

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

OF

WYNCHGATE HOLDINGS (1997) LIMITED
("THE COMPANY")

Pursuant to Section 381A of the Companies Act 1985 the following special resolutions were duly passed by the Company by way of written resolution :-

RESOLUTIONS

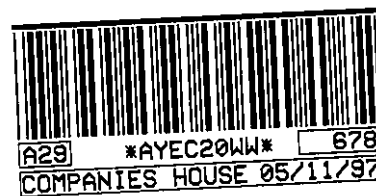
1. THAT the Memorandum of Association of the Company be altered by substituting for the existing Clause 3(A) thereof, clause 3(A) printed on the document produced to and approved by the meeting and signed for the purpose of identification by the Chairman.
2. THAT the shares in the capital of the Company be re-classified as 200 Ordinary shares of 50p each.
3. THAT the authorised share capital of the Company be and it is hereby increased to £300,950 by the creation of an additional 1,700 ordinary shares of 50p each and 300,000 preference shares of £1 each.
4. THAT the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to allot, or to grant any right to subscribe or to convert any security into, shares in the Company up to a maximum nominal amount of 300,000 £1 preference shares and 1900 Ordinary shares of 50p each at any time or times during the five year period immediately following the date of the passing of this resolution.
5. THAT the Articles of Association printed on the document produced to and approved by the meeting and signed for the purpose of identification by the Chairman be and they are hereby adopted as the Articles of Association of the Company in substitution for the existing Articles of Association of the Company.

Signed on behalf of the sole member of the Company who at the date hereof is entitled to attend and vote at any general meeting of the Company.



For and on behalf of
Velocity Company (Holdings) Limited

Dated this 24th October 1997



Company No: 3397518

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

OF

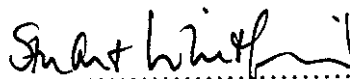
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For and on behalf of
Velocity Company (Holdings) Limited

Dated this 24th October 1997

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

WYNCHGATE HOLDINGS (1997) LIMITED¹

- (1) The name of the Company is WYNCHGATE HOLDINGS (1997) LIMITED¹.
- (2) The Registered Office of the Company will be situate in England and Wales.
- (3) The objects for which the Company is established are:-
 - (A)² To carry on all or any of the businesses of insurance brokers and consultants, estate and advertising agents, mortgage brokers, financial agents, advisers, managers and administrators, hire purchase and general financiers, brokers and agents, estate and business developers, commission and manufacturers' agents, surveyors, auctioneers, claims assessors, building contractors, financiers, trade credit and status enquiry agents, valuers, assessors, assessors' agents, arbitrators and specialists and general agents for the transaction of life, pension, house, motor, marine, fire, computer, employers' liability, accident, burglary and other insurance business; agents for affecting insurance and obtaining policies in respect of all and every kind of risk and against death, injury or loss arising out of, or through, or in connection with any accidents to human beings against loss or damage to real or personal property; to carry on all or any of the businesses of manufacturers, designers, installers, maintainers, importers, exporters, hirers, letters on hire of, agents for, and dealers in computers, silicon chips, software, recording media, computer print ribbons, programmes, data processing supplies, equipment and machinery of every description and of, for and in office equipment and furniture and commercial appliances, accessories and utensils of every description, advertising agents and contractors, furnishers, storekeepers, general merchants and traders and to manufacture, buy, sell and deal in plant, machinery, tools, implements, materials, and things of all kinds, necessary or useful for carrying on the foregoing businesses or any of them or likely to be required by customers of or persons having dealings with the Company and to carry on business as a general commercial company.
 - (B) To carry on any other business or activity and do anything of any nature which may seem to the Company capable of being conveniently carried on or done in connection with the above, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's business or property.

¹ The name of the Company was changed from Velocity 202 Limited by special resolution passed on 29 July 1997.

² Clause 3(A) was adopted by special resolution of the Company passed on 24th October 1997.

- (C) To acquire for any estate or interest and to take options over, construct and develop any property, real or personal, or rights of any kind which may appear to be necessary or convenient for any business of the Company including shares and other interests in any company the objects of which include the carrying on of any business or activity within the objects of this Company.
- (D) To guarantee support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company or by both such methods, the performance of the obligations of and the repayment or payment of the principal amounts of and premiums, interest and dividends on any securities of any person firm or company, including (without prejudice to the generality of the foregoing) the predecessors in business of the Company and any company which is for the time being the Company's subsidiary or holding company as defined by Section 736 of the Act or another subsidiary of the Company's holding company or otherwise associated with the Company in business.
- (E) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (F) To lend money to, or grant or provide credit or financial accommodation to any person or company in any case in which such grant or provision is considered likely directly or indirectly to further any of the objects of the Company or the interest of its Members.
- (G) To guarantee and/or give security for the payment of money by or the performance of obligations of all kinds (including without prejudice to the generality hereof the principal of and dividends, interest and premiums on any other moneys due in respect of any stocks, shares, debentures, debenture stock or other security or borrowings) by the Company or by any other person or company including any company which shall at the time be the holding company of the company or a subsidiary of such holding company all as defined by Section 736 of the Act or any statutory amendment or re-enactment thereof for the time being in force or any company associated with the Company in business or by reason of common shareholdings or otherwise.
- (H) To invest any moneys of the Company not immediately required for the purposes of the business of the Company in such investments (other than shares in the Company or its holding company if any) and in such manner as may from time to time be determined, and to hold, sell or otherwise deal with such investments.
- (I) To amalgamate with or enter into partnership or any joint purse or profit sharing arrangement with, or to co-operate or participate in any way with, assist or subsidise any company or person carrying on or proposing to carry on any business within the objects of the Company.
- (J) To borrow and raise money and secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit, and in particular by mortgages of or charges upon the undertaking and all or any of the real and personal property (present and future), and the uncalled capital of

the Company or by the creation and issue of debentures, debenture stock or other obligations or securities of any description.

- (K) To sell, exchange, mortgage, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit, and in particular for stocks, share, debentures or other obligations or securities, whether fully or partly paid up, of any other Company.
- (L) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (M) To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscription of, or otherwise assisting in the issue of, any shares, debentures or other securities of the Company or in or about the formation of the Company or the conduct of its business.
- (N) To establish or promote or concur or participate in establishing or promoting any company the establishment or promotion of which shall be considered desirable in the interests of the Company and to subscribe for, underwrite, purchase or otherwise acquire the shares, stocks and securities of any such company, or of any company carrying on or proposing to carry on any business or activity within the objects of the Company.
- (O) To procure the registration or incorporation of the Company in or under the laws of any place outside England.
- (P) To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object, or for any exhibition, or for any purpose which may be considered likely directly or indirectly to further the objects of the Company or the interest of its members.
- (Q) To grant pensions or gratuities to any officers or employees or ex-officers or ex-employees of the Company, or of its predecessors in business or of any company which is for the time being the Company's subsidiary or holding company as defined by Section 736 of the Act, or another subsidiary of the Company's holding company or otherwise associated with the Company's in business, or to the relations connections or dependents of any such persons and to establish or support any associations, institutions, clubs, building and housing schemes, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interest of the Company or its Members.
- (R) To purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the

foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund and, to such extent as may be permitted by law, otherwise to indemnify or to exempt any such person against or from any such liability. For the purposes of this subclause "holding company" and "subsidiary undertaking" shall have the same meanings as in the Act as amended by the Companies Act 1989.

- (S) Subject to and in accordance with a due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152 (1) (a) of the Act) for any such purpose as is specified in Section 151 (1) and/or Section 151 (2) of the Act.
- (T) To distribute any of the property of the Company among its Members in specie or kind.
- (U) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustee or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

AND SO THAT

- (1) And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and that the objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in anyway limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate distinct and independent company.
- (2) In this Clause the expression "the Act" means the Companies Act, 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- (3) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
- (4) Except where the context expressly so requires, none of the several paragraphs of this clause or the objects therein specified, or the powers thereby conferred shall be limited by, or be deemed merely subsidiary or auxilliary to, any other paragraph of this clause, or the objects in such other paragraph specified or the powers thereby conferred or the name of the Company.

4. The liability of the Members is limited.

5. ³The share capital of the Company is £300,950 divided into 300,000 £1 preference shares and 1,900 ordinary 50p shares.

Velocity Company (Holdings) Limited the subscriber to this memorandum of association wishes to be formed into a company pursuant to this memorandum; and agrees to take the number of shares in the capital of the Company as set out below

NAME AND ADDRESS
OF SUBSCRIBER

NUMBER OF SHARES
taken by Subscriber

VELOCITY COMPANY (HOLDINGS) LIMITED
ORCHARD COURT
ORCHARD LANE
BRISTOL BS1 5DS

ONE

D B M Worthington
For and on behalf of Velocity
Company (Holdings) Limited

Dated this 5th day of June 1997

Witness to the above signature:-

S D Robinson
Orchard Court,
Orchard Lane,
Bristol, BS1 5DS.

³ The share capital of the Company was increased from 100 £1 ordinary shares by special resolution passed on 24th October 1997

Company number: 3397518

**THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES**

New

ARTICLES OF ASSOCIATION

of

WYNCHGATE HOLDINGS (1997) LIMITED

(Adopted by Special Resolution passed on 24th October, 1997)

Veale Wasbrough
Orchard Court
Orchard Lane
Bristol
BS1 5DS

Ref: SJMW/2WC08/1

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ARTICLES OF ASSOCIATION¹
OF
WYNCHGATE HOLDINGS (1997) LIMITED²

1. DEFINITIONS

In the interpretation of these Articles, unless the context otherwise requires, the following definitions shall apply:

'THE ACT' the Companies Act 1985, as amended by the Companies Act 1989, and any statutory modification or re-enactment from time to time in force

'THESE ARTICLES' these Articles of Association as amended from time to time

'ORDINARY SHARE' an ordinary share of 50 pence of the Company

'ORDINARY SHAREHOLDER' a holder of an Ordinary Share

'A DIRECTOR' a director appointed pursuant to Article 4.6.2

'BUSINESS DAYS' Monday to Friday inclusive but excluding statutory holidays or days on which banks generally are not open for business

'CONNECTED PERSON' as defined by Section 839 of the Income and Corporation Taxes Act 1988

'GROUP' in relation to any company, any holding company of that company and any subsidiaries of that company or its holding company

'INTEREST RATE' the percentage which is 3% above the base rate from time to time of the Company's principal bankers from time to time

'PREFERENCE DIVIDEND' the fixed cumulative preferential dividend payable in respect of the Preference Shares

'PREFERENCE SHARES' the A Preference Shares, the B Preference Share, the C Preference Shares, the D Preference Shares, the E Preference Shares and the F Preference Shares

'A PREFERENCE SHARE' a cumulative redeemable preference share of £1, redeemable on 30 April 1998 in accordance with the provision of these articles.

'B PREFERENCE SHARE' a cumulative redeemable preference share of £1, redeemable on 31 October 1998 in accordance with the provision of these articles.

'C PREFERENCE SHARE' a cumulative redeemable preference share of £1, redeemable on 30 April 1999 in accordance with the provision of these articles.

'D PREFERENCE SHARE' a cumulative redeemable preference share of £1, redeemable on 31 October 1999 in accordance with the provision of these articles.

'E PREFERENCE SHARE' a cumulative redeemable preference share of £1, redeemable on 30 April 2000 in accordance with the provision of these articles.

¹ Adopted by special resolution passed on 24th October 1997.

² The name of the Company was changed from Velocity 202 Limited by special resolution passed on 29 July 1997.

'F PREFERENCE SHARE' a cumulative redeemable preference share of £1, redeemable on 31 October 2000 in accordance with the provision of these articles.

'PREFERENCE SHAREHOLDER' a holder of a Preference Share

'SHAREHOLDER RELATED CONTRACT' any agreement, transaction or arrangement (including payment of any sum on an ex-gratia basis) made between an Ordinary Shareholder (or a person who in relation to an Ordinary Shareholder is a Connected Person) and the Company or any member of its Group

'TABLE A' Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended prior to the date of adoption of these Articles

Any term or expression defined in the Act shall, unless the context otherwise requires, have the same meaning in these Articles.

The singular shall include the plural and vice versa.

The expression 'shareholder' or 'member' includes his personal representatives.

References to the masculine gender shall include the feminine gender.

2. TABLE A

The regulations contained in Table A shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with these Articles. Regulations 26, 50, 62, 73-77 inclusive, 80 and 87 and the final sentence of regulation 112 shall not apply.

3. SHARE CAPITAL

- 3.1. The authorised share capital of the Company at the date of adoption of these Articles is £300,950 divided into 1900 Ordinary Shares and 300,000 Preference Shares (comprising 50,000 of each of the A, B, C, D, E and F Preference Shares)
- 3.2. Save as provided in these Articles, the Preference Shares shall rank *pari passu* in all respects.

4. RIGHTS OF THE PREFERENCE SHARES

4.1. *As to income:*

- 4.1.1. Each Preference Share shall confer on its holder the right to receive, in priority to the transfer of any sum to reserves or any rights of the holders of any other class of shares in the Company and payable without any resolution of the directors or of the Company, a Preference Dividend at the rate of the Interest Rate per annum on the amount of the paid up nominal capital of the Preference Shares. The Preference Dividend shall accrue from day to day and be paid half-yearly on 30 April and 31 October in each year in respect of the half-years ending on those dates. The first payment shall be made on 30 April 1998 and shall be calculated from the date of adoption of these Articles up to that date.
- 4.1.2. Any amount not paid shall be carried forward and, subject to the provisions of the Act, be payable in priority to the Preference Dividend payable on any later date. The Company shall pay, on the date of actual payment, an amount of interest calculated from the date the dividend should have been paid (with six

monthly rests on the due dates for payment of the Preference Dividend) at the Interest Rate multiplied by a multiple calculated as set out below:

No. of days elapsing from due date for payment until actual date of payment	Multiple
1-7	1.00
8-30	1.05
31-60	1.25
61 or more	1.50

on the amount not paid

4.2. *As to capital:*

- 4.2.1. On a winding up or other return of capital (but not on the redemption or the purchase by the Company of its own shares) the assets of the Company available for distribution amongst its members shall be applied, in priority to any payment to the holders of any other class of shares of the Company, in paying to the Preference Shareholders:

first, the nominal amounts paid up on the Preference Shares;

secondly, a sum equal to any arrears of the Preference Dividend, together with interest calculated in accordance with Article 4.1.2, down to the date of return of capital to be payable irrespective of whether or not that dividend has been declared or earned; and

thirdly, a sum equal to any accrual of the Preference Dividend from the last half yearly payment date to the date of return of capital irrespective of whether or not that dividend has been declared or earned.

- 4.2.2. The Preference Shares shall not confer any further right of participation in the profits or assets of the Company.

4.3. *As to redemption*

- 4.3.1. The Company shall redeem for cash at par each Preference Share, on the following dates the following Preference Shares:

Class of Preference Share	Redemption Date
A Preference Share	30 April 1998
B Preference Share	31 October 1998

C Preference Share	30 April 1999
D Preference Share	31 October 1999
E Preference Share	30 April 2000
F Preference Share	31 October 2000

Each date is referred to as a 'Redemption Date'.

4.3.2. Upon a Redemption Date the paid up nominal capital on the Preference Shares to be redeemed, together with:

- (a) the amount of the Preference Dividend accrued to the Redemption Date;
- (b) any arrears of Preference Dividend; and
- (c) any interest calculated in accordance with Article 4.1.2

shall become a debt due and payable by the Company to the Preference Shareholders.

The redemption monies shall be paid by way of bankers draft subject to receipt of the relevant share certificates (or an indemnity in a form reasonably satisfactory to the Company).

4.3.3. In the case of a redemption of part of the Preference Shares included in the certificate the Company shall, without charge, issue a fresh certificate for the balance of the Preference Shares.

4.3.4. As from the relevant Redemption Date the Preference Dividend shall cease to accrue on any shares due to be redeemed on that date but if on the presentation of the certificate (or, as the case may be, an indemnity) relating to those shares the Company fails to pay the full amount payable on redemption, the amount not paid shall bear interest calculated in accordance with Article 4.1.2.

4.4. *As to voting:*

A Preference Shareholder shall be entitled to receive notice of and to attend and speak but not to vote at all general meetings of the Company.

4.5. *Early Redemption by the Company*

The Company shall have the right by notice served in writing on the Preference Shareholders to redeem the whole of the Preference Shares at any time at par. The provisions of Article 4.3.2 and 4.3.4 shall apply to the redemption as if the date specified for redemption in the notice were a Redemption Date.

4.6. *Late Redemption by the Company*

The Preference Shareholders shall have the following rights (which shall be cumulative) in the event that the Company fails to redeem any of the Preference Shares on the due date for redemption:

- 4.6.1. where the Company is at least 90 but less than 180 days late in redeeming any of the Preference Shares the Preference Shareholders shall be entitled, at the Company's cost, to appoint an independent chartered accountant to carry out a review of the Company's business (upon terms of reference to be agreed in writing by the Company and the Preference Shareholders) and to report to the Company and the Preference Shareholders the conclusions of that review; and
- 4.6.2. where the Company is at least 180 but less than 270 days late in redeeming any of the Preference Shares the Preference Shareholders shall be entitled to appoint an A Director; and
- 4.6.3. where the Company is at least 270 days late in redeeming any of the Preference Shares the Preference Shareholders shall be entitled to vote at any general meeting of the Company (and, on a show of hands, each Preference Shareholder present in person or proxy shall have one vote and on a poll shall have one vote for each Preference Share of which he is a holder).

5. ISSUES OF SHARES

- 5.1. The Company shall not allot any additional Shares except with the consent of the Preference Shareholders for the time being.
- 5.2. The provisions of Section 89(1), Section 90(1) to (6) inclusive of the Act shall not apply to the Company.
- 5.3. The offer shall be made by notice specifying the number and class of shares and the price at which they are offered and limiting the time (being not less than 28 days unless the member to whom the offer is to be made otherwise agrees) within which the offer, if not accepted, shall be deemed to have been declined.
- 5.4. Shares allotted to a member shall, before allotment, be designated as the same class as the shares already held by him.

6. VOTES

- 6.1. Regulation 54 of Table A shall apply to the voting rights of the members save that if any shareholder purports to dispose of any interest in any Ordinary Shares or any Preference Shares otherwise than in accordance with the provisions of Articles 7, 8 or 9 then the shares concerned shall cease to entitle the holder to attend and vote at general meetings of the Company until the provisions of Articles 7, 8 or 9 (as the case may be) are fully complied with.

7. PERMITTED TRANSFERS

- 7.1. The directors shall not register any transfer of shares in the Company save as expressly permitted by these Articles.
- 7.2. Any share may be transferred to a person shown to the satisfaction of the directors to be a nominee, of or a trustee for, the transferring shareholder only. The provisions of Article 8 shall apply to the share as if it were still held by that transferring shareholder.

- 7.3. Any Ordinary Shareholder which is a body corporate may transfer any Ordinary Shares to any member of its Group if the transferee gives an undertaking to the Company that, immediately prior to its ceasing to be a member of that Group, the shares shall be transferred to another body corporate in that Group.

8. TRANSFERS OF ORDINARY SHARES

- 8.1. In this Article the following definitions apply:

‘Sale Shares’ means any Ordinary Shares specified in a transfer notice served by a retiring Ordinary Shareholder;

‘Auditors’ means independent auditors who (in default of agreement among the proposing transferor and those members who have accepted the offer) shall be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales;

‘fair price’ means the fair price of any Shares as certified by the Auditors;

‘offer price’ means the offer price (if any) at which Shares are offered in a transfer notice;

‘proposing transferor’ means any shareholder desiring to sell or otherwise dispose of any Shares;

‘qualifying transferee’ means a proposed transferee of any Ordinary Shares approved by the holders of the majority of the Ordinary Shares not comprised in the transfer notice in writing;

‘retiring Ordinary Shareholder’ means any Ordinary Shareholder desiring to sell or otherwise dispose of any Ordinary Shares;

‘Shares’ means any Ordinary Shares;

‘transfer notice’ means a notice in writing from a member specifying the Shares held by that member which he desires to sell or dispose of.

- 8.2. Any retiring Ordinary Shareholder shall first deliver a transfer notice to the Company at its registered office. The notice shall constitute the Company the agent for the sale of the Sale Shares at the fair price. On receipt of the transfer notice the Directors shall forthwith offer the Sale Shares at the fair price to a qualifying transferee.
- 8.3. If, within 30 days of the receipt by the Company of a transfer notice in respect of any Sale Shares, a qualifying transferee is found who accepts the whole or part of the Sale Shares at the fair price then the sale shall be completed within seven days of the determination of the fair price. If qualifying transferees are found who accept more Sale Shares than are contained in the transfer notice the entitlement of each qualifying transferee to the Sale Shares shall be determined by the directors in their discretion. To the extent that qualifying transferees do not accept Sale Shares contained in the transfer notice within 30 days, the offer contained in the transfer notice shall be deemed to be declined and the provisions of Article 8.4 shall apply.
- 8.4. Subject to the provisions of Articles 8.2 and 8.3, any proposing transferor shall deliver a transfer notice to the Company at its registered office specifying the number of Shares,

the offer price (if any) and the third party (if any) to whom it is proposed to transfer the Shares.

- 8.5. The transfer notice shall constitute the directors the agents of the proposing transferor for the sale of the Shares and the directors shall, within seven days of the transfer notice being given to the Company, offer the Shares in writing pro rata (as nearly as may be) to the other holders of Shares of the same class or, if there are no other holders of Shares of the same class (or they have not accepted any offer or claimed any excess of the Shares within 45 days) pro rata (as nearly as may be) to the holders of the other class of shares. The offer shall state:

- (i) the number of Shares offered;
- (ii) the offer price, if any;
- (iii) the third party specified in the transfer notice (if any);
- (iv) that, if the offer is not accepted in writing within 45 days, it will be deemed to be declined.

Any member to whom the offer is given who desires an allocation of Shares in excess of his pro rata allocation should in his reply state how many excess Shares he desires to have. If all the members do not claim their pro rata allocations the unclaimed Shares shall be applied in satisfying claims for excess Shares in the proportion that those claims are made. If any Shares are not capable, without fractions, of being offered to members in proportion to their entitlement they shall (to the extent that fractions would arise) be offered to members in the proportions determined by lots to be drawn under the direction of the directors.

- 8.6. Each member who accepts the offer made under Article 8.5 may state in his reply that he accepts the offer price, if any. If any member accepting the offer states in his reply that he does not accept the offer price or makes no reference to the offer price or if no offer price was stated by the proposing transferor, the directors, upon all the members to whom the offer is made under Article 8.5 replying or upon the expiry (if earlier) of the period of 45 days referred to in Article 8.5, shall instruct the Auditors to certify the fair price of the Shares. The fees and expenses of the Auditors shall be paid as to one half by the proposing transferor and as to the balance by those members who have accepted the offer but not the offer price (if any) in proportion to the numbers of the Shares in respect of which they have accepted the offer.
- 8.7. The fair price shall be determined by the Auditors (acting as experts and not as arbitrators) on the basis of the fair value of the business of the Company, as a going concern at the date on which they are instructed to determine the fair price, as between a willing vendor and a willing purchaser and without any account being taken of whether the interest being sold is a minority or majority interest in the Company.
- 8.8. Any intending party to a transfer of the Shares may, within fourteen days of the issue of the Auditors' certificate, indicate in writing that he does not accept the fair price and that he does not wish to proceed either to dispose of the Shares or acquire the Shares (as the case may be).

- 8.9. The proposing transferor shall be bound to transfer to each purchaser the number of Shares being purchased upon payment by the purchaser of the offer price or the fair price (as the case may be), which payment shall be made within fourteen days of the acceptance of the offer price or determination of the fair price (as the case may be).
- 8.10. If in any case the proposing transferor, after having become bound to sell any Shares, fails to transfer any of them the directors may receive the purchase money which shall be paid into a separate bank account. The directors shall, within a reasonable period, nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name and on behalf of the proposing transferor and the directors shall cause the name of the relevant purchaser or purchasers to be entered in the register as the holder or holders of the relevant Shares and shall hold the purchase money in trust for the proposing transferor but without being liable for interest. The receipt of a director for the purchase money shall be a good discharge to the purchaser or purchasers and, after his or their names have been entered into the register, the validity of the proceedings shall not be questioned by any person.
- 8.11. If the directors do not find a member or members willing to purchase all the Shares the subject of a transfer notice, the proposing transferor shall, at any time within 90 days after that has been determined, be at liberty to sell and transfer the Shares, or those for which the Company shall not have found a purchaser or purchasers, to the third party named in the transfer notice for a cash price payable prior to transfer and being not less than the offer price (if any) or the fair price, if no offer price is specified in the transfer notice.

9. DEEMED SALE NOTICE

- 9.1. Subject to Article 9.2, in any case where an Ordinary Shareholder ceases to be a director or employee of the Company or any of its subsidiaries (and is not continuing as a director or employee of the Company or any of its subsidiaries) he shall be deemed to have served a transfer notice pursuant to Article 8.2 in respect of his entire holding of Ordinary Shares (including any shares deemed to be held for him pursuant to Article 7.2) provided that, if this Article applies within 24 months of the date of adoption of these Articles or, where the Ordinary Shareholder ceases at any time to be an employee of the Company either by summary dismissal (which that individual does not challenge at an industrial tribunal or, where he does so, where the tribunal finds in favour of the Company) or in circumstances justifying his dismissal by the Company on the grounds of gross misconduct, there shall be deemed to be specified in the transfer notice an offer price which is the lower of the subscription price and the fair price of the Ordinary Shares in question.
- 9.2. In any case where an Ordinary Shareholder ceases to be a director or employee of the Company or any member of its Group by reason of death or ill health (as certified by a medical practitioner nominated by the Directors) he (or his personal representatives) shall be deemed to have served a transfer notice pursuant to Article 8.2 above in respect of his entire holding of Ordinary Shares (including any shares deemed to be held for him pursuant to Article 7.2).

- 9.3. A transfer notice deemed to be given by a director or employee (or his personal representatives) pursuant to Article 9.1 or 9.2 shall not be capable of revocation, other than by the directors by notice in writing given to all the shareholders of the Company.

10. TRANSFER OF PREFERENCE SHARES

The Preference Shares shall be freely transferable only to the Ordinary Shareholders at a price and upon such terms as may be agreed by the Directors and the Preference Shareholders.

11. TRANSFERS CHANGING CONTROL

No transfer or allotment of any Ordinary Shares shall be made to any person if it would result in that person obtaining or increasing a controlling interest in the Company without the consent of all of the other Shareholders.

12. MATTERS REQUIRING CONSENT OF THE PREFERENCE SHAREHOLDERS

The following matters all require the prior consent of the Preference Shareholders in writing and this Article shall confer a special right of Preference Shareholders as a class:

- 12.1. any variation in the authorised or issued share capital (including the purchase by the Company of its own shares) or the creation or the granting of any options or other rights to subscribe for, or to convert into, shares of the Company or any member of its Group;
- 12.2. the entry into or any variation of any Shareholder-Related Contract or any material variation of the remuneration or other benefits payable under, or the waiver of any breach of, such a contract;
- 12.3. the entry into by the Company or any member of its Group of any lease, licence, tenancy or other similar obligation in relation to any premises.

13. ADJOURNED MEETINGS

If a meeting is adjourned under regulation 41 of Table A because a quorum is not present and, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall form a quorum. Regulation 41 of Table A shall be modified accordingly.

14. POLLS

A poll may be demanded by the Chairman or by any shareholder present in person or by proxy and having the right to vote at the meeting. Regulation 46(b) of Table A shall be modified accordingly.

15. DIRECTORS

- 15.1. Unless otherwise determined by ordinary resolution the number of directors (other than alternate directors) shall be not less than two.
- 15.2. At a meeting of the directors or of a committee of the directors a director shall be deemed to be present in person if and so long as he participates by means of a conference telephone or similar equipment.

- 15.3. A director appointed to fill a casual vacancy or as an addition to the board shall not retire from office at the annual general meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.
- 15.4. The office of director shall be vacated if the director, in the reasonable opinion of all his co-directors, becomes incapable by reason of mental disorder of discharging his duties as director. Regulation 81 of Table A shall be modified accordingly.

16. A DIRECTOR

- 16.1. The holders of the Preference Shares shall be entitled to appoint (and subsequently to remove) an A Director in the circumstances set out in clause 4.6.2 by notice in writing served upon the Company at its registered office.
- 16.2. An A Director shall not be taken to be in breach of his fiduciary duty to act in the best interests of the Company by reason only that, in the performance of his duties and the exercise of his powers, he has regard to the interests and acts upon the wishes of the Preference Shareholders unless no honest and reasonable director could have formed the view that, in so doing, the director was also promoting the interests of the Company as a whole.

17. BOARD MEETINGS

Meetings of the directors shall take place at least once per calendar month and at least seven clear working days' notice of each meeting shall be given to each director; but a majority in number of the directors, which includes the A Director (if an A Director has been appointed), may agree to less frequent meetings or to a shorter period of notice.

18. ADDITIONAL PROVISIONS FOR THE PROTECTION OF THE PREFERENCE SHAREHOLDERS

18.1. Matters requiring consent

So long as any Preference Shares remain outstanding and except with such consent or sanction as is required for a variation of the special rights attached to the shares:

- 18.1.1. the Company shall not modify or vary the rights attaching to the Ordinary Shares or the Preference Shares or (except for the purposes of redeeming any of the Preference Shares) the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or in any manner reduce any uncalled liability in respect of partly paid shares;
- 18.1.2. the Company shall not make any distribution, payment or return to shareholders (other than in respect of the Preference Shares) of a capital nature;
- 18.1.3. the Company shall not issue any further shares ranking as regards participation in the profits or assets of the Company in priority to, or *pari passu* with, the Preference Shares;
- 18.1.4. the Company shall not permit any subsidiary to issue (other than to the Company or another wholly-owned subsidiary of the Company) any shares ranking as

regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital;

- 18.1.5. the Company shall not capitalise any undistributed profits (whether or not they are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve.