

Company No. 3385330

PRIVATE INVESTOR CAPITAL LIMITED

WRITTEN MEMBER'S RESOLUTION

PURSUANT TO the Articles of Association of the Company and Regulation 53 of Table A (as defined therein), we, the undersigned, being the sole member of the Company entitled to attend and vote at general meetings of the Company **HEREBY AGREE AND CONFIRM** that the following resolutions shall for all purposes be as valid and effectual as if they had been passed as special resolutions in the case of resolutions numbered 1, 3 and 5 and as ordinary resolutions in the case of resolutions numbered 2 and 4 at a general meeting of the Company duly convened and held and accordingly **WE HEREBY RESOLVE:-**

**THAT:-**

1. the existing authorised and unissued and authorised and issued Ordinary Shares of £1 each in the capital of the Company be and are hereby sub-divided into Ordinary Shares of £0.01 each.
2. the authorised share capital of the Company be and is hereby increased from £1000 to £46,000 by the creation of 45,000 Cumulative Redeemable Convertible Preference Shares of £1 having the rights set out in the new Articles of Association referred to in paragraph 3 below.
3. the new Articles of Association of the Company (a print of which was produced to the Meeting and initialled by the Chairman for identification purposes) be and are hereby adopted to the exclusion of and in substitution for the existing Articles of Association of the Company.
4. the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to allot:
  - 4.1 up to 400 Ordinary Shares of £0.01 each in accordance with the terms of the Subscription and Shareholders Agreement of even date herewith between (1) the Company (2) Fosbury Investments Limited (3) Michael Stoddart (4) Simon Oliver and (5) Peter Cawdron ("the Subscription Agreement");

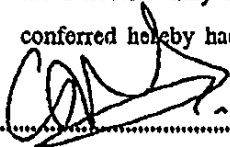


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4.2 up to 45,000 Cumulative Redeemable Convertible Preference Shares of £1 each in accordance with the terms of the Subscription Agreement

Provided that this authority shall expire on 31 December 1997 and that the Directors be entitled under the authority conferred by Section 80(7) of the Act and of this Resolution to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority; and

5. that all previous authorisations given by the Company in General Meeting or otherwise pursuant to Section 80 of the Act or under the corresponding provisions of any former Act be and are hereby revoked and the Directors be and are hereby empowered pursuant to Section 95 of the Act to allot the shares referred to in paragraph 4 above pursuant to the authority conferred by paragraph 4 above as if Section 89(1) of the Act did not apply to such allotment provided that such power shall expire on 31 December 1997 save that the Directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.



.....  
For and on behalf of

FOSBURY INVESTMENTS LIMITED

Dated: 23<sup>rd</sup> December 1997

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DATED 23RD DECEMBER 1997

PRIVATE INVESTOR CAPITAL LIMITED

NEW  
ARTICLES OF ASSOCIATION

DIBB LUPTON ALSOP

125 London Wall  
London EC2Y 5AE

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Company No. 3385330

COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

NEW  
ARTICLES OF ASSOCIATION

OF

PRIVATE INVESTOR CAPITAL  
LIMITED

(adopted by a Special Resolution of the Company  
passed on 23rd December 1997)

1 PRELIMINARY

The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as they are excluded or varied by or are otherwise inconsistent with these Articles. Regulations 8, 30, 50, 62, 64, 65, 73 to 81 (inclusive) and 89 of Table A shall not apply to the Company and in addition to the remaining regulations of Table A (as varied hereby) the following Articles constitute the regulations for the management of the Company.

2 DEFINITIONS AND INTERPRETATION

2.1 In these Articles the following words and expressions shall (except where the context otherwise requires) have the following meanings:-

the Act

the Companies Act 1985 (as amended by the

Companies Act 1989) and every other statutory modification or re-enactment thereof from time to time in force

Accounts	the audited accounts of the Company
Asset Sale	the completion of any transaction whereby any person purchases the whole or substantially the whole of the business and assets of the Company
Auditors	the auditors for the time being of the Company
Board	the board of directors for the time being of the Company
Control	the meaning ascribed thereto by Section 840 Income and Corporation Taxes Act 1988
Directors	the directors for the time being of the Company
Equity Shares	the Ordinary Shares and any shares derived therefrom whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise for the time being in issue
FSA	Financial Services Act 1986 and every statutory modification or re-enactment thereof for the time being in force
Listing	the admission of all or any of the Equity Shares to the Official List of the Stock Exchange or other investment exchange

including but without limitation to the  
generality of the foregoing the Alternative  
Investment Market, NASDAQ, EASDAQ or  
OFEX or the grant of permission by the Stock  
Exchange to deal in the same on any  
recognised investment exchange (as that term  
is defined in the ISA)

Ordinary Share	an ordinary share of £0.01 in the capital of the Company
Preference Share	a cumulative redeemable convertible preference share of £1 in the capital of the Company
Preference Shareholders	a registered holder of any Preference Shares
Realisation	an Asset Sale or a Share Sale or a Listing whichever shall first occur
Sale Notice	as defined in Article 11.1
Shareholder	any registered holder of any Ordinary Shares
Shares	shares in the capital of the Company
Share Sale	the completion of any transaction whereby any person purchases not less than 90 per cent. in nominal value of the Equity Shares
the Stock Exchange	the London Stock Exchange Limited
Subscription and Shareholders' Agreement	the subscription and shareholders' agreement entered into on the date of the adoption of these Articles and made between the Company



and the Shareholders

- 2.2 Words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa.
- 2.3 Clause headings and margin notes are for ease of reference only and do not affect the construction or interpretation of these Articles.
- 2.4 References to persons shall include bodies corporate unincorporated associations and partnerships.
- 2.5 References to writing shall include typewriting printing lithography photography and facsimile messages and other modes of reproducing words in a legible and non-transitory form.
- 2.6 Words and expressions defined in or for the purposes of the Act or Table A shall have the same meanings in these Articles unless the context otherwise requires.

### 3 SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £46,000 divided into 100,000 Ordinary Shares and 45,000 Preference Shares.

### 4 SHARE RIGHTS

The rights and restrictions attaching to the Preference Shares and the Ordinary Shares shall be as follows:-

## 4.1 As regards income

4.1.1 The Preference Shares shall confer on the holders thereof the right to receive in priority to the holders of any other class of share in the capital of the Company and accordingly the Company shall pay a fixed cumulative preferential dividend ("Preference Dividend") at the rate of 12.5 per cent per annum on the capital from time to time paid up or credited as paid up thereon (inclusive of any associated tax credit).

4.1.2 The Preference Dividend shall accrue on a daily basis and shall be paid by two equal instalments on 31 March and 30 September in each year in respect of the 6 months periods ending on those dates provided that the first such payment shall be made on 31 March 1998 and shall be calculated in respect of the period from the date of adoption of these Articles to 31 March 1998.

4.1.3 After payment of the Preference Dividend payable in respect of each financial year of the Company together with all arrears and accruals thereof and subject to all the Preference Shares having been redeemed in accordance with Article 4.3 the Company shall pay to the Ordinary Shareholders out of the balance of any profits available for distribution a non cumulative dividend ("Ordinary Dividend") of such amount as the Company shall determine (but not exceeding the amount recommended by the Directors) on the capital from time to time paid up or credited as paid up on each Ordinary Share.

The Ordinary Dividend (if any) shall be paid within 30 days of the Annual General Meeting at which the ~~Accounts~~ for the relevant financial year are presented to the Company in General Meeting.

4.1.4 Any arrears of the Preference Dividend shall be carried forward until payment in full thereof has been made and any amount which the Company shall distribute by way of dividend to the Preference

Shareholders in respect of any financial year shall be applied first in reducing or extinguishing any arrears of the Preference Dividend (which arrears shall rank for payment in the order of priority applicable to such dividends in accordance with these Articles) in priority to the payment of any Preference Dividend or arrears thereof accruing subsequently.

4.1.5 It shall not be necessary for the Company to declare any dividend which in accordance with these Articles is payable on the Preference Shares and such dividends shall constitute a debt due from the Company to the Preference Shareholders on the due date or dates for payment without any requirement for a recommendation or declaration by the Company or the Directors and whether or not such dividends shall be in law capable of being paid by the Company and Regulation 102 of Table A shall be read and construed accordingly.

4.1.6 Any amount of the Preference Dividend or the Ordinary Dividend payable under these Articles shall belong to and be paid to the holders of the Preference Shares or the Ordinary Shares as the case may be pro rata according to their holdings of such Shares.

4.2 As regards capital

4.2.1 On a return of assets whether in a winding-up or reduction of capital or otherwise (except in the case of the redemption of shares of any class or the purchase by the Company of its own shares) the assets and retained profits of the Company available for distribution among the members shall be applied as follows:-

4.2.1.1 first in paying to the holders of the Preference Shares the amounts paid up or credited as paid up thereon together with all accruals and arrears of the Preference Dividend (whether earned or declared or not) calculated up to and

including the date on which the return of capital is made.  
The Preference Shareholders shall have no further right to participate in the profits or assets of the Company; and

4.2.1.2 thereafter in distributing the balance of such assets and retained profits amongst the Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the Ordinary Shares held by them.

4.3 As regards redemption of the Preference Shares

4.3.1 The Company shall upon notice from any Preference Shareholder which may be given at any time after the third anniversary of the date of the adoption of these Articles ("the Redemption Notice") redeem for cash at a redemption price of £1 per share such number of Preference Shares as is specified in the Redemption Notice and are registered in the name of the Preference Shareholder serving the Redemption Notice. For purposes of this Article the date of receipt by the Company of the Redemption Notice shall be the Redemption Date.

4.3.2 On the Redemption Date the redemption price referred to in Article 4.3.1 together with all arrears and accruals of the Preference Dividend (whether earned or declared or not) calculated up to and including the Redemption Date ("the Redemption Monies") shall become a debt due and payable by the Company to the Preference Shareholders from whom a Redemption Notice has been received and on the Redemption Date the Company shall subject to receipt of the relevant share certificate or an indemnity in lieu thereof in a form reasonably satisfactory to the Company pay the Redemption Monies to the relevant Preference Shareholders.

4.3.3 On the Redemption Date each of the Preference Shareholders whose shares are to be redeemed shall deliver to the Company the share

certificate for such shares and the Company shall cancel the same. If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant Redemption Date the Company shall without charge issue a certificate for the balance of any unredeemed Preference Shares to the holder or holders thereof.

4.3.4 As from the Redemption Date the Preference Dividend shall cease to accrue in respect of any shares due to be redeemed on that date.

4.3.5 A redemption of some but not all of the Preference Shares shall be made amongst the holder or holders thereof who have issued Redemption Notice(s) pro rata as nearly as possible to their then holdings of Preference Shares.

4.3.6 All of the Preference Shares not previously redeemed shall subject as hereinafter provided be redeemed on the tenth anniversary of the date of the adoption of these Articles or on a Realisation whichever shall occur first and the provisions of Articles 4.3.2 to 4.3.4 shall have effect mutatis mutandis to such redemption save that the Redemption Date shall in the case of Realisation be the date of the Share Sale, Asset Sale or Listing (as appropriate) Provided always that in the case of a Share Sale the Company shall not be obliged to redeem the Preference Shares hereunder if at the time of such Share Sale an offer shall have been accepted by the holders of all the Preference Shares then in issue to purchase all of their Preference Shares at a price per share not less than the Redemption Monies which would otherwise have been payable on redemption at such time.

4.4 As regards voting

4.4.1 The Preference Share holders shall not be entitled to receive notice of or to attend or vote at any general meeting of the Company by

virtue or in respect of their holdings of Preference Shares.

4.4.2 Save as otherwise provided in these Articles Regulation 54 of Table 'A' shall apply to the voting rights of the members of the Company.

4.5 As regards conversion of the Preference Shares

4.5.1 If any Preference Shares specified in a Redemption Notice are not redeemed by the Company within two months of the Redemption Date other than by reason of any default by the relevant Preference Shareholder such number of Preference Shares not so redeemed shall be converted into Ordinary Shares on the basis of one Ordinary Share for each Preference Share so converted.

4.5.2 The Ordinary Shares resulting from conversion shall as from the date of conversion rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company but conversion shall be without prejudice to the right of the Preference Shareholders to receive all arrears and accruals of the dividends payable on the Preference Shares (whether earned or declared or not) calculated up to and including the date of conversion.

4.6 As regards consents of the Preference Shareholders

So long as any Preference Shares remain outstanding the Company shall not without the consent or sanction of the Preference Shareholders given in accordance with the provisions of Article 5 modify or vary the rights attaching to the Preference Shares;

5 **MODIFICATION OF RIGHTS**

Subject to the Act all or any of the special rights for the time being attached to any class of shares for the time being in issue may from time to time (whether or not the Company is being wound up) be altered or abrogated with the written consent of the holders of not less than three-quarters of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply except that the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class (provided that where all the shares of a class are registered in the name of one holder that holder present in person or by proxy may constitute a meeting) and that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders where adjournment was caused by lack of quorum one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

6 **SHARES**

6.1 Subject to Articles 6.2 and 6.3 any new Preference Shares from time to time created shall before they are issued be offered to the existing Preference Shareholders in proportion (as nearly as may be) to the nominal amount of their existing holdings of Preference Shares and any new Ordinary Shares or any other class of shares (other than Preference Shares) from time to time created shall before they are issued be offered to the existing Ordinary Shareholders in proportion (as nearly as may be) to the nominal amount of their existing holdings of Ordinary Shares. Each such offer shall be made by notice specifying the number and class of shares offered and the price per share limiting a time (not being less than 20 days or greater than 30 days) within which the offer if not accepted will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that

it/he/they decline(s) to accept the shares offered or any of them, the Directors shall offer the shares declined in like manner (save that the minimum period for acceptance may be 7 days) to the holders of the other classes of shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of such other shares. If the shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.

- 6.2 In the event that all or any of the shares to which Article 6.1 apply are not subscribed for in accordance with the provisions of Article 6.1 the Directors may offer such shares to a third party and subject to these Articles and the provisions of Section 80 of the Act such shares shall be at the disposal of the Directors who may 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:-

6.2.1 no shares shall be issued at a discount;

6.2.2 no shares to which Article 6.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such shares made under Article 6.1 unless the procedure set out in Article 6.1 is repeated in respect of such shares;

6.2.3 no shares shall be issued at a price less than that at which they were offered to the members of the Company in accordance with Article 6.1 and so that (if the Directors are proposing to issue such shares wholly or partly for non-cash consideration) the cash value of such consideration for the purpose of this sub-paragraph shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its members.

- 6.3 The provisions of Articles 6.1 and 6.2 shall mutatis mutandis apply to all equity securities (as defined in Section 94(2) of the Act) of the Company from time to time created.



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6.4 The provisions of Sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company.

7 LIEN

The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid Share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that Share and the Company shall also have a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person whether solely or as one of two or more joint holders for all monies presently payable by him or his estate to the Company but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to any dividend or other amount payable in respect thereof.

8 CALLS

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 of the words "and all expenses that may have been incurred by the Company by reason of non-payment of the call".

9 TRANSFER OF SHARES - GENERAL

9.1 The Directors may in their absolute discretion decline to register the transfer of any shares in the Company (including the transfer of any shares otherwise permitted under Article 10) to any person who in the opinion of the Directors is carrying on business directly or indirectly in competition with the Company.

9.2 Without prejudice to the provisions of Regulation 24 of Table A (as modified hereby) the Directors shall not register any transfer of shares in the Company except a transfer permitted by the following provisions of these Articles.

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9.3 For the purposes of ensuring that a transfer of shares is duly authorised under the following provisions of these Articles or that no circumstances have arisen whereby a Shareholder may be bound or be required to give or is deemed to have given a Sale Notice or for the purpose of ascertaining when a Sale Notice should have been or is deemed to have been given hereunder the Directors may from time to time require any member or the legal personal representatives of any deceased member or the trustee in bankruptcy of any member or the receiver administrative receiver or liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after request the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) may resolve to require by notice in writing that a Sale Notice be given in respect of the Shares concerned. If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a shareholder may be bound or required to give or be deemed to have given a Sale Notice the Directors may resolve by notice in writing to require that a Sale Notice be given in respect of the Shares concerned. A resolution of the Directors hereunder shall be binding upon the Shareholders concerned who shall be bound to give a Sale Notice in respect of the Shares concerned forthwith upon receipt of the said notice from the Directors.

9.4 In any case where the Directors have duly required a Sale Notice to be given in respect of any Shares and such Sale Notice is not duly given within a period of one week such Sale Notice shall be deemed to have been given at the expiry of the said period and the provisions of these Articles relating to Sale Notices shall take effect accordingly.

9.5 A Sale Notice given or deemed to be given pursuant to this Article or Articles 10 or 12 shall not be capable of revocation but may specify that unless all relevant shares are sold by the Company pursuant to the Sale

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Notice, none shall be so sold. Subject as provided to the contrary in this Article or Articles 10 and/or 12, the provisions of Article 11 shall apply to any Sale Notice given or deemed to be given under or pursuant to this Article or Articles 10 or 12.

- 9.6 In any case where a Shareholder (or his personal representatives) has or have been required to give or has been deemed to have given a Sale Notice pursuant to the provisions of this Article or Articles 10 or 12 and subsequently becomes the holder of (or is deemed pursuant to Article 12 to be the holder of) further shares in the Company by virtue of the holding of any Shares comprised in such Sale Notice (whether by way of rights or bonus issue conversion transfer or otherwise howsoever) a majority of the Directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Sale Notice pursuant to this Article or Articles 10 or 12 (as appropriate) in respect of such further Shares.

## 10 PERMITTED TRANSFERS OF SHARES

### 10.1 Group Transfers

- 10.1.1 Any shares held by an undertaking ("Original Undertaking") may be transferred to any other undertaking ("Transferee Undertaking") **PROVIDED ALWAYS** that each and any such Transferee Undertaking is a group undertaking in relation to that Original Undertaking.

- 10.1.2 In the event that any Transferee Undertaking ceases to be a group undertaking in relation to the Original Undertaking then such Transferee Undertaking shall forthwith transfer any shares in the Company held by it to the Original Undertaking or to an undertaking which in relation to the Original Undertaking is a group undertaking.

- 10.1.3 In the event of any default of Articles 10.1.1 and 10.1.2 above the

Original Undertaking or (as the case may be) the Transferee Undertaking shall be deemed to have served a Sale Notice in respect of all such shares.

**10.2 Nominees**

10.2.1 Any Share may be transferred by a member who is the beneficial owner of such Shares ("the Beneficial Owner") to a person or entity shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner and/or his privileged relations.

10.2.2 Where any Shares have been transferred to a nominee pursuant to Article 10.2.1 any such nominee may transfer any Shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only.

10.2.3 Where a person to whom any shares have been transferred as a nominee pursuant to this Article 10.2 ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default thereof he shall be deemed to have given a Sale Notice in respect thereof.

**10.3 To Privileged Relations and Trustees**

10.3.1 Any Shares may be transferred by a Beneficial Owner who is an individual

10.3.1.1 to a privileged relation of such Beneficial Owner; or

10.3.1.2 to trustees to be held upon family trusts.

10.3.2 Where any Shares have been transferred to privileged relations or trustees pursuant to Article 10.3.1 the privileged relation or the trustees as the case may be may transfer any such Shares to a person or persons shown to the reasonable satisfaction of the Directors to be:

10.3.2.1 the trustees for the time being (on a change of trustee) of the family trusts in question and/or;

10.3.2.2 the Beneficial Owner or any privileged relation of the Beneficial Owner.

10.3.3 In any case where a Shareholder proposing to transfer Shares under this Article 10.3 ("the Proposing Transferor") holds those Shares as a result of an earlier transfer authorised under this Article 10.3 from another member ("the Original Shareholder") the Proposing Transferor may only transfer those Shares to a person to whom the Original Shareholder could have transferred such Shares under this Article 10.3

10.3.4 Where Shares are held by trustees on a family trust and any such Shares cease to be held upon family trusts (otherwise than in consequence of a transfer authorised under Article 10.3.2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 10.3.2 and in default thereof the trustees shall be deemed to have given a Sale Notice in respect of the Shares in question.

10.3.5 For the purposes of this Article 10.3 and Article 10.2.1 the following expressions shall have the following meanings:-

10.3.5.1 "privileged relation" means (a) the grandparent or parent or spouse of the Beneficial Owner or (b) any lineal descendant of the Beneficial Owner or of the

grandparents or parent or spouse of the Beneficial Owner or (c) any person who is or has been married to any of the aforesaid or any stepchild or adopted child of any of the aforesaid or (d) any company which is controlled by any one or more of the aforesaid;

10.3.5.2 "family trust" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or any one or more of his privileged relations and no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his privileged relations.

## 11 PRE-EMPTION RIGHTS ON TRANSFER

11.1 Any member wishing to transfer (other than a transfer permitted by Article 10) all or any Shares specified in Column A of the table set out below (the "Table") held by him and/or any interest therein (a "Retiring Shareholder") shall first give a notice in writing (a "Sale Notice") to the Company specifying (i) the number and denoting numbers (if any) of the shares which the Retiring Shareholder wishes to sell ("the Sale Shares") (ii) the price at which he proposes to transfer the Sale Shares ("the Price") and (iii) the name of any third party to whom he proposes to sell or transfer the Sale Shares. The Sale Notice shall constitute the Company as the agent of the Retiring Shareholder for the sale of the Sale Shares at the Price. A Sale Notice may require that unless all the shares comprised in it are sold none shall be sold.

A	B FIRST OFFER	C SECOND OFFER	D THIRD OFFER	E FINAL OFFER
Ordinary Shares	All other Ordinary Shareholders <sup>1 and 2</sup>	Ordinary Shareholders <sup>1, 2 and 3</sup>	Preference Shareholders <sup>1 and 2</sup>	Preference Shareholders <sup>1 and 2</sup>
Preference Shares	To all other Preference Shareholders <sup>3</sup>	Preference Shareholders <sup>3, 4 and 5</sup>	Ordinary Shareholders <sup>1 and 2</sup>	Ordinary Shareholders <sup>1 and 2</sup>

1. In proportion (as nearly as may be) to the nominal amount of their existing holdings of Ordinary Shares.
2. Other than any Ordinary Shareholders who have not accepted any Sale Shares already offered to them pursuant to the First Offer.
3. In proportion (as nearly as may be) to the nominal amount of their existing holdings of Preference Shares.
4. Being Preference Shareholders who have accepted Sale Shares pursuant to the First Offer.
5. In the case of a deemed service of a Sale Notice pursuant to Article 12.1 other than to other Ordinary Shareholders or (as the case may be) Preference Shareholders who pursuant to the said Article 12.1 are deemed to have served a Sale Notice in respect of their shares at the same time.

11.2 On receipt or deemed receipt of a Sale Notice the Company shall by notice in writing offer the Sale Shares at the Price to the persons specified in Column B of the Table entitled to first refusal thereof ("First Offer").

The First Offer shall be made by the Company within 7 days of the date on which the Sale Notice is given ("Sale Notice Date") and shall specify that such offer must be accepted within 28 days or in default thereof will lapse. The Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the First Offer to the persons specified in Column C of the Table at the Price ("Second Offer"). Any such offer shall be made within 7 days of the date on which the First Offer lapses or if earlier the date on which all persons entitled to accept the First Offer have indicated the maximum number of Sale Shares they wish to accept and shall specify that such offer must be accepted within 14 days or in default will lapse.

11.3 If the Company shall not have found purchasers for all of the Sale Shares pursuant to the procedure described in Article 11.2 the Company shall

within 7 days of the date on which the Second Offer lapses or if earlier the date on which all persons entitled to accept the Second Offer have indicated the maximum number of Shares they wish to accept by notice in writing offer the Sale Shares not so accepted pursuant to the Second Offer to the persons specified in Column D of the Table at the Price ("Third Offer"). Such offer shall specify that such offer must be accepted within 14 days or in default will lapse. The Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the Third Offer to the persons specified in Column E of the Table at the Price (the "Final Offer"). Any such offer shall be made within 7 days of the date on which the Third Offer lapses or if earlier the date on which all persons entitled to accept the Third Offer have indicated the maximum number of Sale Shares they wish to accept and shall specify that such offer must be accepted within 14 days or in default will lapse.

- 11.4 If the Company shall within the said time limits find members willing to purchase all or any of the Sale Shares it shall within 14 days of the expiry of such time limits or such earlier date as it may have found members willing to purchase all the Sale Shares give notice thereof to the Retiring Shareholder whereupon the Retiring Shareholder shall become bound to sell and transfer the Sale Shares to the respective purchasers free from all liens charges encumbrances and third party rights and (unless the notice given under this Article 11.4 provides otherwise) together with all rights attaching thereto at the date of sale. A notice under this Article 11.4 shall state the name and address of each of the purchasers and the number of shares to be purchased by him and shall designate a place and a time (being not less than 3 nor more than 10 days following the date of the notice) for completion of the sale of the shares comprised in such notice. If a Sale Notice states that the Retiring Shareholder is not willing to sell part only of his shares the provisions of this Article shall not take effect unless the Company shall have found purchasers for all such shares. Any offer made by the Company in respect of shares comprised in such a Sale Notice shall state as a condition of the offer that it is not capable of being accepted unless acceptances are received in respect of all the shares comprised in the



relevant Sale Notice.

11.5 If the Company shall not within the said time limits find purchasers for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 11.4 the Company shall continue to offer such Sale Shares as remain available for purchase to those members who have completed the purchase of any of the Sale Shares until such time as all existing members have indicated to the Company that they do not wish to acquire any remaining Sale Shares and the provisions of Articles 11.2, 11.3 and 11.4 shall apply mutatis mutandis. Thereafter if any Sale Shares remain available for purchase the Company shall promptly give notice in writing thereof to the Retiring Shareholder who shall be at liberty at any time within 2 months after the date of such notice to transfer such Sale Shares for which purchasers have not been found or in respect of which the sale was not completed as aforesaid to any person he may wish provided that

11.5.1 such sale is completed at the Price or any higher or (subject as provided below) lower price and that otherwise the terms of payment of the purchase price are no more favourable to the purchaser than those offered to the shareholders or other persons hereunder.

11.5.2 no Sale Shares shall be sold at a lower price than the Price without the Retiring Shareholder first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 11 shall mutatis mutandis apply in respect of such further Sale Notice save that the Price shall be such lower price.

11.5.3 if the Sale Notice states that the Retiring Shareholder is not willing to transfer part only of the Sale Shares he shall not be entitled to sell part only of such shares hereunder.

11.5.4 the Directors may call for such evidence as they shall reasonably request in order to satisfy themselves that the consideration for any sale hereunder is as stated in the transfer without any rebate allowance or deduction to the purchaser and if not so satisfied they may refuse to register a transfer hereunder.

11.6 If any Shareholder shall fail or refuse to transfer any Shares which he shall have become bound to transfer in accordance with the provisions of these Articles the Directors may authorise some person to execute and deliver on his behalf a transfer or transfers of such Shares to the purchaser or purchasers and the Company may give a good receipt for the purchase price of such Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. The Shareholder shall in such case be bound to deliver up his certificate for the shares to the Company whereupon the Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Shareholder but without interest. If such certificate shall comprise any shares which the Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such Shares.

12 **TRANSFERS BY ORDINARY SHAREHOLDERS ON CEASING TO BE A DIRECTOR OR EMPLOYEE AND TRANSFERS ON DEATH OR BANKRUPTCY**

12.1 In the event that an employee or director of the Company or any of its subsidiary undertakings ceases for any reason (including death) to be an employee or director of the Company or any of its subsidiary undertakings and is not continuing as either a director or employee of the Company or any of its subsidiary undertakings and:

12.1.1 the employee or director is a holder of Ordinary Shares (whether solely or jointly with any other person); and/or

12.1.2 a family trust of the employee or director holds Ordinary Shares;  
and/or

12.1.3 any Ordinary Shareholder holds Ordinary Shares as the nominee of  
such employee or director (as the case may be); and/or

12.1.4 Ordinary Shares are held by a privileged relation or other permitted  
transferee of such employee or director (as the case may be); and/or

12.1.5 Ordinary Shares are held by a company the majority of the issued  
share capital of which is beneficially owned by such employee or  
director (as the case may be).

the Board may within four months after the date on which the employee or  
director concerned ceases to be a director or employee as aforesaid ("the  
Cessation Date") determine in their absolute discretion that there shall be  
deemed to have been served a Sale Notice by any of the holders of  
Ordinary Shares referred to in this Article (or their personal representatives  
in the case of their death) ("the Compulsory Vendors") in respect of such  
number of their Shares in the Company (howsoever acquired) as the Board  
may decide.

12.2 A Sale Notice deemed to have been given under this Article 12 shall be  
deemed to have been given on the date of notification by the Board to the  
Compulsory Vendor of its determination that a Sale Notice is deemed to  
have been given ("the Deemed Notice Date").

12.3 The price for the Sale Shares shall be as follows:-

12.3.1 if the Cessation Date is less than 12 months after the issue of the  
Sale Shares, or if the employee is a "Bad Leaver", the price shall be  
the "Market Value" of the Sale Shares as at the cessation of  
employment, or, if less, the issue price (including any premium) of  
the Sale Shares;

12.3.2 if the Cessation Date is at least 12 months after the issue of the Sale Shares and the employee is a "Good Leaver", the price shall be the "Market Value" of the Sale Shares;

12.4 For the purposes of Article 12.3:-

12.4.1 the "Market Value" shall be the price agreed between the Compulsory Vendors and the other members of the Board or, if they fail to agree a price within 21 days of the Deemed Notice Date the price certified by the Auditors acting as experts and not as arbitrators, to be the market value of the Sale Shares upon the Cessation Date, (calculated on the basis of a sale by a willing seller to a willing buyer by reference to the value of the whole of the issued share capital of the Company and taking no account of the percentage of the capital represented by the Sale Shares). The costs of the Auditors shall be borne as determined by the Auditors;

12.4.2 a "Bad Leaver" is a person who ceases to be an employee and director in circumstances where the Company was entitled to summarily to dismiss that person;

12.4.3 a "Good Leaver" is a person who ceases to be an employee and director and who is not a Bad Leaver.

12.5 If a majority of the Directors so resolve they may at any time give notice to the legal personal representatives of a deceased member ("PRs") or the trustee in bankruptcy of a member ("trustee in bankruptcy") requiring such person to elect either to be registered himself or to give a Sale Notice in respect of the Shares to which he/they become entitled in consequence of the death or bankruptcy of any member and if such notice is not complied with within 14 days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the Shares concerned to some person appointed by the Directors as a nominee for the PRs or trustee in bankruptcy and the Company may give a good receipt for

the purchase price of such shares and may register the purchaser or purchasers as the holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. In any such case the PRs or trustee in bankruptcy shall be bound to deliver up the certificates for the Shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest.

13 **NOTICE OF GENERAL MEETINGS**

The Company shall give notice of all general meetings of the Company to each Shareholder whether or not that Shareholder has given to the Company an address within the United Kingdom at which notices may be given to him and regulation 112 of Table A shall be modified accordingly.

14 **PROCEEDINGS AT GENERAL MEETINGS**

14.1 A poll may be demanded by any Shareholder present in person or by proxy or (in the case of a corporate Member) by a duly authorised representative and regulation 46 of Table A shall be modified accordingly.

14.2 In the case of an equality of votes whether on a show of hands or on a poll the Chairman shall not have a casting vote.

14.3 A Director (including an alternate Director) shall not require any shareholding qualification but shall nevertheless be entitled to receive notice of and attend and speak at any general meeting of the Company.

15 **VOTES OF SHAREHOLDERS**

15.1 Regulation 54 of Table A shall be read and construed as if the words "or by proxy" were inserted after the words "present in person" in the second line and the words "whether or" were inserted after the words "authorised

representative" in the third line.

- 15.2 An instrument appointing a proxy and any authority under which it is executed or a duly certified copy of such authority shall be delivered to the meeting at which the proxy is authorised to vote or at the time and place appointed for the taking of the poll on which the proxy is authorised to vote (as the case may be).

16 **APPOINTMENT AND NUMBER OF DIRECTORS**

Unless and until otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall not be less than 2 nor more than 8.

17 **ALTERNATE DIRECTORS**

Any Director (other than an alternate director) may by writing under his hand appoint any other person willing so to act to be an alternate director and may remove from office an alternate director so appointed by him.

18 **RETIREMENT BY ROTATION**

The Directors shall not be required to retire by rotation.

19 **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

The office of Director shall be vacated if any Director:-

- 19.1 has an order made in respect of him under Section 252 Insolvency Act 1986 or has a petition presented in respect of him under Section 264 of that Act or if he makes any arrangements or composition with his creditors generally;

- 19.2 becomes prohibited from being a Director by reason of any order made under Section 16 Company Director Disqualification Act 1986 or under any

other statute;

- 19.3 in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as a Director;
- 19.4 resigns his office by written notice to the Company; or
- 19.5 shall for more than 6 months have been absent without the permission of the Directors from the meetings of the Directors held during that period and the Directors resolve that his office shall be vacated.

## 20 PROCEEDINGS OF DIRECTORS

- 20.1 Regulation 88 of Table A shall be read and construed as if the word "not" in line 3 thereof were omitted and as if the word "not" were inserted between the words "shall" and "have" in line 5 thereof.
- 20.2 The quorum necessary for the transaction of business of the Directors whether at a meeting of the Board or any duly appointed committee thereof shall be 2. A person who holds office as an alternate shall in the absence of his appointor be counted as part of the quorum whether or not he is also a Director and therefore counted as part of the quorum in his own capacity and regulation 72 of Table A shall be modified accordingly.
- 20.3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital or any part thereof and to issue debentures debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party. Provided that the amount for the time being remaining undischarged or monies borrowed or secured by the directors as aforesaid (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time, without the previous sanction of the Company in general meeting, exceed the nominal amount of the share capital of the Company for the time being

issued, but nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed. No debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

20.4 Subject to declaring the nature of his interest at a meeting of the Directors pursuant to section 317 of the Act a Director may vote as a Director on any resolution concerning any contract or arrangement in which he is interested including any appointment to office or employment with the Company or any body corporate in which the Director is interested or upon any matter arising thereout and if he shall so vote his vote shall be counted and he shall be counted in reckoning a quorum when any such contract or arrangement is under consideration and regulations 94 and 97 of Table A shall be modified accordingly.

20.5 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by alternate or by means of such type of communication device) to hear at all times all other Directors present at such meeting (whether in person or by alternate or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.

## 21 CAPITALISATION

Regulation 110 of Table A shall be read and construed as if the words "special resolution" were substituted for the words "ordinary resolution" in the first line thereof



## 22 SEALS AND EXECUTION OF DOCUMENTS

- 22.1 The Directors may provide a common seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in its place. The Directors shall provide for the safe custody of every seal of the Company.
- 22.2 Documents may only be executed on behalf of the Company if such execution is authorised by a resolution of the Directors or of a committee of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions. Every document so authorised to be executed on behalf of the Company shall be signed by one Director and the Secretary or by two Directors (whether or not the Directors have also resolved that the common seal shall also be affixed to such document).

## 23 INDEMNITY

Subject to the provisions of the Act and in addition to such indemnity as is contained in regulation 118 of Table A every Director officer or official of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him in or about the execution and discharge of the duties of his office.