

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

STOCKFLAG LIMITED

At an extraordinary general meeting of Stockflag Limited duly convened and held at 33 Faraday Road, <sup>Ap Lei Bay</sup> on 7 March 2000 the following Resolutions were passed as to Resolutions No. 1 and 2 as Ordinary Resolutions and as to Resolution No. 3 as a Special Resolution..

ORDINARY RESOLUTIONS

1. **THAT** the authorised share capital of the Company be increased to £15,639,250 by the creation of 5,975,000 X Preference Shares of 1p each; 25,000 X Ordinary Shares of 1p each; 75,000 Y Ordinary Shares of 1p each, 10,000,000 'Y' Preference Shares of 1p each and 100,000 C Ordinary Shares of 1p each having the rights as set out in the Articles of Association of the Company as adopted pursuant to Resolution 3.
2. **THAT** the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (within the meaning of Section 80 of the Companies Act 1985 ("the Act")) of the Company on and subject to such terms as the Directors may determine. The authority hereby conferred shall subject to Section 80 of the Act be for a period expiring on 5 April 2001 unless renewed varied or revoked by the Company in General Meeting and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be £161,750.00 being the authorised but as yet unissued share capital of the Company at the date hereof.

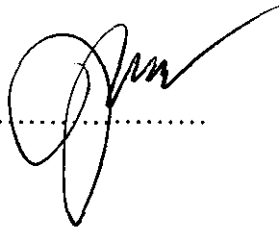


The Directors shall be entitled under the authority conferred by this Resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.

#### SPECIAL RESOLUTION

THAT the regulations contained in the printed document initialled by the Chairman and presented to the meeting be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

.....  
Secretary ~~Director~~

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a long horizontal stroke extending to the right.

ARTICLES OF ASSOCIATION  
(adopted on 7<sup>th</sup> March 2000)

of

STOCKFLAG LIMITED  
Incorporated on: 22nd September 1997  
Registered number: 3437935

1. Interpretation

1.1 Subject as provided in paragraph 1.2 below, the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) ("Table A") shall, together with the following regulations, constitute the articles of association of the Company.

1.2 Regulations numbered 8, 9 and 73 to 80 (both inclusive) in Table A shall not apply to the Company.

1.3 In these Articles:

- (a) headings are used for convenience only and shall not affect the construction hereof;
- (b) words and expressions which are defined in Table A shall bear the same meaning where used herein and, unless the context otherwise requires or does not so admit or save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (but excluding any statutory modification or re-enactment thereof not in force on the date on which these Articles become binding on the Company);
- (c) in the event of there being any conflict or inconsistency between any provision in Table A which is applicable to the Company and any provision set forth herein, the latter shall prevail;
- (d) the following words and expressions shall have the following meanings:

the "Act" means the Companies Act 1985 and every statutory modification or re-enactment thereof and every statutory instrument relevant thereto or derived therefrom for the time being in force

"these Articles" means these articles of association as amended from time to time

"Associate" has the meaning ascribed thereto in article 7.1

"A Ordinary Shares" means A Ordinary Shares of £1 each in the capital of the Company having rights as set out in these Articles

"A Preference Shares" means Cumulative Redeemable A Preference Shares of 90p each in the capital of the Company having rights as set out in these Articles

"Bank" means the Royal Bank of Scotland plc, which expression includes its successors and assigns under the Subordination Deed

"Board" means the board of Directors of the Company from time to time

"B Ordinary Shares" means B Ordinary Shares of £1 each in the capital of the Company having rights as set out in these Articles

"B Preference Shares" means Redeemable B Preference Shares of £1 each in the capital of the Company having rights as set out in these Articles

"C Ordinary Shares" means C Ordinary Shares of 1p each in the capital of the Company having rights as set out in these Articles

"connected" as defined in Article 7.1(c)(v)

"Controlling Interest" has the meaning ascribed thereto in article 7.1(d)

"Deferred Shares" means Deferred Shares in the capital of the Company of the respective nominal values established pursuant to article 3.6 and having rights as set out in these Articles

the "Directors" means the Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors

"Excepted Member" as defined in Article 6.2

"Group Company" means the Company and any other company which is for the time being a subsidiary undertaking of the Company (and "Group" shall be construed accordingly)

"Investor Approval" means the prior consent or approval in writing of an Investor Majority

"Investor Majority" means the holders of not less than one half of the total aggregate number of A Ordinary Shares and X Ordinary Shares for the relevant time being in issue

"Listing" means the admission of all or any of the ordinary share capital of the Company to the Official List of the London Stock Exchange Limited or the admission of the same to trading on the Alternative Investment Market of such Stock Exchange or the admission of the same to, or the grant of permission by any like authority for the same to be traded on, any other equivalent or similar share market

"Member" means any holder for the time being of shares in the capital of the Company of whatever class

"M&J" means M&J Seafoods (Wholesale) Limited, company number 1750668

"Ordinary Shares" means A Ordinary Shares, B Ordinary Shares, X Ordinary Shares and Y Ordinary Shares (but shall not include C Ordinary Shares)

"Preference Shares" means A Preference Shares, B Preference Shares, X Preference Shares and Y Preference Shares

"Preference Dividend" shall mean the fixed dividend payable on the A Preference Shares and the X Preference Shares from time to time pursuant to article 3.1(a)(i) or 3.1(a)(ii)

"Profit-Related Deferred Consideration" means, on a Take-over of the Company, any element of the consideration payable in respect of such Take-over which is to be calculated by reference to the profits of the Company earned in a specific period after completion of such Take-over

"Proportionate Share" means, for each C Ordinary Share in the issued share capital of the Company for the relevant time being, 0.001 per cent. of the amount of the Profit-Related Deferred Consideration

"Shares" means (unless the context does not so admit) shares in the capital of the Company (of whatever class)

"Subordination Deed" means the subordination deed dated 1 December 1997 between (among others) the Company, the holders of the A Preference Shares and the Bank

"Take-over" means the acquisition by a Buyer (as defined in article 7.1) of a Controlling Interest or the sale or other disposal of the whole or substantially the whole of the undertaking of the Company or any other Group Company (other than to a Group Company which is the Company or a wholly-owned subsidiary of the Company)

"X Ordinary Shares" means X Ordinary Shares of 1p each in the capital of the Company having rights as set out in these Articles

"X Preference Shares" means Cumulative Redeemable X Preference Shares of 1p each in the capital of the Company having rights as set out in these Articles

"Y Ordinary Shares" means Y Ordinary Shares of 1p each in the capital of the Company having rights as set out in these Articles

"Y Preference Shares" means Redeemable Y Preference Shares of 1p each in the capital of the Company having rights as set out in these Articles

- 1.4 A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Act.
- 1.5 Insofar as Table A shall require that the seal be affixed to any document (including a share certificate) such requirement shall be treated as satisfied if such document is executed as provided in Section 36A(4) of the Act (as in force on the date of adoption of these Articles).
2. Share capital

The authorised share capital of the Company at the date of adoption of these Articles is £15,639,250 divided into 25,000 A Ordinary Shares, 75,000 B Ordinary Shares, 25,000 X Ordinary Shares, 75,000 Y Ordinary Shares, 5,975,000 A Preference Shares, 10,000,000 B Preference Shares, 5,975,000 X Preference Shares, 10,000,000 Y Preference Shares and 100,000 C Ordinary Shares.

### 3. Share rights

The rights attaching to the respective classes of Shares shall be as follows:

#### 3.1 As regards income:

(a) Subject to article 15 and save as otherwise agreed by the holders of not less than one half in number of the total aggregate number of A Preference Shares and X Preference Shares for the relevant time being in issue:

- (i) In respect of any financial year of the Company ending between the date of adoption of these Articles and 30th September 2000 inclusive, the profits of the Company for the time being available for distribution shall be applied first in paying to the holders of the A Preference Shares and the X Preference Shares a fixed cumulative cash dividend at the rate (exclusive of any associated tax credit) and of six pence (6p) per share per annum; the Preference Dividend so payable on each A Preference Share and X Preference Share in accordance with this article 3.1(a) shall accrue from day to day from (and inclusive of) the date of issue of such A Preference Share or X Preference Share (as the case may be) to (and inclusive of) 30th September 2000 and shall become payable and be paid half-yearly on 31st March and 30th September in every year, the first such payment due after the adoption of these Articles to be made on 31st March 2000 and (as regards the A Preference Shares) to be in respect of the period from 1<sup>st</sup> October 1999 up to (and inclusive of) 31<sup>st</sup> March 2000 and (as regards the X Preference Shares) to be in respect of the period from the date of issue of the X Preference Shares up to (and inclusive of) 31st March 2000;
- (ii) In respect of any financial year of the Company ending after 30th September 2000, the profits of the Company for the time being available for distribution shall be applied first in paying to the holders of the A Preference Shares and the X Preference Shares a fixed cumulative cash dividend at the rate (exclusive of any associated tax credit) and subject as provided in paragraph (k) below of ten pence (10p) per share per annum; the Preference Dividend so payable on each A Preference Share and X Preference Share in accordance with this article 3.1(b) shall accrue from day to day from (and inclusive of) 1st October 2000 to (and inclusive of) the date on which each such A Preference Share or X Preference Share is redeemed and shall become payable and be paid half-yearly on 31st March and 30th



September in every year, the first such payment to be made on 31st March 2001 and to be in respect of the period from 1st October 2000 up to (and inclusive of) 31st March 2001; and

- (iii) in respect of any financial year ending on or after 30th September 2003 (subject to payment in full of the Preference Dividend for such year and all (if any) arrears of the same) next in paying *pari passu* to the holders of the A Ordinary Shares as a class and the X Ordinary Shares as a class a cumulative cash dividend (the "Participating Dividend") of a sum (exclusive of the associated tax credit) equal to 7.5 per cent of the Adjusted Net Profit (as hereinafter defined) for the relevant financial year; the Participating Dividend shall begin to accrue from 1st October 2002, shall be deemed to accrue from day to day throughout each financial year and shall become payable and be paid not more than 4 months after the end of the financial year to which it relates or not more than 14 days after the annual general meeting at which the accounts of the Company for such financial year are laid before the Members of the Company whichever is the earlier.
- (b) Each Preference Dividend and Participating Dividend shall become due and payable on the respective dates referred to *ipso facto* and without any recommendation or resolution of the Directors or the Company in general meeting (and notwithstanding anything to the contrary contained in these Articles). Each payment of any such dividend shall be accompanied by a certificate for the related tax credit.
- (c) The Company shall procure that the profits of any other Group Company for the time being available for distribution shall be paid to it by way of dividend if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to pay in full any Preference Dividend or Participating Dividend.
- (d) If the Company is not lawfully able to pay any Preference Dividend or Participating Dividend in full on the due date for payment of the same then it shall on such date pay the same to the extent that it is then lawfully able so to do and, without prejudice to the respective rights of the holders of the relevant Shares, any amount not so paid shall (subject to article 15) be paid so soon thereafter as the Company is lawfully able to pay the same.
- (e) If any Preference Dividend or Participating Dividend is (for whatever reason) (including without limitation, the operation of the provisions

of articles 15.1 and 15.2) not paid in full on the due date for payment of the same then, as from such date, interest shall accrue on the amount unpaid at the rate of 3 per cent per annum above the base rate of Lloyds TSB Bank Plc from time to time or at 8 per cent per annum whichever is the higher and shall become due (as a charge against the Company) and (subject to article 15) be paid at the same time as the amount to which it relates is paid or, if any such amount remains outstanding on 31st March or 30th September in any year, on such half-yearly dates to the extent accrued at that time.

- (f) Save as required pursuant to paragraph (a) of this Article 3.1, (and unless the holders of not less than one half of the total aggregate number of A Preference Shares and X Preference Shares for the relevant time being in issue agree otherwise) the Company may not distribute any profits for the time being available for distribution:
  - (i) until all of the A Preference Shares and the X Preference Shares have been redeemed; nor
  - (ii) (whether or not the A Preference Shares and X Preference Shares have been redeemed) in respect of any financial year of the Company ending before 30th September 2003.
- (g) Subject to paragraph (f) above, (and unless the holders of not less than one half of the total aggregate number of A Preference Shares and X Preference Shares for the relevant time being in issue shall agree otherwise) any profits which the Company may determine to distribute in respect of any financial year shall be applied (subject to article 15 and to payment in full of the Preference Dividend and the Participating Dividend in respect of such year and all arrears of any or all of the same):
  - (i) in paying to the holders of the B Ordinary Shares and Y Ordinary Shares a non-cumulative cash dividend for such year on each B Ordinary Share and Y Ordinary Share respectively of an amount up to (but not exceeding) the aggregate (cash) amount of the Participating Dividend paid on each A Ordinary Share and X Ordinary Share respectively in respect of such year; and
  - (ii) provided that Investor Approval has been obtained to the distribution of any further amount, such distribution shall be made amongst the holders of the A Ordinary Shares, X Ordinary Shares, B Ordinary Shares and Y Ordinary Shares (pari passu as if the same constituted one class of share).

- (h) The expression "Adjusted Net Profit" where used in paragraph (a) (iii) of this article 3.1 shall mean the net profit of the Company or, if the Company has any subsidiary undertakings during the relevant financial year, the consolidated net profit of the Company and such subsidiary undertakings for the relevant financial year as shown in the audited profit and loss account of the Company or, if the Company has any subsidiary undertakings as aforesaid, a consolidation of the audited profit and loss accounts of the Company and such subsidiary undertakings for such year subject (insofar as such adjustments shall not already have been made) to the following adjustments:
- (i) if such accounts have not been prepared on the historical cost accounting basis, such adjustments as may be necessary to produce the same result as that which would have resulted if such accounts had been prepared on that basis;
  - (ii) after taking into account any payment in respect of or provision for corporation tax (including advance corporation tax) (or other tax equivalent to corporation tax in the case of any overseas company) and any other tax (whether of the United Kingdom or otherwise) which may be imposed on or by reference to profits, gains, income or distribution;
  - (iii) after taking into account any payment in respect of or provision for payment of Preference Dividends;
  - (iv) before taking into account any transfer or proposed transfer to reserves;
  - (v) after taking into account exceptional items; and
  - (vi) before taking into account any amount written off in respect of goodwill or other intangible assets; and
  - (vii) before taking into account any amount written off or amortised in respect of transaction costs.
- (i) In the event of any failure to agree the Adjusted Net Profit for a financial year, then the certificate of the auditors of the Company as to the amount of the Adjusted Net Profit shall be conclusive and binding on the Company and its Members. In so certifying the auditors shall:
- (i) in any case where the report of the auditors on any of the relevant accounts contains a qualification, be entitled to make, in addition to the adjustments referred to above, such further

adjustments as they may in the circumstances consider appropriate; and

- (ii) be deemed to be acting as experts not as arbitrators and the provisions of the Arbitration Act 1996 (as from time to time amended) shall not apply. The charges of the auditors or such other firm of accountants of providing any certificates pursuant hereto shall be borne by the Company.
- (j) For the avoidance of doubt, the B Preference Shares, the Y Preference Shares, and the Deferred Shares shall confer no rights to dividends on the holders thereof.
- (k) If all the A Preference Shares and the X Preference Shares have not been redeemed on or before 30th September 2005 then, as from such date, the rate of the Preference Dividend (exclusive of the associated tax credit) shall be increased to 15 pence (15p) on each A Preference Share and X Preference Share per annum.
- (l)
  - (i) If on a Take-over, being the acquisition by a Buyer (as defined in article 7.1) of a Controlling Interest in the Company, any Profit-Related Deferred Consideration shall be payable by the Buyer in respect of such Take-over then there shall be paid from the profits of the Company for the time being available for distribution to each holder of C Ordinary Shares a cash dividend equal to his Proportionate Share.
  - (ii) For the avoidance of doubt, the C Ordinary Shares shall confer no rights to dividend on the holders thereof other than those set out in article (l)(i).

### 3.2 As regards capital:

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities (including any interest payable pursuant to paragraph (e) of article 3.1) shall subject to article 15 be applied:

- (a) first in paying *pari passu* to the holders of the A Preference Shares and the X Preference Shares an amount equal to the subscription price (inclusive of any premium) paid for each A Preference Share together with a sum equal to all arrears and/or accruals of Preference Dividends thereon to be calculated down

to the payment date (and to be payable irrespective of whether or not such dividend has been earned);

- (b) next and subject thereto, in paying to the holders of the A Ordinary Shares and X Ordinary Shares a sum equal to all accruals and arrears of Participating Dividends thereon to be calculated down to the payment date and to be payable irrespective of whether such dividend has been earned;
- (c) next and subject thereto, in paying to the holders of the B Preference Shares and Y Preference Shares an amount equal to the redemption price payable in respect of such shares;
- (d) next and subject thereto, in paying to the holders of the B Ordinary Shares and Y Ordinary Shares an amount equal to any dividend accrued to them in the relevant financial year pursuant to article 3.1(g)(i) which has not been paid;
- (e) next and subject thereto, in paying to the holders of the C Ordinary Shares an amount equal to the nominal value of each C Ordinary Share held by them;
- (f) next and subject thereto, in paying to each holder of Deferred Shares the sum of £1; and
- (g) subject thereto, the balance of such assets shall belong to and be distributed amongst the holders of the A Ordinary Shares, X Ordinary Shares, B Ordinary Shares and Y Ordinary Shares (pari passu as if the same constituted one class of share).

3.3 As regards redemption of A Preference Shares and X Preference Shares:

- (a) The Company shall have the right at any time and from time to time to redeem all or such other number, being not less than (in aggregate) 100,000 or a multiple thereof, of the A Preference Shares and the X Preference Shares then in issue as it may, by not less than 30 days' previous written notice to the holders of A Preference Shares and X Preference Shares, specify and any such notice (a "redemption notice") shall also specify the date fixed for redemption.
- (b) The Company shall redeem the A Preference Shares and the X Preference Shares by two consecutive annual instalments of 2,000,000 A Preference Shares and X Preference Shares each followed by a final instalment of (in aggregate) 1,975,000 A

Preference Shares and X Preference Shares, such redemptions to be made on 30th September in each year commencing on 30th September 2003 provided that if the Company shall have redeemed any A Preference Shares and/or X Preference Shares pursuant to paragraph (a) then such redemptions shall extinguish or reduce (as the case may require) the fixed annual instalments in inverse order of maturity. By way of reminder, the Company shall, not later than 30 days prior to each such redemption date as is referred to above, give a redemption notice in relation to each redemption of A Preference Shares and X Preference Shares to be made pursuant to this paragraph.

- (c) Unless and to the extent (if any) that the holders of not less than one half of the total aggregate number of A Preference Shares and X Preference Shares for the relevant time being in issue agree otherwise at the relevant time, the Company shall, prior to any Listing or Take-over (or, in a case where the Company is not aware of the date on which a Take-over occurs, within seven days after the Company becomes aware of the same) (whichever of such events first occurs) redeem all of the A Preference Shares and X Preference Shares then in issue.
- (d) The holders of not less than one half of the total aggregate number of A Preference Shares and X Preference Shares for the relevant time being in issue shall be entitled, by notice in writing to the Company, to require redemption of all or any part of the A Preference Shares and the X Preference Shares for the relevant time being in issue at any time after the happening of any one or more of the following events:
  - (i) any Preference Dividend or Participating Dividend failing (for whatever reason) to be paid in full within 30 days after the date on which the same became due for payment or would have become so due but for the provisions of article 15.1 or article 15.2; or
  - (ii) any Preference Shares not (for whatever reason) being redeemed in full within 30 days after the date on which the same become due for redemption, or would have become so due but for the provisions of article 15.1 or article 15.2, pursuant to any of the foregoing provisions of this article;

- (iii) any event of default being declared by a lender under any third party loan or security documentation to which any Group Company is a party;

and upon the giving of any such notice in writing to the Company as aforesaid all (or the number (if any) specified in such notice) of the A Preference Shares and the X Preference Shares shall immediately become due for redemption on the date of such notice or, if any later date is specified in such notice, such later date.

- (e) Subject to the provisions of the Act, upon each date on which all or any of the A Preference Shares and the X Preference Shares become due for redemption pursuant to the foregoing provisions of this article the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the register of members in respect of such Shares) of each A Preference Share an X Preference Share then due to be redeemed an amount of £1 per A Preference Share and an amount of £1 per X Preference Share together with a sum equal to all arrears and accruals of dividend on such share (whether earned or not) calculated up to (and including) the actual date of redemption.
- (f) Certificates for A Preference Shares and X Preference Shares shall be deemed to have been cancelled to the extent appropriate on the date upon which the shares to which they relate are redeemed in full. Following any partial redemption of A Preference Shares and X Preference Shares certificates which then relate in part to Preference Shares which have not been redeemed shall be delivered up to the Company and, subject only to such delivery up, the Company shall (free of charge) issue new definitive certificates in respect of those A Preference Shares and X Preference Shares which have not been redeemed.
- (g) If on any due date for redemption of A Preference Shares and X Preference Shares the Company is prohibited by law from redeeming all of the A Preference Shares and the X Preference Shares then falling to be redeemed it shall on such date redeem such number of the same as it may then lawfully redeem and shall redeem the balance so soon thereafter as it is not so prohibited and, for so long as such prohibition remains and any such A Preference Shares and X Preference Shares as aforesaid have not been redeemed (and notwithstanding any other provisions of these Articles) the Company shall not pay any dividend save for the Preference Dividend and the Participating Dividend or otherwise make any distribution of or otherwise decrease its profits available for distribution. If the Company fails to make any partial

redemption of A Preference Shares and X Preference Shares on any due date for redemption, then subsequent redemptions of A Preference Shares and X Preference Shares shall be deemed to be of those A Preference Shares and X Preference Shares which first became due for redemption.

- (h) The Company shall procure that the profits of any other Group Company for the time being available for distribution shall be paid to it by way of dividend if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to make any redemption of A Preference Shares and X Preference Shares required to be made pursuant to this article.
- (i) Any partial redemption of A Preference Shares and X Preference Shares shall be made amongst the holders of the A Preference Shares and X Preference Shares pro rata (as nearly as may be without giving rise to fractions) according to their respective holdings (and as if they constituted one class of shares).

(j) Article 3.3 is subject to article 15.

3.4 As regards redemption of B Preference Shares and Y Preference Shares:

- (a) No B Preference Shares or Y Preference Shares shall be redeemed or become redeemable until all of the A Preference Shares and the X Preference Shares shall have been redeemed in full;
- (b) Subject to all of the A Preference Shares and the X Preference Shares having first been redeemed in full, the Company shall unless the holders of not less than half of the total aggregate number of B Preference Shares and Y Preference Shares for the relevant time being in issue shall have agreed otherwise, upon or as soon as practicable after any Listing or Take-over, redeem all of the B Preference Shares and the Y Preference Shares then in issue;
- (c) Subject to the provisions of the Act, upon each date on which all or any of the B Preference Shares and the Y Preference Shares become due for redemption pursuant to the foregoing provisions of this article the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the register of members in respect of such Shares) of each B Preference Share and each Y Preference Share then due to be



redeemed an amount of £1 per B Preference Share and an amount of £1 per Y Preference Share.

- (d) Certificates for B Preference Shares and Y Preference Shares shall be deemed to have been cancelled to the extent appropriate on the date upon which the shares to which they relate are redeemed in full.
- (e) If on any due date for redemption of B Preference Shares and Y Preference Shares the Company is prohibited by law from redeeming all of the B Preference Shares and Y Preference Shares then falling to be redeemed it shall on such date redeem such number of the same as it may then lawfully redeem and shall redeem the balance so soon thereafter as it is not so prohibited.
- (f) The Company shall procure that the profits of any other Group Company for the time being available for distribution shall be paid to it by way of dividend if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to make any redemption of B Preference Shares and Y Preference Shares required to be made pursuant to this article.
- (g) Any partial redemption of B Preference Shares and Y Preference Shares shall be made amongst the holders of the B Preference Shares and Y Preference Shares pro rata (as nearly as may be without giving rise to fractions) according to their respective holdings (and as if they constituted one class of shares).
- (h) Article 3.4 is subject to article 15.

3.5 As regards voting:

- (a) Save as provided in article 6.6(b), A Ordinary Shares, B Ordinary Shares, X Ordinary Shares and Y Ordinary Shares shall respectively confer on each holder thereof (in that capacity) the right to receive notice of and to attend, speak and vote at all general meetings of the Company (and on a poll to exercise one vote for every A Ordinary Share, B Ordinary Share, X Ordinary Share or Y Ordinary Share (as the case may be) of which he is the holder).
- (b) A Preference Shares and X Preference Shares shall confer on each holder thereof (in that capacity) the right to receive notice of and to attend and speak at all general meetings of

the Company but shall not confer any right (in that capacity) to vote thereat unless at the date of the meeting either:

- (i) some or all of the A Preferences Shares and X Preference Shares have become due for redemption or would have become due but for the provisions of Article 15.1 or 15.2 and have not been redeemed;
- (ii) any Preference Dividend and/or Participating Dividend has become due for payment or would have become due but for the provisions of Article 15.1 or 15.2 and has not been paid in full; or
- (iii) any event of default has been declared by a lender under any third party loan or security documentation to which any Group Company is a party

and, in such event, (in the case of a right arising under paragraph (i) or (ii) for so long as the relevant default by the Company has not been remedied) each holder of A Preference Shares and X Preference Shares shall be entitled (in that capacity) to vote at such meeting (and, on a poll, to exercise one vote for every A Preference Share or X Preference Share of which he is the holder).

- (c) B Preference Shares, Y Preference Shares C Ordinary Shares and Deferred Shares shall not confer on any holder thereof (in that capacity) any right to receive notice of nor to attend and speak at any general meeting of the Company nor any right (in that capacity) to vote thereat.

3.6 As regards conversion:

In the event that:

- (a) the Company declares a dividend (other than a Preference Dividend or a Participating Dividend) in respect of any A Ordinary Shares, A Preference Shares, B Ordinary Shares or B Preference Shares; and
- (b) (pursuant to article 16 of these Articles) at the time of declaration of such dividend the holders of such shares are offered the alternative of a dividend payment in cash or the issue to them of (respectively) new X Ordinary, X Preference, Y

Ordinary or Y Preference Shares ("Scrip Shares") credited as fully paid up

then (in the event that some or all of the holders of A Ordinary Shares, A Preference Shares, B Ordinary Shares or B Preference Shares elect to take Scrip Shares) ipso facto and forthwith upon the issue to such persons of the respective Scrip Shares, each of the A Ordinary Shares, A Preference Shares, B Ordinary Shares and/or B Preference Shares in respect of which such election has been made shall convert and be redesignated as a Deferred Share having the same nominal value as the respective share from which it was derived.

3.7 As regards class consents:

Except with Investor Approval:

- (a) no Group Company shall modify or vary the rights attaching to any class of its shares;
- (b) no Group Company shall vary or permit any variation in its authorised or issued share capital or grant any option or other rights to subscribe for shares or securities convertible into shares in its capital;
- (c) no Group Company shall pass any resolution for reducing its issued share capital or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or for reducing any uncalled liability in respect of partly paid shares;
- (d) no Group Company shall purchase or (save, in the case of the Company, as required or permitted under article 3.3) redeem any shares;
- (e) no Group Company shall transfer any profits to reserves or otherwise take any action (excluding any payment of dividends) which will or may reduce the amount of its profits available for distribution;
- (f) no Group Company shall capitalise any profits (whether or not the same 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;

- (g) no Group Company shall dispose of all or any part of, or any interest in, the shares or securities convertible into shares or any right to acquire shares or securities so convertible of any other Group Company;
- (h) no Group Company shall dispose of the whole or a substantial part of its business, undertaking or assets;
- (i) no Group Company shall alter its memorandum or articles of association and the Company shall not exempt any Share from the provisions of article 8.1;
- (j) no resolution for the winding-up of a Group Company shall be passed (unless a licensed insolvency practitioner shall have advised that such company is required to be wound up by reason of having become insolvent); and
- (k) no Group Company shall suspend or relax any provision of its articles of association which prohibit a Director from voting at a meeting of Directors or of a committee of Directors in certain circumstances.

3.8 As regards appointment of Directors:

- (a) The holders of the A Ordinary Shares and the X Ordinary Shares shall be entitled (between them and as if they constituted one class of shares) from time to time to appoint a person as a Director of the Company and to remove any such person from office. The holders of the A Ordinary Shares and the X Ordinary Shares shall be entitled to appoint any such person who is an employee or officer of Lloyds TSB Development Capital Limited without recourse to the Board. If the holders of the A Ordinary Shares and the X Ordinary Shares wish to appoint any other person, they will first consult with the Board, and will not appoint any person who is (in the reasonable opinion of the Board) connected with or is an employee or director of a competitor of any Group Company.
- (b) Any person or persons for the time being holding A Ordinary Shares or X Ordinary Shares and entitled to exercise (whether by virtue of such holding(s) of A Ordinary Shares, X Ordinary Shares and/or any other holding(s) of Shares of any other class or classes) one half or more of the total number of votes which can then be cast on a poll at any general meeting of the Company may from time to time (for so long as he or they remain so entitled) remove any or all of the Directors and/or

appoint any person or persons as a Director or Directors of the Company.

- (c) Any such appointment or removal as is referred to in paragraphs (a) or (b) above shall be made by notice in writing to the Company signed, in the case of an appointment or removal made pursuant to paragraph (a), by or on behalf of an Investor Majority and, in the case of an appointment or removal made pursuant to paragraph (b), by or on behalf of such person or persons as are first referred to therein and served, in each case, upon the Company at its registered office for the relevant time being.
- (d) Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director pursuant to paragraph (a) of this article may appoint such person who would be eligible for appointment as a Director pursuant to paragraph (a) to be his alternate Director provided that unless such person is an employee or officer of Lloyds TSB Development Capital Limited, he shall first consult with the Board.

3.9 As regards quorums:

- (a) Subject to paragraph (c) of this article 3.9, save with Investor Approval no meeting of Members shall be quorate unless those Members present include (whether in person or by a duly authorised representative or a proxy) the holders of not less than 50 per cent of the total aggregate number of A Ordinary Shares and X Ordinary Shares for the relevant time being in issue.
- (b) Subject to paragraph (c) of this article 3.9, save with Investor Approval no meeting of the Board held at any time when a person appointed pursuant to paragraph (a) of article 3.8 is in office as a Director of the Company shall be quorate unless such person (or a duly appointed alternate Director of such person) is present at such meeting.
- (c) If any meeting of Members or of the Board is inquorate because of the foregoing provisions of this article 3.9, such meeting shall be adjourned to the same time at the same place seven days later. The provisions of article 3.9(a) and (b) shall not apply to any such adjourned meeting.

4. Share transfers - general provisions

- 4.1 In addition to the discretions vested in them pursuant to regulation 24 of Table A, the Directors may refuse to register the transfer of any Share to an individual who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval.
- 4.2 The Directors shall refuse to register the transfer of any Share unless they are satisfied that such transfer is either:
- (a) a transfer permitted under article 4.5 or 7.9 (a "Permitted Transfer"); or
  - (b) a transfer made in accordance with and permitted under article 5.
- 4.3 Subject as provided in articles 4.1 and 4.4 or as required by law, the Directors shall register any such transfer as is referred to in paragraph (a) or (b) of article 4.2.
- 4.4 If, in relation to a transfer of a Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) then the Directors shall (unless an Investor Majority agrees or directs otherwise at the relevant time):
- (a) require the transferee of such Share to enter into a written undertaking (in such form as the Directors may prescribe) to be bound (to the same extent as the transferor or to such other extent as the Directors may reasonably stipulate) by the provisions of such agreement; and
  - (b) decline to register the transfer of such Share unless and until the transferee has entered into such written undertaking.
- 4.5 Subject to articles 4.1, 4.4 and 4.6 and (subject as provided in article 7.9) to article 7.2, a Member shall be permitted to transfer the legal title to and/or beneficial ownership of a Share:
- (a) (i) if such Shares are A Preference Shares transferred together with A Ordinary Shares in the same proportions as the relevant Member holds A Preference Shares and A Ordinary

Shares subject to Investor Approval, to such person or persons as the Member thinks fit; or

- (ii) if such Shares are X Preference Shares transferred together with X Ordinary Shares in the same proportions as the relevant Member holds X Preference Shares and X Ordinary Shares subject to Investor Approval, to such person or persons as the Member thinks fit; or
- (b) if the Member is a company, to any holding or subsidiary company of that Member or to any other subsidiary company of any such Member's holding company; or
- (c) to a person who is the beneficial owner of such Share or (in the case of the legal title only) to a different or additional nominee or trustee on behalf of such beneficial owner provided that such person has not become the beneficial owner thereof other than in accordance with the provisions of article 5; or
- (d) if the Member is a person whose principal business is to make, manage or advise upon share investments (an "Investor") (or a nominee of such a person) to any fund, partnership, company or other entity whose business is managed by the Investor or by any company which is either the Investor's holding company or any other subsidiary of such holding company (or, in any such case, a nominee on behalf thereof); or
- (e) if the Member is a fund, partnership, company, syndicate or other entity managed by an Investor (or, in any such case, a nominee on behalf thereof) either to any participant or partner in or member of any such fund, partnership, company, syndicate or other entity or to the Investor or to any company which is either the Investor's holding company or another subsidiary of such holding company, (or, in any such case, a nominee on behalf thereof); or
- (f) with Investor Approval and the prior written consent of the holders of not less than 75 per cent of the aggregate number of Ordinary Shares for the relevant time being in issue (either of which approvals may be subject to terms and conditions); or
- (g) to Custodians pursuant to article 6.4 and by Custodians in accordance with paragraph (c) of that article.

- 4.6 No such Permitted Transfer as is referred to in paragraphs (b) or (c) in article 4.5 may be made in respect of or in relation to any share which for the relevant time being is the subject of any Transfer Notice or Mandatory Transfer Notice.
- 4.7 (a) If any holder of A Ordinary Shares, B Ordinary Shares, X Ordinary Shares or Y Ordinary Shares (together "Principal Shares") shall also be a holder of C Ordinary Shares, then no transfer of his Principal Shares shall be permitted unless he also transfers at the same time a proportionate number of his C Ordinary Shares (and for the purposes of articles 4, 5 and 6, each C Ordinary Share shall be deemed to be of the same class as his Principal Shares provided that if he has Principal Shares of more than one class the proportionate number of C Ordinary Shares shall be divided pro rata to the number of Principal Shares of each class held).
- (b) No C Ordinary Share shall be transferred unless it is pursuant to a transfer as set out in article 4.7(a) above.

## 5. Share transfers - pre-emption provisions

- 5.1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a Share or any interest or right in or arising from a Share (an option, warrant or other right to acquire any Share (whether by subscription, conversion or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the provisions contained in this article and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.
- 5.2 Before transferring or otherwise disposing of any Share or any interest or right in or arising from any Share the person proposing to transfer or otherwise dispose of the same (the "Transferor") shall give notice in writing (a "Transfer Notice") to the Company specifying the Shares, interest and/or rights of which the Transferor wishes to dispose.
- 5.3 Notwithstanding that a Transfer Notice specifies that the Transferor wishes to dispose only of an interest or right in or arising from or attaching to, the Shares referred to therein, the Transfer Notice shall (notwithstanding anything in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Transferor in relation to the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the "Sale Shares") at the Sale Price (as hereinafter referred to) in accordance with the provisions of this article. A Transfer Notice (other



than a Mandatory Transfer Notice) may be revoked by the Transferor within 7 days after the Sale Price in respect thereof is determined in accordance with article 5.6(b) and notified to the Transferor in writing, but a Transfer Notice shall not otherwise be revocable except with the consent of the Directors.

- 5.4 Except in the case of a Transfer Notice which a Member is required to give or is deemed to have given pursuant to article 6 (a "Mandatory Transfer Notice"), a Transfer Notice may include a condition (a "Total Transfer Condition") that if all the Sale Shares (of whatever class) are not sold to Approved Transferees (as hereinafter defined), then none shall be so sold.
- 5.5 Except in the case of a Mandatory Transfer Notice, the Transfer Notice may state, in addition to details of the Sale Shares:
- (a) the name or names of a person or persons (such person or persons being hereinafter referred to as the "Proposing Transferee") to whom the Sale Shares (or an interest or right in or arising therefrom) are proposed to be transferred in the event that the Sale Shares are not acquired by Approved Transferees (as hereinafter defined); and
  - (b) the entire consideration per share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling an amount per share which is so expressed and which is commensurate with the entire consideration). In such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require and giving their consent in writing to the same) that the consideration so stated is a bona fide consideration (not inflated for particular reasons) agreed between the Transferor and the Proposing Transferee at arms' length and in good faith, such consideration shall be the Sale Price and the Prescribed Period (as hereinafter referred to) shall commence on the date on which the Transfer Notice is given and shall expire 60 days thereafter.
- 5.6 In the case of a Transfer Notice which does not state the further details referred to in article 5.5 or (subject as provided in article 6.3) a Mandatory Transfer Notice:
- (a) if, not more than 30 days after the date on which the Transfer Notice was given or was deemed to be given (or such longer period (if any) as the Directors with Investor Approval may,

prior to the expiry of such period of 30 days, determine to allow for this purpose), the Transferor and the Directors shall have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Transferor and not more than the fair value thereof then such price shall be the Sale Price and the Prescribed Period shall commence on the date on which such agreement is reached and shall expire 60 days thereafter; or

- (b) failing such agreement, upon the expiry of 30 days (or such longer period (if any) as aforesaid) after the date on which the Transfer Notice was given or was deemed to be given the Directors shall instruct the auditors for the time being of the Company to determine and report to the Directors the sum per Share considered by them to be the fair value of the Sale Shares as at the date when the Transfer Notice was given or deemed to be given (as the case may be) and the sum per Share so determined and reported shall be the Sale Price and the Prescribed Period shall commence on the date on which the auditors shall so determine and report and shall expire 60 days thereafter.

5.7 For the purposes of article 5.6, the auditors shall act as experts and not as arbitrators and (save only for manifest error) their determination shall be final and binding upon the Company and all Members. The costs and expenses of the auditors in relation to the making of their determination shall be borne by the Company unless:

- (a) the Sale Price as so determined is the same as, or substantially the same as, that (if any) which the Directors had notified to the Transferor as being in their opinion the Sale Price; or
- (b) the Transferor revokes the Transfer Notice following such determination in accordance with article 5.3,

in either of which such events such costs and expenses shall be borne by the Transferor. For the purposes of article 5.6 and this article, the fair value of Sale Shares shall be the market value thereof as between a willing buyer and a willing seller at arms' length but with no discount being made or premium being added by reason of such Shares (if such be the case) constituting a minority holding or a majority holding (and the auditors shall be instructed accordingly).

5.8 Subject as provided in article 5.9 and 6.4, Sale Shares which are Ordinary Shares shall be offered in writing by the Company to the

holders for the time being of Ordinary Shares and, in the case of B Ordinary Shares and Y Ordinary Shares, to the Company for repurchase (if Investor Approval has been given to the same) and to such other person or persons (if any and which may (in the case of A Ordinary Shares and X Ordinary Shares) include the Company) as the Directors (with Investor Approval) think fit ("Other Nominees") and Sale Shares which are Preference Shares shall (unless the provisions of article 4.5(a) apply)

- (a) (if such shares are A Preference Shares) be offered in writing by the Company to the holders for the time being of A Ordinary Shares and X Ordinary Shares (as if they were one class of shares); or
- (b) (if such shares are X Preference Shares) be offered in writing by the Company to the holders for the time being of A Ordinary Shares and X Ordinary Shares (as if they were one class of shares); or
- (c) (if such shares are B Preference Shares) be offered in writing by the Company to the holders for the time being of the B Ordinary Shares and Y Ordinary Shares (as if they were one class of shares); or
- (d) (if such shares are Y Preference Shares) be offered in writing by the Company to the holders for the time being of the B Ordinary Shares and Y Ordinary Shares (as if they were one class of shares);

and/or to such other person or persons (if any) as an Investor Majority may stipulate at the relevant time.]

5.9 Save with Investor Approval, no Sale Shares shall in any circumstances be offered:

- (a) to the relevant Transferor or any Associate of such Transferor; or
- (b) to any person who remains a Member but who (in relation to those Shares then held by him) has given a Transfer Notice or been deemed to have given a Mandatory Transfer Notice (in respect of all or any such Shares) on or prior to the date on which such offer is made.

5.10 Any such offer as is required to be made by the Company pursuant to article 5.8 shall prescribe a time (not being less than 21 days or (unless

an Investor Majority otherwise agrees or directs) more than 28 days) after such offer is made within which it must be accepted or, in default will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated according to the class of the Sale Shares on the following basis of priority:

- (a) if the Sale Shares are A Ordinary Shares (subject in each case as provided in article 5.9) first to the other holders of A Ordinary Shares and to the holders of X Ordinary Shares (as if they were one class of shares), next to the holders of B Ordinary Shares and Y Ordinary Shares (as if they were one class of shares) and next to Other Nominees (if any);
- (b) if the Sale Shares are X Ordinary Shares (subject in each case as provided in article 5.9) first to the other holders of X Ordinary Shares and to the holders of A Ordinary Shares (as if they were one class of shares), next to the holders of B Ordinary Shares and Y Ordinary Shares (as if they were one class of shares) and next to Other Nominees (if any);
- (c) if the Sale Shares are B Ordinary Shares (subject in each case as provided in article 5.9) first (subject to the Act and with Investor Approval) to the Company to repurchase the same so far as it is lawfully able, next to the other holders of B Ordinary Shares and to the holders of Y Ordinary Shares (as if they were one class of shares), next to the holders of the A Ordinary Shares and X Ordinary Shares (as if they were one class of shares) and thereafter to Other Nominees (if any);
- (d) if the Sale Shares are Y Ordinary Shares (subject in each case as provided in article 5.9) first (subject to the Act and with Investor Approval) to the Company to repurchase the same so far as it is lawfully able, next to the other holders of Y Ordinary Shares and to the holders of B Ordinary Shares (as if they were one class of shares), next to the holders of the A Ordinary Shares and X Ordinary Shares (as if they were one class of shares) and thereafter to Other Nominees (if any);
- (e) if the Sale Shares are A Preference Shares (subject in each case as provided in article 5.9) first to the holders of A Ordinary Shares and X Ordinary Shares (as if they were one class of shares) and next to such other person or persons (if any) as are last referred to in article 5.8;

- (f) if the Sale Shares are X Preference Shares (subject in each case as provided in article 5.9) first to the holders of A Ordinary Shares and X Ordinary Shares (as if they were one class of shares) and next to such other person or persons (if any) as are last referred to in article 5.8; or
  - (g) if the Sale Shares are B Preference Shares, first to the holders of B Ordinary Shares and Y Ordinary Shares (as if they were one class of shares), next to the holders of A Ordinary Shares and X Ordinary Shares (as if they were one class of shares) and next to such other person or persons (if any) as are last referred to in article 5.8; or
  - (h) if the Sale Shares are B Preference Shares, first to the holders of B Ordinary Shares and Y Ordinary Shares (as if they were one class of shares), next to the holders of A Ordinary Shares and X Ordinary Shares (as if they were one class of shares) and next to such other person or persons (if any) as are last referred to in article 5.8.
- 5.11 If, by virtue of the application of the provisions in article 5.10, acceptances are received from any such class as therein referred to in respect of an aggregate number of Shares which is in excess of that offered then the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Shares of the relevant class held by each acceptor (or in the case of Other Nominees on such basis as the Directors (with Investor Approval) shall determine) provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this article 5.11 shall continue to apply mutatis mutandis until all Shares which any such acceptor would, but for this proviso, have acquired on the proportionate basis specified above have been allocated accordingly.
- 5.12 If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied. Subject thereto, any such offer as is required to be made by the Company pursuant to article 5.8 shall be unconditional.
- 5.13 If, prior to the expiry of the Prescribed Period, the Company shall, pursuant to the foregoing provisions, find Members or Other Nominees (herein together called "Approved Transferees") to purchase some or (if article 5.12 shall apply) all the Sale Shares it shall forthwith give notice in writing thereof to the Transferor and the

Approved Transferees. Every such notice shall state the name and address of each of the Approved Transferees and the number of the Sale Shares agreed to be purchased by him and shall specify a place and time and date (not being less than 7 days nor more than 14 days after the date of such notice) at which the sale and purchase shall be completed. Upon the giving by the Company of any such notice as aforesaid the Transferor shall be bound (subject only to due payment of the sale price) to complete the sale of the Sale Shares to which such notice relates in accordance with its terms.

- 5.14 If a Transferor shall (save only for reason that an Approved Transferee does not duly pay the Sale Price) fail to duly transfer any Sale Shares to an Approved Transferee, the Directors shall be entitled to, and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Transferor and shall (subject to so receiving the same) cause such Approved Transferee to be registered as the holder of such Shares. The receipt of the Company for the purchase money shall be a good discharge to the Approved Transferee (who shall not be bound to see to the application thereof) and after the Approved Transferee has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

5.15

- (a) If the Company shall not, prior to the expiry of the Prescribed Period, find Approved Transferees willing to purchase some, or, if the relevant Transfer Notice validly contained a Total Transfer Condition, all the Sale Shares, it shall give notice in writing thereof to the Transferor and the Transferor, at any time thereafter up to the expiration of 60 days from the date of such notice, shall, (subject as provided below) be at liberty to transfer those of the Sale Shares not purchased by Approved Transferees or all the Sale Shares (as the case may be) to the Proposing Transferee or, where the Transfer Notice did not contain details of a Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price. The Directors may require the Transferor to provide evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate, allowance or indulgent terms whatsoever to the purchaser thereof and, if not so satisfied, may refuse to register the instrument of transfer and/or serve a Disenfranchisement Notice with the effect set out

in article 6.7(b) in respect of such Shares as shall have been so sold.

- (b) The provisions of the immediately preceding paragraph shall not apply to any Sale Shares which so became by virtue of the holder thereof having been deemed to have given a Mandatory Transfer Notice in respect thereof. In such event, such holder shall not be permitted to transfer all or any of the same as provided in paragraph (a) above (and, accordingly, the provisions in article 5 shall apply if such holder subsequently determines to seek to transfer the same).

- 5.16 Any Share required to be transferred by a Transferor to an Approved Transferee pursuant to this article shall be transferred free from any mortgage, charge, lien, option or other encumbrance and with the benefit of all rights and entitlements attaching thereto and if, in determining the Sale Price, there was taken into account any entitlement to any dividend which has been paid prior to the date on which the transfer is registered then the Transferor shall be liable to account to the Approved Transferee for the amount thereof (and the Approved Transferee, when making payment for such Share, may set-off such amount against the Sale Price payable).

#### 6. Share transfers - further provisions

- 6.1 If any person shall purport to transfer or otherwise dispose of any Share or any interest in or right arising from any Share otherwise than as permitted under article 4.5 or in accordance with the provisions of article 5, such person and any Associate of such person who is a Member shall, unless and to the extent (if any) that the Directors otherwise determine at the relevant time, be deemed to have given, on the date on which the Directors give notice to such person that they have become aware of the purported transfer or other disposal (or on the date (if any) specified in such notice), a Transfer Notice in respect of all Shares of which such person and any such Associate of such person is then the holder.
- 6.2 If any person becomes entitled to [Ordinary Shares] in consequence of the death, bankruptcy or liquidation of a Member (other than in consequence of the death of a Member (an "Excepted Member") who paid up such shares by the transfer to the Company of 'A' ordinary shares of £1 each in the capital of M&J) then (unless a transfer to such person would be a Permitted Transfer or the Directors (with Investor Approval) determine otherwise at the relevant time) a Transfer Notice shall be deemed to have been given on the date on which the Directors

become aware that such entitlement has arisen in respect of all [Ordinary Shares] held by the Member and any Associate of such Member.

6.3

- (a) If at any time any person being a Member (other than an Excepted Member) and a director (not being a director appointed pursuant to article 3.8) or employee of or consultant to any Group Company (a "Leaving Member") shall cease (for whatever reason) to be such a director or employee or consultant and such person and/or any Associate of such person who is a Member shall be the holder of any [Ordinary Shares], then (unless and to the extent that an Investor Majority agrees otherwise at the relevant time) there shall be deemed to have been given on the date of such cessation (or such later date (if any) as the Directors (with Investor Approval) may determine and notify in writing to the person concerned) a Transfer Notice in respect of all [Ordinary Shares] then owned and/or held by such person and any Associate of such person.
- (b) If an Excepted Member who immediately following adoption of these articles becomes an employee and a director of the Company shall cease to be a director and employee of the Company, then (unless and to the extent that an Investor Majority agrees otherwise at the relevant time) there shall be deemed to have been given on the date of such cessation (or such later date (if any) as the Directors (with Investor Approval) may determine and notify in writing to the person concerned) a Transfer Notice in respect of:
  - (i) (if the reason for such cessation is the death, ill health, permanent incapacity or retirement at normal retirement age of such Excepted Member), 5% of the Ordinary Shares held by the Excepted Member and (otherwise than in the case of the death of the Excepted Member) any Associate or former spouse of such Excepted Member; or
  - (ii) (if the cessation is for any other reason), all of the Ordinary Shares held by the Excepted Member and any Associate or former spouse of such Excepted Member.
- (c) The Sale Price in respect of any Ordinary Shares the subject of a Transfer Notice deemed to be given pursuant to paragraph (a) or (b) above shall be:



- (i) if the reason for such cessation is the death, ill health, permanent incapacity, retirement at normal retirement age, or the constructive or wrongful dismissal of the Leaving Member (which expression shall include for this purpose an Excepted Member) or (if the Board with Investor Approval so determines) the expiration of notice given by such Member to terminate his employment in accordance with his contract of employment, fair value determined in accordance with article 5.6; or
- (ii) in any other case, £1 per share or, if lower, fair value determined in accordance with article 5.6.

#### 6.4

- (a) If any Transfer Notice is deemed to be given pursuant to article 6.3, the Company shall forthwith give written notice of such occurrence (such notice to include details of all the Shares to which such Transfer Notice relates) to each holder of A Ordinary Shares and X Ordinary Shares. If within 21 days of the giving of such notice by the Company an Investor Majority requires, by written notice to the Company (a "Priority Notice") that all or any Shares to which such Transfer Notice relates should be made or kept available either for any person or persons who is or are (an) existing director(s) and/or employee(s) of a Group Company or a person or persons (whether or not then ascertained) whom in the opinion of such Investor Majority it will be necessary or expedient to appoint as (a) director(s) and/or employee(s) of a Group Company whether or not in place of the person by whom the relevant Transfer Notice was deemed to be given) then the provisions of paragraph (b) below shall apply.
- (b) If a Priority Notice is given, then, in relation to the Shares the subject thereof (the "Priority Shares") the provisions of article 5.8 shall not apply and the Priority Shares shall either:
  - (i) be offered to the person(s) (and, in the case of more than one, in the proportions) specified in the Priority Notice (conditional, in the case of any prospective director and/or employee, upon his taking up his proposed appointment with a Group Company (if not then taken up)); or

- (ii) if the relevant Priority Notice so requires, be offered to not less than two persons designated by an Investor Majority ("Custodians") to be held (in the event of their acquiring the Priority Shares) on and subject to such terms as are referred to in paragraph (c) below.
- (c) If Custodians become the holders of Priority Shares, then they shall hold the same on, and subject to, the following terms:
  - (i) they may exercise the voting rights (if any) for the time being attaching to such Shares as they think fit;
  - (ii) save with Investor Approval, they shall not encumber the same;
  - (iii) they will (subject as provided in paragraph (d) below) transfer the legal title to such Shares and all such other interests as they may have therein to (and only to) such person or persons and at such time or times and otherwise on such terms as an Investor Majority may from time to time direct by notice in writing to the Custodians PROVIDED THAT the Custodians may not be required to enter into any agreement or otherwise take any action if and to the extent that they would or might incur any personal liability (whether actual or contingent) or suffer any personal loss;
  - (iv) if an offer is made to them for the Priority Shares (whether as part of a general offer or otherwise) then they shall seek instructions from the holders of the A Ordinary Shares and X Ordinary Shares as to what (if any) actions they should take with regard thereto but, absent instructions from an Investor Majority within 14 days of seeking the same, the Custodians may accept or decline to accept such offer, as they think fit.
- (d) An Investor Majority may not direct the Custodians to transfer all or any Priority Shares other than to a person who is an existing director and/or employee of a Group Company or who has agreed (subject only to Priority Shares being transferred to him) to accept appointment as such a director and/or employee save with the prior approval of the Directors.

6.5 If a corporation which is a holder and/or beneficial owner of any Share in the Company ceases to be controlled by the person or persons who were in control of the corporation at the time when the corporation

became a Member of the Company, it shall, within 7 days of such cessation of control, give notice in writing to the Company of that fact and unless the Directors (with Investor Approval) determine otherwise at the relevant time there shall be deemed to have been given as from the date on which the Directors become aware of such cessation (however they become so aware) a Transfer Notice in respect of all B Ordinary Shares and Y Ordinary Shares held and/or beneficially owned by such corporation and any Associate(s) of such corporation. For the purposes of this paragraph "control" shall have the same meaning as in section 416 Income and Corporation Taxes Act 1988. The provisions of this sub-paragraph shall not apply to any corporation which holds A Ordinary Shares, X Ordinary Shares, A Preference Shares or X Preference Shares at the time when these provisions would otherwise operate or any holding company for the time being of any such corporation or any subsidiary of any such holding company.

6.6

- (a) If a Member (other than an Excepted Member), to whom Shares (or, prior to the date of adoption of these Articles, shares in the capital of M&J) were transferred by a person who was at that time an Associate (within the meaning of paragraphs (i) and (ii) only of Article 7.1(c)) of such Member, shall cease to be an Associate of the person by whom such transfer was made and is not at the date of such cessation an employee of a Group Company, then he shall, within seven days of such cessation, give notice in writing to the Company of that fact and unless the Directors (with Investor Approval) determine otherwise at the relevant time there shall be deemed to have been given as from the date on which the Directors become aware of such cessation (however they become so aware) a Transfer Notice in respect of all Ordinary Shares held by such person (as is first-mentioned in this paragraph) and any Associate of such person.
- (b) if an Excepted Member who is an Associate of another Member who is an employee and director of the Company shall cease to be an Associate of such Member, then the provisions of paragraph (a) above shall not apply, but as from the date of such cessation, any Ordinary Shares held by such Excepted Member or on a trust of which such Excepted Member is or may be a beneficiary shall become non-voting shares, such Excepted Member shall cease to be entitled to receive notice of or attend at general meetings of the Company and the provisions of article 3.5(a) shall cease to apply to such Ordinary Shares for so long as

they continue to be held by such Excepted Member or by any trust of which such Excepted Member is or may be a beneficiary.

6.7 For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is required or may be deemed to have been given under any provision of article 5 or this article, the Directors may from time to time require any Member or the personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or any person who was, is or may be an Associate of any of the foregoing 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. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors may by notice in writing stipulate that a Mandatory Transfer Notice shall as from the date of such notice (or on such future date as may be specified therein) be deemed to have been given by the holders of those Shares and/or their Associates in respect of all or any of such Shares. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled:

- (a) to refuse to register the transfer in question or, in case no transfer is in question, to require by notice in writing to the holder(s) of the relevant Shares that a Transfer Notice be given in respect of all such Shares (and such notice may stipulate that if a Transfer Notice is not given within a specified period then, upon the expiry of such period, a Mandatory Transfer Notice shall be deemed to have been given in respect of all the relevant Shares); and/or
- (b) to give to the holder(s) of the Shares in question a notice ("a Disenfranchisement Notice") stating that such Shares shall as from the date of such notice no longer confer any right to attend, speak or vote at any general meeting of the Company or at any class meeting or to receive or be entitled to receive any dividend or other distribution until such time as the Directors shall think fit and, as from such date, such Shares shall no longer confer any such rights accordingly.

6.8 A Director shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not be entitled to vote in relation to) any matter which requires to be determined or otherwise decided upon by the Directors pursuant to or for the purposes of articles 4 or 5 or this article

to the extent such matter relates to any Shares held by such Director or any Associate of such Director or in which such Director is otherwise interested.

7. Transfer of a Controlling Interest

7.1 For the purposes of this article:

- (a) the expression "Buyer" means any one person (whether or not an existing Member of the Company) but so that any Associate of any such person shall be deemed to be such person;
- (b) the expression "acquire" means to be or become the legal or beneficial owner of Shares (or the right to exercise the votes attaching to Shares), whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether all at one time or not;
- (c) the expression "Associate" means:
  - (i) the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including adopted child) or other lineal descendant of the relevant person;
  - (ii) the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person and/or any other Associate of the relevant person is or is capable of being a beneficiary;
  - (iii) any nominee or bare trustee for the relevant person or any other Associate of the relevant person;
  - (iv) if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company;
  - (v) any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of section 839 Income and Corporation Taxes Act 1988; and
  - (vi) any person with whom the relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on

Take-overs and Mergers as for the relevant time being current);

(d)

- (i) subject as provided in sub-paragraph (ii) below, the expression "a Controlling Interest" means Shares (or the right to exercise the votes attaching to Shares) which confer in the aggregate 50 per cent or more of the total voting rights conferred by all the Shares in the capital of the Company for the relevant time being in issue and conferring the right to vote at all general meetings;
- (ii) a person, being a holder of A Preference Shares or X Preference Shares, shall not be deemed to have acquired a Controlling Interest by virtue of the fact that the holders of the A Preference Shares and X Preference Shares become, pursuant to article 3.5(b), entitled to vote at general meetings of the Company;

7.2 Notwithstanding anything to the contrary contained in these Articles, no Buyer shall be entitled or permitted to acquire, and no person shall transfer any Shares (or any interest therein) if, as a result, a Buyer (any Shares or any interest in any Shares held by an Associate of the Buyer being treated as being held by the Buyer for this purpose) would acquire a Controlling Interest in the Company unless and until the Buyer has first made offers, in accordance with articles 7.3 and 7.4, to all the holders of all Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them their entire holdings of Shares in the capital of the Company.

7.3 Each such offer as is referred to in article 7.2 (an "Offer") must, in respect of each class of the Company's share capital, be in cash or be accompanied by a cash alternative at not less than the highest price paid or agreed to be paid by the Buyer (or his Associates) for shares of that class during the period when the Offer remains open for acceptance or within 12 months prior to its commencement, and must provide for the proceeds of the Offer to be applied in the order of priority set out in paragraphs (a) to (g) of article 3.2.

7.4 In addition, any Offer must be made in writing, must be open for acceptance and irrevocable for a period of not less than 30 and not more than 60 days and must not be subject to any condition save only,

if the Buyer so wishes, that acceptances must be received for a specified percentage of all the Shares in respect of which the Offer is made.

- 7.5 If within 60 days of the making of an Offer, the Buyer has not acquired a Controlling Interest then such Offer shall be deemed not to have been made to the extent that the Buyer shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until he has made further Offers.
- 7.6 If a Buyer receives (within the period of 60 days referred to in article 7.5) acceptances of an Offer which will result in the Buyer together with his Associates owning not less than 50 per cent of the total aggregate number of A Ordinary Shares and X Ordinary Shares for the relevant time being in issue and in addition (for so long as any such Excepted Member as is referred to in article 6.3(b) remains an employee of the Company and a holder of B Ordinary Shares and/or Y Ordinary Shares) 50 per cent of the total aggregate number of B Ordinary Shares and Y Ordinary Shares for the relevant time being in issue then the Buyer may extend the Offer to the extent that, if within 30 days of the expiry of such period of 60 days, the Buyer gives written notice to those Members who have not accepted the Offer requiring them so to do, then each of such non-accepting Members shall upon the giving of such notice:
- (a) be deemed to have accepted the same in respect of all Shares held by him in accordance with the terms of the Offer; and
  - (b) become obliged to deliver up to the Buyer an executed transfer of such Shares and the certificate(s) in respect of the same.
- 7.7 If any such non-accepting Member as is referred to in article 7.6 shall not, within 14 days of becoming required to do so, execute transfers in respect of the Shares held by such Member, then the Directors shall be entitled to, and shall, authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such Member) of the purchase moneys payable for the relevant Shares, deliver such transfer(s) to the Buyer (or its agents) and register the Buyer (or its nominees) as the holder thereof, and after the Buyer (or its nominees) has been registered as the holder the validity of such proceedings shall not be questioned by any person.
- 7.8 In calculating the price at which an Offer is required to be made for the purposes of this article there shall be brought into account any other consideration (in cash or otherwise) received or receivable by any

Member or former Member (or any Associate of such member or former Member) which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable (or to be provided) for the Shares in question.

- 7.9 Any transfer of a Share (or an interest therein) made, or required to be made, pursuant to Articles 7.6 and/or 7.7 shall be treated as a 'Permitted Transfer' for the purposes of article 5.1. Subject thereto, any other transfer of a Share (or any interest therein) pursuant to and by way of acceptance of an Offer shall not be a Permitted Transfer unless any such approval and/or consent as is referred to in article 4.5(f) has been given in relation thereto.
- 7.10 For the purpose of ensuring:
- (a) that no Buyer has acquired or may acquire a Controlling Interest otherwise than as permitted by this article (and to that end for the purpose of determining whether one person is an Associate of another); or
  - (b) that a price offered or proposed to be offered for any Shares is in accordance with article 7.3;

the Directors or an Investor Majority may from time to time require any Member to furnish to the Company or to one or more of the holders of A Ordinary Shares or X Ordinary Shares for the time being such information and evidence as the Directors or an Investor Majority may reasonably think fit regarding any matter which they may deem relevant for such purposes.

## 8. Lien

- 8.1 The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all moneys (whether presently payable or not) payable or otherwise owing by the holder of such Share (or any Associate of such holder) to the Company or any other Group Company. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a Share shall extend generally as aforesaid as well as to any amount payable in respect of it.
- 8.2 The Company may sell any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice in writing has been given to the holder of the Share or to the person entitled to it in consequence of the



death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold. The provisions of article 5 shall apply to any sale of Shares made by the Company pursuant to this article (on the basis that a Mandatory Transfer Notice shall be deemed to have been given upon the expiry of such period of 14 clear days as is above referred to).

9. Forfeiture

The provisions of article 5 shall apply in relation to any proposed sale re-allotment or other disposal of a Share pursuant to Regulation 20 of Table A (on the basis that a Mandatory Transfer Notice in respect of such Share shall be deemed to be given on such date as the Directors determine for this purpose).

10. Appointment and retirement of Directors

- 10.1 The Directors shall have power at any time, and from time to time, to appoint any person (willing to act) to be a Director, either to fill a casual vacancy or as an additional Director.
- 10.2 The Company may by ordinary resolution appoint a person (willing to act) to be a Director either to fill a vacancy or as an additional Director.
- 10.3 No Director shall be required to vacate his office as a Director, nor shall any person be ineligible for appointment as a Director, by reason of his having attained any particular age.

11. Removal of Directors

In addition or provided in Regulation 81 of Table A, the office of a Director shall also be vacated if:

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or
- (b) in the case of a person who is also an employee of the Company or another Group Company, he ceases to be such an employee ;  
or
- (c) all the other Directors unanimously resolve that his office be vacated.

12. Proceedings of Directors

The Directors, or a committee of the Directors, may hold meetings by telephone either by conference telephone connection(s) or by a series of

telephone conversations or by exchange of facsimile transmissions addressed to the chairman. The views of the Directors, or a committee of the Directors, as ascertained by such telephone conversations or facsimile transmissions and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting of the Directors (or, as the case may be, of that committee) duly convened and held. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

13. Indemnity

- 13.1 Subject to the provisions of the Act, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company out of its own funds for all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.
- 13.2 Without prejudice to the provisions of article 13.1 above, the Directors shall have the power 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 subsidiary undertaking of the Company 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 the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such subsidiary undertaking.

13.3 Subject to the provisions of the Act, a Director shall (in the absence of some other material interest as is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any directors of the Company provided that for the purposes of this article 13.3 insurance shall mean only insurance against the liability incurred by a Director in respect of any such act or omission by him as is referred to in article 13.2 above or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors of the Company.

14. Subsidiaries

The Company shall procure that each other Group Company shall comply with those provisions of these Articles which are expressed to apply to a Group Company and that no Group Company shall do or permit to be done any act, matter or thing which if it were done or permitted to be done by the Company would constitute a breach by the Company of any provision of these Articles or would require any consent, approval or sanction under these Articles, unless in such latter case such consent, approval or sanction has first been obtained.

15. Subordination Deed

15.1 Notwithstanding anything else in these Articles, the Articles are all subject to the provisions of the Subordination Deed which shall override these Articles in the event of any inconsistency between them.

15.2 Without limitation to the generality of Article 15.1, the payment of any dividend and payments of any dividend and payments in respect of the redemption on purchase by the Company of any class of shares shall not be made to the extent prohibited by the Subordination Deed.

15.3 The Members agree that any rights accruing to any of them arising out of the late payments of dividends or the late redemption of any Shares as a result of the provisions of Article 15.2 shall be suspended until the date which is the earlier of:

- (a) the date on which the Company becomes entitled to make such payment or redemption pursuant to the Subordination Deed; and

- (b) the date on which the Bank issues a Stop Certificate in relation thereto pursuant to the Subordination Deed,

and following such date, such rights may only be exercised in accordance with the provisions of the Subordination Deed.

16. Scrip Dividends

- 16.1 Notwithstanding anything to the contrary contained in these Articles, if an Investor Majority and the holders of not less than one half of the total aggregate number of A Preference Shares and X Preference Shares for the relevant time being in issue shall so agree, the Company may by ordinary resolution passed at any time after the adoption of these Articles authorise the Directors to declare any interim or final dividend in respect of the Ordinary Shares and/or the Preference Shares in order to effect the matters set out in this article 16.
- 16.2 To the extent determined by the Directors and subject to confirmation by an ordinary resolution of the Company and compliance with all other relevant provisions of these Articles, the holders of Ordinary Shares and Preference Shares may be permitted to elect to receive new additional shares credited as fully paid, instead of all or part of any interim or final dividend declared by the Company pursuant to this article 16.
- 16.3 The right to elect to receive additional shares may be offered in respect of a particular dividend or any dividend declared within a specified period but such period may not end later than the beginning of the next annual general meeting following the date on which the ordinary resolution giving the confirmation required under this article is passed.
- 16.4 After determining the basis of allotment the Directors shall give the holders of the relevant Shares written notice of the right of election offered to them and shall send with or following such notification forms of election and shall specify the procedure to be followed and place at which and the latest time by which duly completed forms of election must be lodged in order to be effective.
- 16.5 The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares and Preference Shares in respect whereof the said election has been duly made ("the elected shares") and instead thereof shares shall be

allotted to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve fund or any other fund which could be applied in paying up unissued shares to be allotted to members as fully paid bonus shares) or any other profit which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

16.6 No shares shall be allotted under this article 16 until after a dividend has been declared and the Company has by ordinary resolution authorised the exercise of the powers of the directors in respect of the elected shares on the basis of allotment determined by the Directors as aforesaid.

16.7 Any additional shares allotted hereunder have the rights and are subject to the restrictions attaching thereto under these Articles.

17. Capitalisation of Profits

17.1 With the consent of the Investor Majority, the Company may by ordinary resolution resolve that any capitalisation of undivided profits or sums standing the credit of the Company's share premium account or capital redemption reserve shall not be appropriated to all Members who would have been entitled to it if it were a dividend but instead shall be appropriated to such Members as the ordinary resolution may specify and Regulation 110 of Table A shall be modified accordingly.