit on ordinary activities after taxation of the Company and its subsidiaries calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year (to the nearest pound) but adjusted by:-

3.1.2.1 adding back any amortisation of goodwill; and

3.1.2.2 adding back any amount in respect of emoluments payable to Relevant Directors in excess of the amount of the aggregate emoluments of the Relevant Directors approved by the Remuneration Committee of the Board.

3.1.3 In addition, in paying to the holders of the 'A' ordinary shares in respect of each financial year of the Company a cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Compensatory Dividend') on each share of an amount equal to the Excess Remuneration (as hereinafter defined) divided by the number of ordinary shares held by or on behalf of Relevant Directors in issue on the last day of the relevant financial year.

For the purpose of calculating the Compensatory Dividend the expression 'Excess Remuneration' shall mean emoluments in excess of the aggregate of all emoluments payable in respect of the relevant financial year to Relevant Directors as approved by the Remuneration Committee of the Board after

deducting income tax at the basic rate on such excess sum. The Compensatory Dividend (if any) shall be paid on the due date for payment of the Participating Dividend.

- 3.1.4 Subject to the payment of the Preference Dividend, the Participating Dividend and the Compensatory Dividend, the profits which the Company may determine to distribute in respect of any financial year shall be applied with the prior written consent of the holders of 75% of the 'A' ordinary shares and with the prior written consent of the holders of 75% of the ordinary shares in distributing the balance of such profits amongst the holders of the 'A' ordinary shares and the ordinary shares in the same proportions as the 'A' ordinary shares and the ordinary shares respectively, shall be entitled to vote on a poll at general meetings of the Company and so that the amount of such distribution under this sub-Article to each holder of ordinary shares in respect of the relevant financial year shall be rounded down to the nearest whole penny calculated by the total number of ordinary shares held by such shareholder on the relevant record date.
- 3.1.5 Every dividend shall unless otherwise provided accrue on a daily basis.
- 3.1.6 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act (in which case the Preference Dividend and the Compensatory Dividend shall accumulate and the Participating Dividend shall be declared but not paid) the Preference Dividend and the Participating Dividend and the Compensatory Dividend shall (notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend provided that if

due to delays in the preparation of the audited accounts of the Company the Participating Dividend cannot be calculated by the date it is due for payment then, subject always to the provisions of the Act, there shall be paid forthwith an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend payable save to the extent that such interim dividend cannot be justified by reference to the "relevant accounts" of the Company (as defined by sections 270 to 276 of the Act) in which case there shall be paid an interim dividend in respect of the Participating Dividend of the greatest sum which can be justified by reference to such accounts. The next and (if appropriate) any subsequent Participating Dividend shall be adjusted to take account of any overpayment or underpayment in respect of the said interim dividend which becomes apparent when the audited accounts are available.

- 3.1.7 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any redemption moneys due on the 'A' preference shares and the Preference Dividend and the Participating Dividend and the Compensatory Dividend.

3.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- 3.2.1 first in paying to the holders of the 'A' preference shares £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated down to the date of the return of capital;

3.2.2 the balance of such assets shall be distributed between the holders of the 'A' ordinary shares and the holders of the ordinary shares, in the same proportions as the 'A' ordinary shares and ordinary shares respectively shall be entitled to vote on a poll at general meetings of the Company together with a sum equal to any accrual of the Participating Dividend calculated down to the date of the return of capital.

3.3 Redemption

3.3.1 Subject to the provisions of the Act the 'A' preference shares shall be redeemed as to one-third on 31 December 2001 and the balance on 31 December 2002:-

and any shares not redeemed upon the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

3.3.2 Subject to the provisions of the Act the Company may with the prior written consent of the holders of 75% of the 'A' preference shares provided there are no arrears of dividend on the 'A' ordinary shares or 'A' preference shares redeem all or (in instalments of not less than 500,000 shares) some of the 'A' preference shares in advance of the due date for redemption and in the absence of any contrary agreement between such holders and the Company any partial early redemption shall be deemed to relate to the shares falling due for redemption in inverse order of maturity.

3.3.3 Subject to the provisions of the Act all of the 'A' preference shares shall (unless the holders of 75% of the 'A' preference shares give notice in writing to the Company to the contrary) be redeemed immediately upon any of the following dates:-

3.3.3.1 the date upon which any of the equity share capital of the Company is admitted to the Official List of the London Stock Exchange or permission for any of the equity share capital of the Company to be dealt in on any recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) or EASDAQ becomes effective; or

3.3.3.2 the date upon which a successful offer to purchase 90% or more of the issued equity share capital of the Company (or 90% or more of all such capital including any already held by the offeror) is completed.

3.3.4 On the dates fixed for any redemption the Company shall pay to each registered holder of 'A' preference shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of 'A' preference shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings.

3.3.5 The Company shall pay on each of the 'A' preference shares so redeemed the sum of £1 and shall contemporaneously pay any arrears or accruals of the Preference Dividend calculated to the date of redemption and in the absence of any direction to the contrary by the holder of the relevant preference share any moneys paid on redemption of such share shall relate first to the said arrears and accruals of Preference Dividend. The Preference Dividend shall cease to accrue from the date of payment of the redemption moneys.

3.4 Voting

3.4.1 The 'A' ordinary shares shall confer on the holders thereof (in that capacity) the right to attend, speak and vote at all general and other meetings of the Company and on a show of hands every holder of 'A' ordinary shares who (being an individual) is present in person or who (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of 'A' ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every 'A' ordinary share of which he is the holder.

3.4.2 The ordinary shares shall confer on the holders thereof (in that capacity) the right to attend, speak and vote at all general and other meetings of the Company and on a show of hands every holder of ordinary shares who (being an individual) is present in person or who (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of ordinary shares (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have 1/18.55 of a vote for every ordinary share of which he is the holder PROVIDED THAT upon casting a vote on a poll the number of votes cast by a holder of ordinary shares shall be rounded down to the next whole number of votes.

3.5 Without prejudice to the generality of sub-Article 3.7 the voting rights attaching to the ordinary shares when the Company has become a Quoted Company shall be as set out in sub-Article 3.10.

3.6 Quotation Rights attaching to the ordinary shares

Any holder for the time being of ordinary shares ("the Quotation Shareholder") shall be entitled, subject to the satisfaction of the Quotation Conditions set out below, at any time, by notice in writing to the Company accompanied by payment to the Company by cleared funds in the hands of the Company an amount equal to the difference between the amount at which each ordinary share was originally subscribed (including any premium) and the issue price of the Company's "A" ordinary share capital upon the Company becoming a Quoted Company ("the Additional Payment") to vary the rights attaching to each ordinary share held by the Quotation Shareholder ("the Quotation Shares"). The notice so served shall be accompanied by the share certificate representing the ordinary shares in respect of which the Additional Payment is made and the Company shall authenticate the certificate and mark it and the Register of Members to show that those ordinary shares carry varied rights, and return the same to the Quotation Shareholder. At any general or other meeting of the Company the Board shall be entitled to call for sight of the share certificate representing the Quotation Shares and proof of identity of any Quotation Shareholder before he shall be permitted to cast his votes in respect of any resolution thereat.

The Quotation Conditions are as follows:-

- 3.6.1 The Company has become a Quoted Company on or before 31 March 1997;
and
- 3.6.2 A valid notice has been served and the Additional Payment has been received by the Company in respect thereof.
- 3.7 The Quotation Shares shall, as on the date from which the notice is served or deemed to be served on the Company or the date the Quotation Conditions have been satisfied (if later) rank in all respects *pari passu* with the 'A' ordinary shares as if for this purpose only, the Quotation Shares and the 'A' ordinary shares constitute one class in the capital of the Company

- B If the Company has become a Quoted Company on or before 31 March 1997 then at all times after the Company becomes a Quoted Company the rights attaching to the respective classes of shares shall be as follows:-

3.8 Income

The profits of the Company available for distribution shall be applied as follows:-

- 3.8.1 First in paying to the holders of "A" ordinary shares a net cash dividend of an amount equal to 8% per annum of the issue price of the Company's "A" ordinary share capital upon the Company becoming a Quoted Company; and
- 3.8.2 Secondly in distributing the balance of such profits among the holders of the "A" ordinary shares, Quotation Shares and ordinary shares *pari passu* as if the same constituted one class of share capital in the Company.
- 3.8.3 Every dividend shall unless otherwise provided accrue on a daily basis.

3.9 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed as follows:-

- 3.9.1 First in distributing amongst the holders of the "A" ordinary shares and Quotation Shares an amount per share equal to the issue price per share of the Company's "A" ordinary shares upon the Company becoming a Quoted Company; and
- 3.9.2 Secondly in distributing amongst the holders of the ordinary shares 3p per share; and

- 3.9.3 Thirdly, in distributing the balance of such assets amongst the holders of the "A" ordinary shares, Quotation Shares and the ordinary shares *pari passu* as if the same constituted one class of share in the capital of the Company together with a sum equal to any accrual of the Participating Dividend calculated down to the date on which the Company becomes a Quoted Company.

3.10 Voting

- 3.10.1 At any general meeting of the Company on a show of hands every holder of "A" ordinary shares and every holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of "A" ordinary shares and every holder of ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for every "A" ordinary share and every ordinary share (as the case may be) of which he is the holder.
- 3.10.2 Upon the Company becoming a Quoted Company, if immediately following any placing and/or open offer and/or other allotment and issue of shares by the Company in connection therewith, the aggregate of the Quoted Shares and ordinary shares as a whole represent more than one-third of the voting share capital of the Company at that time then, such number of ordinary shares as shall when aggregated with the votes available on the Quotation Shares, exceed one-third of the voting share capital of the Company at that time shall, notwithstanding any provision of these Articles to the contrary, automatically convert and be re-designated as deferred shares carrying no entitlement to participate in the profits of the Company or to vote in general or other meetings of the Company whilst continuing to

carry an entitlement to participate on a return of assets on a liquidation or capital reduction or otherwise, pari passu with the 'A' ordinary shares and ordinary shares, as if the same constituted one class of share capital in the Company, but on the basis that of capital returned on each deferred share shall be of 0.000001p.

- 3.10.3 If and to the extent that any conversion of ordinary shares into deferred shares occurs upon the Company becoming a Quoted Company the conversion shall be effected as regards of all of the ordinary shares then in issue, pro rata (rounded to the nearest whole number) and shall be effected by each ordinary share which is to be converted into a deferred share being converted by such lawful mechanism for conversion of such shares as the Board may direct and for the purposes of this Article the members of the Company shall be deemed to have authorised the Company and the Board to take any action and to execute any document required for re-designating and converting such ordinary shares as aforesaid.

Class Rights

4. Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of 75% of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the 'A' preference shares, the 'A' ordinary shares and, subject to the provisions of Article 4.3, the ordinary shares shall be deemed to be varied other than by Article 4.1.9 and Article 4.2.6:-

- 4.1 by the Company or the Board as appropriate:

- 4.1.1 altering its memorandum or articles of association; or

- 4.1.2 varying in any way (whether directly or indirectly) the rights attached to any of the shares for the time being in the capital of the Company; or
- 4.1.3 applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company; or
- 4.1.4 entering into a contract to purchase any of its shares; or
- 4.1.5 redeeming any of its shares (otherwise than pursuant to these articles); or
- 4.1.6 passing a resolution that it be wound up; or
- 4.1.7 appointing or removing its auditors; or
- 4.1.8 altering its accounting reference date; or
- 4.1.9 (save for the appointment of a finance director and a director to manage Digital Projection Inc.) appointing or removing any director of the Company or any Employee Member as an employee.

4.2 by the Company or any of its subsidiaries:

- 4.2.1 altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital; or
- 4.2.2 granting any option or other right to subscribe for shares save for the grant of options under the Share Option Scheme (as defined in the Investment Agreement); or
- 4.2.3 disposing of its undertaking or any substantial part thereof; or

- 4.2.4 disposing of or acquiring any interest in any share in the capital of any company or
 - 4.2.5 calling a meeting to effect or approve any matter which would by virtue of this article be a variation of the class rights of the 'A' ordinary, ordinary shares and 'A' preference shares; or
 - 4.2.6 calling a meeting to effect or approve the appointment or removal of any Director of the Company or any subsidiary.
- 4.3 Without prejudice to the generality of this Article, the matters referred to in sub-articles 4.1 and 4.2 shall be deemed to be a variation of the special rights attached to the ordinary shares in all circumstances save to the extent that from time to time:-
- 4.3.1 the Preference Dividend has not been paid in accordance with these Articles **PROVIDED THAT** the Preference Dividend for the financial year ending 31 December 1997 shall not be treated for the purpose of this sub-Article only as being in arrear and/or unpaid unless and until the Preference Dividend for the financial year ending 31 December 1998 (together with all arrears and accruals of the Preference Dividend for the financial year ending 31 December 1997) shall not be paid on the due date for payment in accordance with these Articles; or
 - 4.3.2 any "A" preference shares have not been redeemed on the relevant redemption date set out in sub-Article 3.3.1 together with any arrears or accruals of the Preference Dividend calculated down to the date of redemption; or
 - 4.3.3 there exists in relation to the Company or any of its subsidiaries any circumstance which is reasonably likely to result in the Company or any of

its subsidiaries being in material default under any facility for the provision of borrowings to the Company or any of its subsidiaries which, in the context of the Company and its subsidiaries taken as whole, is likely to have a materially detrimental effect on the business of the Company and the subsidiaries; or

- 4.3.4 the financial performance of the business carried on by the Company and its subsidiaries in any financial year as measured by reference to the Company's consolidated audited accounts for that financial year has failed in one or more material respects to achieve the targets set out for the performance of such business in the Annual Business Plan (as defined in the Investment Agreement) for the relevant financial year minus a margin of 25%.

Lien

5. The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

Calls

6. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words 'and all expenses that may have been incurred by the Company by reason of such non-payment.'

Transfer of Shares

7. The directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but (subject to Regulation 24 of Table A [and Article 9.13]) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

Preliminary definitions

- 8.1 For the purposes of these articles:-

- 8.1.1 'Privileged Relation' in relation to a member means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children;
- 8.1.2 'Family Trust' in relation to a settlor means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of:-
- 8.1.2.1 that settlor and/or a Privileged Relation of that settlor; or
- 8.1.2.2 any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other

beneficiaries from time to time except another such charity or charities);

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor;

- 8.1.3 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member.

Permitted transfers to relations and Family Trusts

- 8.2.1 Notwithstanding any other provision in these articles any member may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor

Permitted transfers by Family Trusts

- 8.3 Where any shares are held by trustees upon a Family Trust:-

- 8.3.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;

- 8.3.2 such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

Permitted transfers by Investors

- 8.4 Notwithstanding any other provision in these articles the following transfers may be made without restriction as to price or otherwise and any such transfers shall be registered by the directors:-

8.4.1 any transfer by any member of an Investor's Group to any other member in the same Investor's Group (but if such transferee ceases to be a member of the Investor's Group it shall forthwith transfer the relevant shares to a member of the relevant Investor's Group);

8.4.2 a transfer of any shares in the Company held by an Investor (or a nominee of an Investor) who is:-

- (1) a person whose principal business is to make, manage or advise upon investments (an "Investment Manager"); or
- (2) a fund, partnership, company, syndicate or other entity whose principal purpose is to make investments and whose business is managed by an Investment Manager (an "Investment Fund"); or
- (3) a nominee of an Investment Manager or an Investment Fund

may be made between the Investor (or its nominee) and:-

(A) where the Investor is an Investment Manager or a nominee of an Investment Manager:-

- (i) any participant or partner in or member of any Investment Fund in respect of which the shares are held (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);
- (ii) any Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor;

- (iii) any other Investment Manager who manages the business of the Investment Fund in respect of which the shares are held;

(B) where that Investor is an Investment Fund or a nominee of an Investment Fund:-

- (i) any participant or partner in or member of the Investment Fund which is or whose nominee is the transferor (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);
- (ii) any other Investment Fund whose business is managed by the same Investment Manager as the Investment Fund which is or whose nominee is the transferor;
- (iii) the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor

(or, in any such case, a nominee on behalf thereof).

8.5 Notwithstanding any other provision in these Articles, an Investment Fund, or its trustee, custodian or nominee, may at any time transfer all or any shares held by it:

- (a) to any trustee, nominee or custodian for such fund and vice versa;
- (b) to any unitholder, shareholder, partner, participant, manager or adviser of any such fund;
- (c) to any other Investment Fund; or

- (d) to a trustee, nominee or custodian for, or to a Member of the same Group of, any of the persons referred to in this Article 8.5.

8.6 Any shareholder being an Investment Fund or its Nominee may at any time transfer all or any shares held by it to a "Co-Investment Scheme", being a scheme under which certain officers, employees or partners of such Investment Fund or of its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares which the Investment Fund would otherwise acquire.

8.7 A Co-Investment Scheme which holds shares through a body corporate or another vehicle may at any time transfer all or any shares held by it to:

- (a) another body corporate or another vehicle which holds or is to hold shares of the Co-Investment Scheme; or
- (b) the officers, employees or partners entitled to the shares under the Co-Investment Scheme.

Transfers with shareholder approval

8.9 Notwithstanding any other provisions of these articles a transfer of any shares approved by the holders of 75% of the ordinary shares and the holders of 75% of the 'A' ordinary shares may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors.

Mandatory transfer if trust ceases to be a 'Family Trust'

8.10 If and whenever any shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter

defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred.

For the purposes of this sub-article the expression 'relevant shares' means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

Mandatory transfer on cessation of employment

8.11 If an Employee Member ceases to be a director or employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them, Transfer Notices shall be deemed to have been served on the relevant Termination Date in respect of:

8.11.1 in the case of an Employee Member who is a shareholder at the date of the adoption of these Articles and a Good Leaver, all of the Relevant Employee Member Shares then held by him (but not, for the avoidance of doubt, any Non-relevant Employee Member Shares then held by him); and

8.11.2 in the case of an Employee Member who is a shareholder at the date of adoption of these Articles and a Good Leaver all of the Relevant Employee Member Shares (but not, for the avoidance of doubt, any Non-relevant Employee Member Shares then held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final);

- 8.11.3 in the case of an Employee Member who is a shareholder at the date of the adoption of these Articles and either an Early Leaver or a Bad leaver, all of the Relevant Employee Member Shares and all the Non-relevant Employee Member Shares then held by him;
- 8.11.4 in the case of an Employee Member who is a shareholder at the date of the adoption of these Articles and either an Early Leaver or a Bad Leaver, all of the Relevant Employee Related Shares and all of the Non-relevant Employee Member Shares then held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final);
- 8.11.5 in the case of an Employee Member who was not a shareholder at the date of adoption of these Articles all the shares then held by the Employee Member and all the shares then held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final).

Transfers under this sub-article are in these Articles referred to as Compulsory Employee Transfers.

Pre-emption rights

Transfer notices

- 9.1 Save as otherwise provided in these Articles every member who desires to transfer any shares (hereinafter called 'the Vendor') shall give to the Company notice in writing of such desire (hereinafter called a 'Transfer Notice'). Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Transfer Notices and Deemed Transfer Notices shall constitute the Company the Vendor's agent for the sale of the shares specified therein (hereinafter called 'the Sale Shares') in one or more lots at the discretion of the directors at the Sale Price.

Calculation of the Sale Price

9.2 The Sale Price shall be the price agreed by the Vendor and the directors. For this purpose, the price agreed between the directors and the Vendors shall not constitute the Sale Price for the purposes of this Article unless at least one Special Director shall concur with the price agreed. If no Special Director concurs on the agreement of the Sale Price, or if the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given the Sale Price will instead be the price which the auditor of the Company for the time being ("the Auditor") shall certify to be the fair value thereof. In arriving at his opinion the Auditor will value the shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Auditor as to the Sale Price shall in the absence of manifest error be final and binding. In cases where the Sale Shares carry an entitlement to a Participating Dividend which has been accrued in respect of such shares but not paid to the holder of such shares as the date on which the Sale Price is agreed or determined, the amount of the Sale Price as agreed or determined shall, to the extent that the amount of any accrued Participating Dividend has not already been taken into account in arriving at such value, be increased by the amount of any such accrued Participating Dividend.

Restriction of Sale Price for certain transfers by Employee Members

9.3 In the case of Compulsory Employee Transfers where the Employee Member is not a Good Leaver the Sale Price shall be restricted to a maximum of the original subscription price of the Sale Shares, and where the Employee Member is a Good Leaver the Sale Price shall be fair value as determined pursuant to these Articles.

Right of Vendor to reject partial sales

9.4 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition ('a Total Transfer Condition') that unless all the shares comprised therein are sold by

the Company pursuant to this Article none shall be sold. Any such provision shall be binding on the Company.

Certification of the Sale Price and right of Vendor to cancel

- 9.5 If the Auditor is asked to certify the fair value the certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Vendor cancels it in which case the Vendor shall bear the cost.

Pre-emptive offers-general

- 9.6 Once the Sale Price has been determined then unless the Vendor gives a valid notice of cancellation the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

Preliminary offer to a 'Warehouse'

- 9.7 Unless the Remuneration Committee of the Board of Directors of the Company to be established pursuant to the Investment Agreement agree otherwise any shares being sold by reason of an Employee Compulsory Transfer shall first be offered to the Employee Trust ('the Warehouse'). Any shares not sold to the Warehouse under this sub-article within 21 days of such offer will be offered for sale to the members of the Company as set out below.

First Offer

- 9.8 As soon as Sale Shares become available they shall be forthwith offered for sale by the Company as follows:-

9.8.1 in the cases of 'A' ordinary shares and 'A' preference shares, to all holders of 'A' ordinary shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of 'A' ordinary shares held by such members;

9.8.2 in the case of ordinary shares:-

- (i) if the Vendor is an Executive Director, to all holders of ordinary shares who are Executive Directors (other than the Vendor) pro rata as nearly as may be to the respective numbers of ordinary shares held by such Executive Directors; or
- (ii) if the Vendor is a Non-executive Director, to all the holders of ordinary shares who are Non-executive Directors (other than the Vendor) pro rata as nearly as may be to the respective numbers of ordinary shares held by such Non-executive Directors; or
- (iii) if the Vendor is neither an Executive Director nor a Non-executive Director, to all holders of ordinary shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of ordinary shares held by such members.

Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for twenty one day ('the First Offer Period').

9.9 Second Offer

If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of ordinary shares, 'A' ordinary shares (as the case may be) held or deemed to be held by the relevant members. This further offer will remain open for a further period of twenty one days ('the Second Offer Period').

9.10 Third Offer - ordinary shares only

If at the end of the Second Offer Period there are any Sale Shares which are ordinary shares which have not been allocated the Company will offer such shares as follows:-

- (i) if the Vendor is an Executive Director, to all holders of ordinary shares who are Non-executive Directors pro rata as nearly as may be to the respective numbers of ordinary shares held by such Non-executive Directors; or
- (ii) if the Vendor is a Non-executive Director, to all the holders of ordinary shares who are Executive Directors pro rata as nearly as may be to the respective numbers of ordinary shares held by such Executive Directors.

Any offer made by the Company under this sub-Article will invite the relevant members to state in writing the maximum number of shares offered to them they wish to purchase and will remain open for a further period of twenty one days ("the Third Ordinary Offer Period").

9.11 Fourth Offer - ordinary shares only

If at the end of the Third Ordinary Offer Period there are any Sale Shares which are ordinary shares which have not been allotted the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them under the Third Offer - ordinary shares only.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of ordinary shares held or deemed to be held by the relevant members. This further offer will remain open for a further period of twenty one days ("the Fourth Ordinary Offer Period").

9.12 Penultimate Offer

If at the end of the Second Offer Period or the Fourth Ordinary Offer Period (as the case may be) there are any Sale Shares which have not been allocated the Company will offer such shares as follows:

9.12.1 in the case of 'A' ordinary shares and 'A' preference shares, to all holders of ordinary shares (other than the Vendor if applicable) pro rata as nearly as may be to the respective numbers of ordinary shares held by such members; and

9.12.2 in the case of ordinary shares, to all holders of 'A' ordinary shares (other than the Vendor if applicable) pro rata as nearly as may be to the respective numbers of 'A' ordinary shares held by such members.

The Company shall invite each such member to whom shares have been offered under this sub-article to state in writing within twenty-one days in the case of

ordinary shares and 90 days in the case of "A" Ordinary Shares or "A" Preference Shares from the date of the relevant notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase. This offer will remain open for a period of twenty one days and 90 days respectively ('the Penultimate Offer Period').

9.13 Final Offer

If at the end of the Penultimate Offer Period there are any Sale Shares which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them. Such remaining shares shall be offered pro rata as nearly as may be to the respective numbers of ordinary shares or 'A' ordinary shares (as the case may be) then held by such members which offer shall remain open for a final period of twenty-one days. Thereafter the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

Transfer procedure for pre-emptive offers

- 9.14 If the Company finds a purchaser for all or any of the Sale Shares under the terms of this Article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.

Transfers free of pre-emption

- 9.15 If the Company does not find purchasers for all of the Sale Shares under the terms of this Article the Vendor shall at any time within six months after the final offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price, provided that notwithstanding anything to the contrary contained in these Articles the Directors shall be entitled to refuse to register a transfer of "A" Preference shares or 'A' ordinary shares if the transferee is in their reasonable opinion, a competitor of the Company or any subsidiary of the Company. . If the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not part only.

Effect of non-compliance

- 9.16 Any purported transfer of shares otherwise than in accordance with the foregoing provisions of these articles shall be void and have no effect.

Deed of Adherence

- 9.17 Notwithstanding anything to the contrary contained in these Articles the Directors shall refuse to register any transfer of any shares in the Company unless the transferee enters into a deed of adherence to a supplemental investment agreement in a form reasonably required.

Limitation on transfer of control

- 10.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of 75% of the 'A' ordinary shares and of the ordinary shares (as if the same were one class of shares if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) would be obtained in the Company:-

10.1.1 by a company (other than a company to which the immediately following sub-article applies) or by a person or persons (other than a company) who are not Original Members (as hereinafter defined) unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all the 'A' ordinary shares and the ordinary shares and the Enhanced Shares (if any) at the Specified Price (as hereinafter defined) and (if not redeemed) all the 'A' preference shares at a price per share of at least £1 plus a sum equal to any arrears or accruals of the Preference Dividend grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer; or

10.1.2 by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the July 1993 edition of the City Code on Takeovers and Mergers) with any member of the Company has or as a result of such sale or transfer will have a Controlling Interest.

10.2 For the purpose of this article:-

10.2.1 the expression 'a Controlling Interest' shall mean an interest in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company taking account of restrictions on voting rights contained in the articles of association of that company;

10.2.2 the expression 'Original Members' shall mean persons who were members of the Company on the date of the adoption of these articles and the Privileged Relations of such members;

- 10.2.3 the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment; and
- 10.2.4 the expression 'the Specified Price' shall mean at the option of the holders of 80% of the 'A' ordinary shares and the ordinary shares as if the same were one class of share either:-
- 10.2.4.1 a price per share of £1; or
- 10.2.4.2 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares in the Company plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares provided that if any part of the price per share is payable otherwise than by cash the holders of the 'A' ordinary shares and the ordinary shares and (as the case may be) the Enhanced Shares may at their option elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole;

plus in either case a sum equal to any arrears or accruals of the dividends on such share grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer. In the event of disagreement the calculation of the Specified Price shall be referred to the Auditor whose decision shall be final and binding.

- 10.3 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

Voting

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

Appointment of Directors

- 12.1 Subject to the provisions of article 12.2, the directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. In addition, the holders of shares carrying voting rights representing more than 50% of the voting rights attaching to all shares in the capital of the Company may by notice in writing to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 12.2 The appointment of any director pursuant to article 12.1 may only be made with the previous consent in writing of the holders of 75% of the 'A' ordinary shares.

Proceedings of Directors

13. Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any

meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.

- 14.1 The quorum necessary for the transaction of business at every meeting of the directors shall subject as hereinafter provided be two directors of which one shall be an Executive Director and one shall be a Special Director. A person who holds office only as an alternative director shall, if his appointor is not present, be counted in the quorum. Regulation 89 of Table A shall be amended accordingly.
- 14.2 If a meeting of the directors shall not be quorate within half an hour of the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned for 72 hours from the time appointed for the meeting at the same place and at any such adjourned meeting the quorum necessary for the transaction of business at such meeting shall be two directors.
- 14.3 All or any of the directors or of the members of any committee of the board of directors may participate in a meeting by means of a conference telephone or any communications equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum. Such a meeting shall be 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.
- 14.4 For so long as Brian Critchley remains a director of the Company every committee of the board shall consist of at least Brian Critchley together with such other directors as may be nominated by the board from time to time to constitute any such committee.

- 15.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- 15.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- 15.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- 15.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- 15.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- 15.1.5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this article.
- 15.2 For the purposes of this article:-
- 15.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall

be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

15.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

15.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

Directors' Borrowing Powers

16. Subject as hereinafter provided the directors may exercise all the powers of the Company (whether express or implied):-

16.1 of borrowing or securing the payment of money;

16.2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and

16.3 of mortgaging or charging the property assets and uncalled capital of the Company and (subject to section 80 of the Act) of issuing debentures

but so that:-

16.4 the directors of the Company shall procure that the aggregate amounts for the time being remaining undischarged by virtue of any of the foregoing operations by the Company and all subsidiaries of the Company and by virtue of any like operations

by the Company and all subsidiaries of the Company (including any liability (whether ascertained or contingent) under any guarantee for the time being in force and including amounts due under any hire purchase, credit sale, conditional sale or leasing agreements (other than leases of real or heritable property) which can in accordance with current accounting practice be attributed to capital but excluding inter-company loans, mortgages and charges) shall not without the previous sanctions of the holders of 75% of the 'A' ordinary shares and the holders of 75% of the 'A' preference shares and subject to sub-Article 16.8 the holders of 75% of the ordinary shares exceed a sum which is the greater of £11,000,000 or 3 times the aggregate of the nominal amount of the share capital of the Company for the time being issued and paid up or credited as paid up and the amounts for the time being standing to the credit of the capital and revenue reserves and the share premium account of the Company and all its subsidiaries (excluding any amounts arising from the writing up of the book values of any capital assets any amounts attributable to goodwill and minority interests and any amounts set aside for future taxation) all as shown by the then latest audited consolidated balance sheet of the Company;

- 16.5 no such sanction shall be required to the borrowing of any sum of money intended to be applied in the repayment (with or without premium) of any moneys then already borrowed and outstanding, notwithstanding that the same may result in such limit being exceeded;
- 16.6 no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this article is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed has been or was thereby exceeded;

16.7 except with the previous sanction of the holders of 75% of the 'A' ordinary shares, the holders of 75% of the 'A' preference shares and subject to Article 16.8 the holders of 75% of the ordinary shares no mortgage or charge shall be created on any part of the undertaking property or assets of the Company or any subsidiary of the Company except for the purpose of securing moneys borrowed from any member of an Investor's Group with interest thereon and from bankers with interest thereon and bank charges.

16.8 The consents referred to in sub-articles 16.4 and 16.7 required from the holders of 75% of the ordinary shares shall be required in all circumstances save to the extent that from time to time:-

16.8.1 the Preference Dividend has not been paid in accordance with these Articles **PROVIDED THAT** the Preference Dividend for the financial year ending 31 December 1997 shall not be treated for the purpose of this sub-Article only as being in arrear and/or unpaid unless and until the Preference Dividend for the financial year ending 31 December 1998 (together with all arrears and accruals of the Preference Dividend for the financial year ending 31 December 1997) shall not be paid on the due date for payment in accordance with these Articles; or

16.8.2 any "A" preference shares have not been redeemed on the relevant redemption date set out in sub-Article 3.3.1 together with any arrears or accruals of the Preference Dividend calculated down to the date of redemption; or

16.8.3 there exists in relation to the Company or any of its subsidiaries any circumstance which is reasonably likely to result in the Company or any of its subsidiaries being in material default under any facility for the provision of borrowings to the Company or any of its subsidiaries which, in the context of the Company and its subsidiaries taken as whole is likely to have

a materially detrimental effect on the business of the Company and the subsidiaries; or

- 16.8.4 the financial performance of the business carried on by the Company and its subsidiaries in any financial year as measured by reference to the Company's consolidated audited accounts for that financial year has failed in any one or more material respects to achieve the targets set out for the performance of such business in the Annual Business Plan (as defined in the Investment Agreement) for the relevant financial year minus a margin of 25%.

Special Director

17. Notwithstanding any other provisions of these Articles each Investor shall be entitled to appoint as a director of the Company any person (each such person herein referred to as a 'Special Director') approved by the directors (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. The remuneration and reasonable expenses to be paid to a Special Director shall be payable by the Company and shall be such sum as may be agreed between him and the Company. Upon request by the Investor by whom he is appointed the Company shall also procure that a Special Director be appointed a director to any subsidiary of the Company. For the purposes of these Articles the expression 'an Investor Majority' shall mean the holders of at least three quarters of the total nominal value of the equity share capital of the Company held by Investors (PROVIDED THAT for the purposes of this definition shares held by a member of an Investor's Group shall be deemed to be held by the relevant Investor).

Indemnity

18. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or 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 the proceedings are otherwise disposed of without any finding or admission of any 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.

YPCS 49 plc
SCHEDULE
to the Articles of Association
(Definition of "Fund Constituents")

THE PHILDREW VENTURES FOURTH FUND (LP4907) an English limited partnership acting by its managing general partner Canven (C.I.) Limited whose principal place of business and registered office respectively is at 24 Union Street, St Helier, Jersey JE4 UJ (Channel Islands) (the "A Fund").

THE PHILDREW VENTURES FOURTH FUND B (LP4906) an English limited partnership acting by its managing general partner Canven (C.I.) Limited whose principal place of business and registered office respectively is at 24 Union Street, St Helier, Jersey JE4 UJ (Channel Islands) (the "B Fund").

THE PHILDREW VENTURES FOURTH FUND C (LP4908) an English limited partnership acting by its managing general partner Canven (C.I.) Limited whose principal place of business and registered office respectively is at 24 Union Street, St Helier, Jersey JE4 UJ (Channel Islands) (the "C Fund").

THE PHILDREW VENTURES FOURTH FUND D (LP4978) an English limited partnership acting by its managing general partner Canven (C.I.) Limited whose principal place of business and registered office respectively is at 24 Union Street, St Helier, Jersey JE4 UJ (Channel Islands) (the "D Fund").