



ARTICLES OF ASSOCIATION

- of -

INTERMIND LIMITED

(adopted by Special Resolution of the
Company dated 7th August 1997)

PRELIMINARY

- 1.(a) The Company is a private company. The regulations contained in Table A, save insofar as they are excluded or varied hereby, or are inconsistent herewith, and the regulations hereinafter contained shall constitute the regulations of the Company.
- (b) Regulations 46, 48-52 inclusive, 54, 59, 73-80 inclusive, 83, 91, 94-96 inclusive and 109 of Table A shall not apply to the Company.

INTERPRETATION

2. The words "and in any Articles adopting in whole or in part the same" shall be inserted after the word "regulations" in the first, seventeenth and nineteenth lines of regulation 1 of Table A.
3. In this Article and in the regulations contained in Table A as adopted and modified by these Articles:-
 - (a) Unless the context otherwise requires the following expressions have the following meanings:-

"acting in concert"	- means acting in concert as that term is defined in the City Code on Takeovers and Mergers in its latest edition from time to time but excluding paragraph (6) of such definition;
"Controlling Interest"	- means an interest (within the meaning of Schedule 13 Part I and Section 324 of the Act) in shares conferring in the aggregate more than fifty percent of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue and conferring the right to vote at all general meetings;
"Directors"	- means directors appointed pursuant to Article 20(a) and directors appointed pursuant to Article 20(b);
"Flotation"	- means the effective admission of any part of the equity share capital of the Company to the Official List of the London Stock Exchange or the grant of effective permission by the London Stock Exchange for dealings to take place in the same on the Alternative Investment Market or the commencement of dealings in the same on any

other recognised investment exchange (as defined in Section 207 of the Financial Services Act 1986) (whichever is the earlier);

- "Majority Holder" - means the shareholder who has (together with the interests in Ordinary Shares in the Company of any Permitted Transferee to whom such Ordinary Shares have been transferred or options granted over such shares) a Controlling Interest;
- "Ordinary Shares" - means ordinary shares of 25p each in the capital of the Company;
- "paid up" - means in relation to a share that such share is paid up or credited as paid up
- "Permitted Transferee" - means a person to whom shares may be transferred pursuant to Article 11(B);
- "relevant securities" - has the meaning ascribed to it by Section 80(2) of the Act
- "Sale" - means:
 - (i) the sale to a single purchaser (or to one or more purchasers as part of a single transaction) of Shares constituting a Controlling Interest; or
 - (ii) the acquisition (whether or not as part of a single transaction) of Shares constituting a Controlling Interest by any person or by any group of persons acting in concert and who did not previously hold a Controlling Interest;
- "Share" - means a share in the capital of the Company of whatever class
- "Subscription Agreement" - means the agreement entered into by the Company, the holders of the "A" Ordinary Shares and the holders of the Ordinary Shares at the date of adoption of these Articles;
- "Table A" - means Table A as prescribed by the Companies (Tables A to F) Regulations 1985 (S.I. 1985 No. 805) amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (S.I. 1985 No. 1052)
- "the Act" - means the Companies Act 1985 as may be supplemented and/or amended by the Companies Act 1989 and as may be further supplemented and/or amended
- "Transfer Notice" - means a transfer notice given under any provision of these Articles
- (b) words importing the singular number shall include the plural and vice versa words importing the masculine shall include the feminine and neuter and vice versa and words importing persons shall include bodies corporate, unincorporated associations and partnerships.

- (c) references to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Articles or references to sub-paragraphs of the paragraph in which the reference appears.

- 4. A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the regulations of Table A or these Articles.

SHARE CAPITAL AND RIGHTS

5.(A) Authorised Capital

The authorised share capital of the Company at the date of adoption of these Articles is £3,750 divided into:

- (a) 10,500 Ordinary Shares of 25p each; and
- (b) 4,500 "A" Ordinary Shares of 25p.

(B) Special Rights attached to "A" Ordinary Shares

The special rights attaching to the 'A' Ordinary Shares are as follows:

Class Consents

- (a) Without prejudice to the restrictions contained in these presents as to the modification of the rights attached to classes of shares, the consent or sanction of the holders of the 'A' Ordinary Shares given as specified in sub-paragraph 5(B)(b) below shall be required to each of the following, each of which without such consent shall constitute a variation of the rights attached to the 'A' Ordinary Shares:
 - (i) the creation, allotment or issue of any shares or securities by the Company or any subsidiary or to the grant of any right to require the allotment or issue of any such shares or securities (other than the creation, allotment or issue of any shares or securities on the date of adoption of these Articles);
 - (ii) increasing, reducing, repaying, repurchasing, sub-dividing, consolidating or otherwise varying the share capital of the Company or reducing the amount, if any, standing to the credit of the share premium account or capital redemption reserve fund;
 - (iii) the amending of any provision of the Memorandum or Articles of Association of the Company;
 - (iv) any member's petition or member's resolution to wind up the Company or any subsidiary of the Company;
 - (v) the giving of any guarantee of any obligation by any other person other than in the ordinary course of the Company's business;
 - (vi) the borrowing or lending of any sum or accepting or extending any financial facility or repaying or discharging any sum advanced or liability owed other than in accordance with the borrowing powers set out in Article 24;

- (vii) the making of a material alteration in the nature of the business of the Company or dispose of any assets or activities which are fundamental to the business of the Company;
- (viii) the incorporating of any subsidiary company or acquiring of any shares or other securities in any other body corporate or enter any obligation to do so;

Or to enter into any contract or arrangement to do any of the above.

- (b) The consent required pursuant to sub-paragraph 5(B)(a) shall be consent of the holder or holders of the majority 'A' Ordinary Shares and may be given either in writing by or on behalf of such member or by the 'A' Directors in writing or given and minuted at a duly convened meeting of the Board of Directors of the Company and shall be deemed given with respect to any matter or thing required pursuant to clauses 7 or 12.4, 12.5, 12.6 and 12.7 of the Subscription Agreement.

CLASS RIGHTS

- 6. Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of a majority in number of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or the proceedings thereat shall, mutatis mutandis, apply except that the necessary quorum shall be two persons holding or representing by proxy at least one third in nominal value of the issued shares of the class, but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and that the holders of shares of the class shall on a poll have one vote in respect of every share of the class held by them respectively.

LIEN

- 7. The Company shall have a first and paramount lien on all shares standing registered in the name of any person (whether he is the sole registered holder thereof or one of two or more joint holders) for all moneys payable by him or his estate to the Company.

ALLOTMENT

- 8.(a) Subject to Section 80 of the Act, all unissued Shares at the date of adoption of these Articles shall be at the disposal of the Directors who are authorised to allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that (insofar as the Company in general meeting shall not have varied, renewed or revoked the said authority):
 - (i) the Directors shall not be authorised to allot, grant options over or otherwise dispose of such shares if such allotment, option or disposal would or might result in the aggregate of the Shares in issue exceeding, in nominal value, the amount of the authorised share capital of the Company for the time being, and such limitation shall determine the maximum amount of the relevant securities which at any time remain to be allotted hereunder.

- (ii) the period within which such authority may be exercised shall be limited to five years, commencing on the date of adoption of the Articles.
- (b) The authority conferred upon the Directors to allot relevant securities may at any time by ordinary resolution of the Company in general meeting, be revoked, varied or renewed (whether or not it has been previously renewed hereunder) for a further period not exceeding five years.
- 9. Section 89(1) and sub-sections (1) to (6) of Section 90 of the Act shall not apply to the Company. Unless otherwise determined by special resolution of the Company in general meeting and other than pursuant to Article 22, any relevant securities shall, before they are allotted on any terms to any person, be first offered on the same or more favourable terms to each person who holds Shares in the Company in the proportion which is, as nearly as practicable, equal to the proportion in nominal value held by him of the aggregate of such Shares in issue except that securities allotted pursuant to clause 7.1 of the Subscription Agreement and at the time that these Articles are adopted, shall not be offered first to other Shareholders.

Such offer shall be made by notice in writing specifying the number of Shares offered and the period, being not less than twenty-one days, within which the offer, if not accepted, will be deemed to have been declined. After the expiration of such period, or on receipt of notice of the acceptance or refusal of every offer so made, the Directors may, subject to these Articles, dispose of such securities as have not been taken up in such manner as they think proper. The Directors may, in like manner, dispose of any such securities as aforesaid, which by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in the manner hereinbefore provided.

TRANSFER OF SHARES

- 10.(A) Other than pursuant to Articles 15 and 11(B) any Share may only be transferred to any person with the consent in writing of members of the Company holding in excess of 50% of each of the Ordinary Shares and the "A" Ordinary Shares then in issue without the prior compliance with Article 12. Any such consent may be unconditional or subject to any terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions.
- (B) The Directors may not refuse to register the transfer of a Share where the provisions of Article 10(A), 11(B), 12 or 15 have been complied with and Regulation 24 shall be modified accordingly.
- 11.(A) Notwithstanding any other provisions of these presents, the Directors shall decline to register any transfer of any Share (including the renunciation of any letter of allotment):
 - (i) on which the Company has a lien or which has been transferred contrary to the requirements of these Articles;
 - (ii) which would have the effect of conferring a Controlling Interest to any person or persons acting in concert unless pursuant to a bona fide arms length Sale and where the Intending Sellers (as defined in Article 15) have procured the making of an offer to the Remaining Members (as defined in Article 15) under the terms of Article 15.
- (B) Notwithstanding Article 10(A) subject to the other provisions of these presents, Shares may be transferred without prior compliance with Article 12 in any of the following circumstances:

- (1) the grant of options over or a transfer of Ordinary Shares to any of the Company's bona fide employees, directors, sub-contractors or consultants;
- (2) where made pursuant to a Sale under Article 15;
- (3) Any Member may transfer any shares to any of the following persons:
 - (a) his parents, spouse, son, daughter or siblings;
 - (b) the trustees of a trust "family trust" the only beneficiaries of which are all or any of any present or future spouse or issue of himself ("family beneficiaries") together with any other person or persons included as a beneficiary or beneficiaries but who can benefit only in the event of the death of all family beneficiaries under the trust PROVIDED THAT if all such family beneficiaries should die the trustees of the trust shall either within 6 months of death transfer the Shares held by them to some person to whom the person who transferred the Shares to them would be (or if he were alive would be) entitled to transfer the same under this paragraph or (if not so transferred) shall be obliged to issue a Mandatory Transfer Notice in respect of the same within the terms of Article 12(1);
- (4) The Shares held by the trustees of any family trust may be transferred to the new trustees of that trust upon a change of trustees;
- (5) Any Shares held by the trustees of a family trust may be transferred to a person who is or becomes entitled thereto under the terms of the trust;
- (6) Any member, being a body corporate, may transfer any shares to any other body corporate which is the holding company or subsidiary (each as defined in the Act) of the member or any other subsidiary of the holding company of the member provided that if the transferee ceases to be such a subsidiary then the transferee will transfer such Shares to a company which is a subsidiary and if not so transferred within fourteen days of such cessation the transferee shall be obliged to serve a Mandatory Transfer Notice within the terms of Article 12(1);
- (7) Any holder of "A" Ordinary Shares may transfer any Shares to any other holder of "A" Ordinary Shares

PROVIDED THAT in the case of transferees within paragraphs (3) and (4) above upon the transferee ceasing to be in the same relationship to the transferor as that which caused the transfer to be permitted within this Article the transferee shall within 28 days of notice to do so by the Company either transfer the shares to the original holder or to another person to whom the original holder would be permitted to transfer the shares failing which the transferee shall be obliged to serve a Mandatory Transfer Notice within the terms of Article 12(1)

12. Except as provided in Articles 10 or 11 or 15 no Shares shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted or the holder or holders of all the issued Shares of each class have consented in writing to the transfer.

- (1) Every person who desires or intends to transfer any Share or Shares (other than in the circumstances referred to in Article 11) ("the Intending Transferor") shall give to the Company notice in writing of such intention ("a

Transfer Notice") and if any member is expressly obliged under these Articles to give a Transfer Notice (a "Mandatory Transfer Notice") and fails to do so the Company may at any time issue such a notice on behalf of that member.

(2) Any Transfer Notice shall specify:

- (i) The name of the intended transferee (if any);
- (ii) The number and class of Shares intended or required to be transferred ("the Sale Shares");
- (iii) In the case of a sale, the price payable and the time for payment thereof, any other material terms relevant to the sale (including any warranties and indemnities to be given) and any assistance to be given to the intended transferee for payment of the price and satisfaction of his other obligations in relation to his acquisition of the Sale Shares by the Intending Transferor and his associates.

provided that a Mandatory Transfer Notice served by or on behalf of a Member need only specify the number and class of shares to be transferred.

(3) No Transfer Notice shall relate to more than one class of shares.

(4) Except for a Mandatory Transfer Notice, the Transfer Notice may contain a provision that unless all the Sale Shares and any other securities in the Company held by the Intending Transferee are sold by the Company pursuant to this Article, none shall be so sold and any such provision shall be binding on the Company and the members.

(5) Subject as hereinafter mentioned, service of a Transfer Notice shall be irrevocable and shall irrevocably (subject to paragraph (10) of this Article) constitute the Company the agent of the Intending Transferor for the sale of the Sale Shares in one or more lots at the discretion of the Directors and in the case of a Mandatory Transfer Notice only at a price to be agreed between the Intending Transferor and the Directors, or, in default of agreement, at the price certified by the valuers ("the Valuers") appointed by agreement between the Intending Transferor and the Directors or in the absence of agreement by the President for the time being of the Institute of Chartered Accountants in England and Wales.

(6) If in the case of a Mandatory Transfer Notice the Valuers are required to certify the price of the Sale Shares, the price shall be that sum which the Valuers certify in writing to be in their opinion the fair value as at the date of the Mandatory Transfer Notice of the Sale Shares and for this purpose "fair value" shall be that sum which represents the fair value of the Sale Shares on the basis of a willing seller and a willing buyer. In so certifying, the Valuers shall act as experts and not arbitrators and their decision shall be final and binding upon the parties.

(7) Upon the price being agreed, certified or notified as provided above the Company shall forthwith by notice in writing inform each member (other than the Intending Transferor) of the number and price of the Sale Shares together with the identity of any person not being a member with whom the Directors propose to place any of the Sale Shares and invite each such member to apply in writing to the Company within twenty-eight days of the date of despatch

of the Company's notice (which date shall be specified therein) for such maximum number of Sale Shares (being all or any of them) as he shall state in such application. Any application made by any member not entitled to receive such invitation shall be disregarded.

- (8) At the expiry of the said period of twenty-eight days the Company by written notice to each of the Members that returns an application pursuant to paragraph (7) of this Article and the Intending Transferor ("the Allocation Notice") shall allocate the Sale Shares (or so many of them as shall be applied for as aforesaid) to applicants in accordance with their applications and in the case of competition for the Sale Shares to the applicants in the same proportion that the number of Shares held by them bears to the aggregate number of Shares then in issue (other than the Sale Shares).

PROVIDED THAT no applicant shall be obliged to take more than the maximum number of Shares specified by him as aforesaid.

If and to the extent that the Directors do not receive applications from members in respect, in aggregate of all the Sale Shares the Directors may within a period of 3 months allocate any such shares not so subscribed for to such bona fide person or persons as they see fit.

- (9) (i) Subject to paragraph (4) of this Article the Intending Transferor shall be bound to transfer the Sale Shares comprised in an Allocation Notice to the purchasers named therein against payment of the price at the time and place therein reasonably specified (or if none be so specified then fifty-six days from the date of the allocation notice, at the Office);
- (ii) if he shall fail to do so, each of the Directors severally shall be deemed to have been appointed attorney of the Intending Transferor with full power to execute, complete and deliver, in the name and on behalf of the Intending Transferor, transfers of the Sale Shares to the purchasers thereof against payment of the price to the Company. On payment of the price to the Company the purchaser shall be deemed to have obtained a good receipt for such payment and on execution and delivery of the transfer the purchaser shall be entitled to insist upon his name being entered in the Register of Members as the holder by transfer of the Shares so transferred to him. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price in trust for the Intending Transferor and give notice to the Intending Transferor of such payment.
- (10) During the three months following the expiry of the said period of twenty-eight days referred to in paragraph (8) of this Article the Intending Transferor may transfer any Sale Share not allocated in an Allocation Notice to the person or persons named in that behalf in the Transfer Notice upon the terms therein specified (but not otherwise save in accordance with the provisions of this Article). Provided that:
- (a) the Directors shall previously have approved of such person (such approval not to be withheld or delayed without reasonable cause); and
- (b) if the Intending Transferor stipulated in his Transfer Notice that unless all the Sale Shares comprised therein were sold pursuant to this Article, none should be so sold, the Intending Transferor shall not

be entitled to transfer only some of the shares comprised in his Transfer Notice.

13. No Share or interest within the terms of Schedule 13 of the Act in any Share shall be held by any member on behalf of any other person other than member unless a transfer of such Share or interest in such Share to such person would be permitted under Articles 10 to 12. If the foregoing provision shall be infringed, the holder of such Share shall be bound to give a Mandatory Transfer Notice in respect thereof.

MANDATORY TRANSFERS

- 14.1 If any member dies then his personal representatives shall within 60 days of notice served by the Company (not being served soon than the grant of probate or the issue of letters of administration (as the case may be)) transfer the shares of that member to a person to whom that member was permitted to transfer shares under Article 11(B) failing which the personal representatives shall be subject to a Mandatory Transfer Notice and the provisions of Article 12 shall have effect accordingly. Regulations 29, 30 and 31 of Table A shall be modified accordingly.
- 14.2.1 If any person who is an employee, sub-contractor director (other than an "A" Director") or consultant of the Company ("Executive") ceases to be an Executive he shall be required within a period of 30 days of such cessation to transfer to the Majority Holder or such other person as the Majority Holder may stipulate all Shares legally and beneficially owned by him and his family for a price per share (where relevant) set out in that Executive's service contract or contract for services with the Company or otherwise agreed between the Majority Holder and the Executive PROVIDED THAT if a price per Share cannot be agreed upon within the above period of 30 days then the price shall be certified by the Valuers in accordance with Article 12(6)
- 14.2.2 On the price being agreed or certified as provided in article 14.2.1 above the sale and purchase of Shares under the provisions of this article 14.2 shall be completed at the company's registered office or such other place as the Executive and the Majority Holder may agree at 12 noon on the date
- (a) agreed between the Executive and the Majority Holder (failing which the date 30 days from such cessation) or
 - (b) 14 days after the date on which the price per Share has been finally certified in accordance with Article 12(6) above provided that if such day is not a business day, then completion shall take place at 12 noon on the first business day after such day
- 14.2.3 On Completion the Executive shall deliver to the purchaser a duly executed stock transfer transferring to the purchaser (or as it may direct) the Shares to be sold together with the relative certificate(s) therefor and all such Shares shall be sold free from any right of pre-emption, option, lien, charge, equity or other encumbrances and together with all rights attaching thereto (including dividends declared but not paid) at the date on which the sale is to take place and do such other things and execute such other documents as shall be necessary or as the purchaser may reasonably request to give effect to the sale of Shares
- 14.2.4 If the Executive makes default in transferring any of its shares, then the provisions of Article 12(9)(ii) shall apply (with any necessary changes being made and save that the consideration for the shares shall be held on behalf of the Executive who defaulted in transferring the shares).

SALE OF ENTIRE ISSUED SHARE CAPITAL

- 15.1 The holder or holders of Shares representing at the relevant time in excess of one half by number of all the Shares (as may be enlarged by any shares which may fall to be issued under an option granted by the Company which is exercisable or would become exercisable upon a Sale on the terms contained in the Sale Notice) in the capital of the Company ("the Intending Sellers") may at any time give notice ("a Sale Notice") to all the other members of the Company ("the Remaining Members") setting out the principal terms of such Sale stating that the Intending Sellers intend to sell all their Shares pursuant to a Sale complying with the next following sub-clause of this Article.
- 15.2 This Article shall have effect only if the Sale the subject of the Sale Notice is a bona fide arm's length sale to one or more persons who are not connected with the Intending Sellers or any of them within the meaning of Section 286 Taxation of Chargeable Gains Act 1992.
- 15.3 If a Sale Notice is served pursuant to sub-clause 15.1 of this Article and the Sale is bona fide within the meaning of sub-clause 15.2 of this Article then each of the Remaining Members shall sell all their Shares in the capital of the Company to the buyer specified in the Sale Notice at the same price per share and otherwise upon the same terms as are applicable to the Sale specified in the Sale Notice at the time specified for completion of the Sale in the Sale Notice.
- 15.4 Upon the date specified for completion of the Sale in the Sale Notice:
- (i) each of the Remaining Members shall deliver to the buyer:
 - (a) a transfer of his Shares (which shall include shares issued or to be issued under Options which have become exercisable) duly executed by him in favour of the buyer or as it may direct;
 - (b) a certificate for the Shares sold by him;
 - (c) such other evidence of his title to the shares as may reasonably be required to establish such title;
 - (d) such other deeds, documents and things as may be required to be given or executed by him pursuant to the terms of the Sale;
 - (ii) The buyer shall pay to each Remaining Member the Sale Price for the shares sold by him which is due for payment upon completion and shall give due assurance for payment of any part of the consideration which is deferred and shall execute such documents as are required to be executed by the buyer in favour of the Seller.
- 15.5 In the event of default by any of the Remaining Members in performing their obligations under this Article, the Intending Sellers shall be deemed to have been appointed attorney of the Remaining Member with full power to execute, complete and deliver in the name and on behalf of the Remaining Member transfers of the Shares to the Buyer against payment of the price to the Intending Seller and to execute such other documents and do such other things as the Remaining Member may be required to do under the preceding provisions of this Article.

GENERAL MEETINGS

16. A majority in number of the members present in person or by proxy shall be a quorum Provided that the aggregate number of Shares held by such members is a majority of the Shares then in issue. Regulation 40 of Table A shall be modified accordingly.

17. The Chairman of a general meeting shall not be entitled to a second or casting vote.
- 18.(a) Subject to the provisions of this paragraph and to any other special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative not being himself a member entitled to vote, shall have one vote for every Share of which he is the holder.
- (b) Regulations 47, 56, 62 and 63 of Table A shall be modified accordingly.

DIRECTORS

19. Unless otherwise determined by special resolution, the number of Directors shall not be subject to any maximum but shall be not less than two in number.
- 20.(a) The holders of the 'A' Ordinary Shares shall be entitled at any time and from time to time to appoint any two persons as directors of the Company ("the 'A' Directors") and shall be entitled to determine the period for which such person or persons is to hold office and to remove from office any person or persons so appointed
- (b) The holders of a majority of the Ordinary Shares from time to time shall be entitled at any time and from time to time to appoint any number of persons as directors of the Company and shall be entitled to determine the period for which such person or persons is to hold office and to remove from office any person or persons so appointed.
- (c) On any resolution for the appointment or removal of any person or persons as a director pursuant to paragraphs (a) and (b) above (as the case may be), each share held by the person or persons entitled to appoint such director shall carry one thousand votes and no other shares shall carry any vote. Every appointment, determination or removal made pursuant to those paragraphs shall be made by notice in writing, signed by or on behalf of the person or persons entitled to make the same and shall be deposited at the office or delivered to a meeting of the Board.
- (d) The Company may by ordinary resolution appoint any person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
- (e) The Company may by ordinary resolution the notice of which expressly specifies such resolution, remove any Director.
- (f) The Directors may appoint any person who is willing to act to be a Director either to fill a vacancy or as an additional Director. A Director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
- (g) Subject as aforesaid, a Director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints another person in his place or, if he does not do so, until the end of the meeting.
- (h) The Directors shall not be subject to retirement by rotation and all references in Table A to retirement by rotation shall be disregarded.
- (i) No director shall be appointed otherwise than as provided in these Articles.

- (j) A quorum throughout any meeting of the Board of Directors shall consist of two Directors including (unless the "A" Director(s) otherwise consent) an "A" Director whether present in person or participating by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other.
- (k) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the director or directors present shall be a quorum. The first sentence of Regulation 89 of Table A shall not apply
- (l) (i) (Save as aforesaid) unless all the Directors or the holders of the majority of the Ordinary Shares and a majority of the "A" Ordinary Shares otherwise consent no resolution of the Directors shall be valid unless passed at a meeting of the Board of Directors convened at least 4 days after the service of notice (or the deemed service of notice pursuant to Article (h)(ii) below) of the same within the United Kingdom, such notice to be served either orally or in writing (and any written notice may be served by posting, physical delivery or by telex or facsimile transmission of the notice), upon all Directors. A Director including an alternate director, who has notified the Company that he is or will be absent from the United Kingdom and who has notified the Company of a telex or facsimile number by which he may be contacted shall be served with notices either by telex or by facsimile transmission or otherwise he shall not be entitled to receive any such notice. A written agenda for any meeting convened must (save as aforesaid) be served on each Director at the time of and in like manner to service of the notice of the meeting. Any Director entitled to receive notice may waive the requirement to receive any or all the said period of notice and/or to be served with a written agenda. Regulations 66 and 88 of Table A shall be modified accordingly.
- (ii) Any notice or agenda handed personally to a Director is deemed to have been served on the day it is handed to him and if given by facsimile transmission is deemed served on the first business day following successful transmission. Any notice or agenda posted to any Director is deemed served on the third day after the day of posting thereof. Any oral communication is deemed to have been given on the day such oral communication is made.
- (m) A Director may vote in respect of any contract or arrangement notwithstanding that he may be interested therein (subject to that Director first disclosing the nature and extent of any such interest) and if he does so he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.
- (n) The chairman of the Company shall not have or be entitled to exercise a second or casting vote. Regulation 88 of Table A shall be modified accordingly.
- (o) Subject to the prior approval of all of the Directors, a Director may (in addition to those expenses that are incurred in connection with his attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company for which no prior approval shall be required) be paid all travelling hotel and other expenses properly incurred by him in connection with the business of the Company.

21. Without prejudice to the provisions of regulation 70 of Table A the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees of the company.

CAPITALISATION OF PROFITS AND RESERVES

22. The Company, upon the recommendation of the directors, may from time to time by Ordinary Resolution resolve that it is desirable to capitalise or agree (either conditionally or unconditionally) to capitalise any present or future sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account and Capital Redemption Reserve) or any present or future sum standing to the credit of profit and loss account or otherwise available for distribution and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised (unless directed and authorised by a prior special resolution to appropriate the sum to the Members or a Member in some other proportions) to the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions and to apply such sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid (or as otherwise directed and authorised by special resolution) or partly in one way and partly in the other Provided That the Share Premium Account and Capital Redemption Reserve may be applied hereunder only in the paying up of unissued shares to be issued to Members as fully paid and such capitalisation, appropriation, application, allotment and distribution be approved notwithstanding that it is not in favour of all members who would have been entitled to the sum so capitalised, appropriated and applied if it were distributed by way of dividend.
23. Where the Directors are pursuant to Article 22 directed and authorised by special resolution to appropriate any sum in some other proportion than that provided in Article 20 then such direction and authority may only be revoked with the consent of the Members or Member in whose favour such direction and authority has been made whose shares shall for such purposes constitute a separate class of shares whose consent constitutes a class right.

BORROWING POWERS

- 24.1 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards its subsidiary undertakings only in so far as by the exercise of such rights or powers of control the Directors can secure) that the aggregate of the amounts at any time remaining undischarged of borrowings by the Group (which expression in this Article means and includes the Company and its subsidiaries at the relevant time) and then owing to persons outside the Group less the Cash Deposits of the Group shall not without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to the greater of £250,000 or 30% of the Adjusted Capital and Reserves.
- 24.2 For the purposes of this Article:
- 24.2.1 The expression "borrowings" shall be deemed to include without limitation the following except in so far as otherwise taken into account:

- (a) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing; and
- (b) any amounts payable under the terms of any finance leases or hire purchase agreements

24.2.2 The expression "the Adjusted Capital and Reserves" means at any material time the amount paid up or credited as paid up on the issued or the allotted share capital of the Company plus the aggregate of the amounts standing to the credit of the capital and revenue reserves including without limitation share premium account and capital redemption reserve of the Company and its subsidiary undertakings and plus or minus the amount standing to the credit or debit (as the case may be) of the profit and loss accounts of the Company and its subsidiary undertakings, all as shown in the then latest audited consolidated balance sheet of the Company and its subsidiary undertakings but:

- (a) adjusted as may be appropriate to take account of:
 - (i) any increase in or reduction of the paid up share capital and any variation in such capital and revenue reserves (other than profit and loss account) since the date of the relevant audited balance sheets and any distributions (other than dividends provided for in such balance sheets or paid out of profits earned since the date thereof) in cash or specie made from such capital or revenue reserves or profit and loss account since such date; and
 - (ii) any subsidiary undertaking whose accounts are required under the Statutes to be consolidated with those of the Company which since the date of the latest audited consolidated accounts of the Company and its subsidiary undertakings has ceased to be or has become such an undertaking and any changes in the interests of the Company in such an undertaking and any undertaking which will become or will cease to be such an undertaking as a result of the transaction in relation to which the calculation falls to be made;
- (b) excluding any sums set aside for taxation (including deferred taxation);
- (c) reinstating any amounts which have been written off and are attributable to goodwill or other intangible assets which represent the excess of the cost of acquiring any share in the capital of any subsidiary undertaking, related company or trade investment over the book value of the assets attributable to the shares acquired or the excess of the cost of acquiring the whole or part of any undertaking over the book value of the tangible assets of the undertaking or part acquired;
- (d) deducting any amounts distributed or proposed to be distributed but not provided in such latest consolidated balance sheet;
- (e) after making such other adjustments (if any) as the Auditors may consider appropriate.

- 24.3 A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article. However for the purposes of this Article the Directors may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves and if, as a consequence, the limit on borrowings is inadvertently exceeded an amount equal to the excess may be disregarded until the expiry of one hundred and eighty days following the date which the Directors have become aware that the limit on borrowings is or may have been exceeded.
- 24.4 No person dealing with the Company or any of its subsidiary undertakings shall by reason of the foregoing provision be concerned to see or enquire whether this limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had (at the time when the debt was incurred or the security given) express notice that the limit hereby imposed had been or would thereby be exceeded.

GENERAL

25. Where the approval, agreement or consent of any member or Director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or Director may reasonably require and any breach of such terms and conditions shall, ipso facto, be deemed to be a breach of these Articles.