

**THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ORDINARY AND SPECIAL RESOLUTIONS**

- of -

267TH SHELF INVESTMENT COMPANY LIMITED
(Passed *27 April* 1998)

At an Extraordinary General Meeting of the above-named Company duly convened and held on *27 April* 1998 at 65 Holborn Viaduct, London EC1A 2DY the following Resolutions were duly passed as Ordinary Resolutions in the case of Resolutions numbered 1, 2 and 3 and as Special Resolutions in the case of Resolutions numbered 4, 5 and 6.

ORDINARY RESOLUTIONS

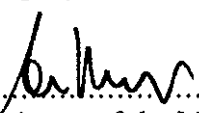
1. That each of the existing Ordinary Shares of £1 in the authorised capital of the Company be and is hereby sub-divided into 100 New Ordinary Shares of 1p each and redesignated as 100 "A" Ordinary Shares, having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to resolution 6.
2. That the authorised share capital of the Company be increased from £100 to £7,170,830 by the creation of:
 - (a) 150,000 "A" Ordinary Shares of 1p each ("A" Ordinary Shares);
 - (b) 520,000 "B" Ordinary Shares of 1p each ("B" Ordinary Shares);
 - (c) 120,000 "C" Ordinary Shares of 1p each ("C" Ordinary Shares); and
 - (d) 7,170,000 Preference Shares of £0.999 each ("Preference Shares"),

in each case having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to resolution 6.

3. That the Directors be and they are hereby authorised to allot any unissued shares pursuant to s 80 Companies Act 1985, provided that this authority shall expire on the fifth anniversary from the date hereof.

SPECIAL RESOLUTIONS

4. That pursuant to Section 95 Companies Act 1985, the provisions of Section 89(1) of the said Act shall not apply to the allotment of any shares provided that such allotment is made within one month of the date hereof.
5. That the regulations contained in the printed document submitted to this meeting and for the purpose of identification signed by the Chairman, be and the same are hereby approved and adopted as the Memorandum and Articles of Association of the Company in substitution for and to the exclusion of all the existing Memorandum and Articles of Association of the Company.
6. That the name of the Company be changed to Axsia Group Limited.

Signed: 
Chairman of the Meeting



THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

267TH SHELF INVESTMENT COMPANY LIMITED

(Incorporated on)

Lovell White Durrant
65 Holborn Viaduct
London EC1A 2DY

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

267TH SHELF INVESTMENT COMPANY LIMITED

1. The name of the company is 267TH SHELF INVESTMENT COMPANY LIMITED.
2. The registered office of the company is to be situate in England and Wales.
3. The objects of the company are:
 - (a) To carry on the business of a property and investment holding company in all its branches, and for that purpose in particular to acquire by purchase, lease, exchange or otherwise and hold by way of investment, land, buildings or other structures thereon, land covered by water, and any estate, interest, easement, servitude or right in or over such land, buildings or structures and any real or immovable property of any tenure or description in the United Kingdom or elsewhere in any part of the world, including (without limiting the generality of the foregoing) freehold or leasehold ground rents, reversions, mortgages and charges; and to acquire by purchase, subscription, exchange or otherwise and hold by way of investment, shares, stocks, securities or obligations issued or guaranteed by any person, firm, company or trust constituted or carrying on business in any part of the world or by any government, state, dominion, colony, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;
 - (b) To manage any such property and investments so acquired and to collect and receive the income and rents therefrom;
 - (c) To improve any property so acquired by constructing, reconstructing, pulling down, altering, adding to, enlarging, decorating, furnishing, fitting up and maintaining the same whether as offices, flats, houses, shops, factories, garages, warehouses, wharves or other buildings, works and conveniences and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others; and to provide services and amenities of all kinds;

- (d) To create freehold and leasehold ground rents and to grant leases, underleases, tenancies and licences;
- (e) To sell, assign, realise, vary, surrender, exchange or dispose of any property or investments for the time being of the company if from time to time it shall be found necessary or advisable so to do, but so that nothing in this Clause shall authorise the company to deal in property or investments by way of trade and so that all appreciations or surpluses realised from the sale, assignment, realisation, payment off or other disposal of property or investments or from any variation or exchange of property or investments or other realisations of capital assets shall be regarded and treated as capital surpluses and shall not be regarded or treated as profits of the company available for dividend, but may nevertheless be capitalised in accordance with the company's Articles of Association;
- (f) To carry on all kinds of financial, trust, agency and broking business and any other business which is capable of being carried on by an individual;
- (g) To promote companies and ventures for any purpose whatsoever and to undertake and assist in financial operations of every description;
- (h) To advance, issue, deposit or lend money, securities and property of any kind, and to draw, make, issue, accept, discount, buy, sell, hold and exchange, bills, notes, warrants, coupons and other negotiable or transferable instruments, documents and obligations;
- (i) To receive money on deposit or loan and to borrow or raise money and to secure or discharge any debt or obligation of or binding on the company by the issue of debentures or debenture stock or in any other manner;
- (j) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount, and for such consideration, and with such rights, powers and privileges as may be thought fit, debentures, mortgage debentures or debenture stock, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally to secure any securities of the company by a trust deed or other assurance;
- (k) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities;
- (l) To guarantee, support or secure, whether by direct obligation or covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by any one or more or all of such methods or by any other method, and whether or not the company receives any advantage therefor, the performance of any obligations or commitments, and the repayment or payment of the principal amounts of or the premiums, interest and dividends on any securities, of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary company or holding company of the company or a subsidiary company of such holding company or which is otherwise associated directly or indirectly with the company in business or through shareholdings;
- (m) To establish and maintain or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or noncontributory or

contributory pension or superannuation schemes or funds for the benefit of, and to make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or moneys worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the company, or of any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary company, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, or any persons in whose welfare the company or any such other company as aforesaid is or has been at any time interested, and the wives, husbands, widows, widowers, families and dependants of any such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons as aforesaid (including insurance against their negligence or breach of duty to the company), and to pay, subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any political, public, general or useful object, and to do any of the above things, either alone or in conjunction with any such other company as aforesaid;

- (n) Subject as provided in subclause (e) of this Clause to distribute among the members in specie any property of the company, or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (o) To carry on any other business or activity, whether investing manufacturing trading or otherwise, which may seem to the company capable of being conveniently carried on in connection with the business of the company, or calculated, directly or indirectly, to be for the benefit of and to promote the prosperity of the company, or to enhance the value of or render more profitable any of the company's property or to advance the interests of the company or of its members;
- (p) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the company for such consideration as may seem expedient;
- (q) To adopt such means of making known the businesses or any of them or the products of the company or the businesses or products of any other person as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and to carry on and conduct prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, firm or company, whereby the said businesses or any of them may be promoted or developed, or whereby the said products may be more extensively advertised and made known;
- (r) To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, of any country, and to obtain from any such government or authority all legislation, orders, rights, concessions, and privileges that may seem requisite;

- (s) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or cooperation with any company, firm or person;
- (t) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company which is calculated to benefit this company or to advance its interests, or which comprises any property suitable for any purpose of the company;
- (u) To pay for any property or rights acquired by the company either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as may seem expedient;
- (v) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as may seem expedient and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired;
- (w) To amalgamate with any other company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any other such company as aforesaid, with or without winding-up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner;
- (x) To pay out of the funds of the company all expenses which the company may lawfully pay of or incidental to the formation, registration and advertising of or raising money for the company and the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting shares, debentures or debenture stock, and to apply at the cost of the company to Parliament for any extension of the company's powers;
- (y) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, subcontractors, trustees or otherwise; and
- (z) To do all such other things as are in the opinion of the company incidental or conducive to the above objects or any of them.

The objects specified in each of the paragraphs of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by the terms of any other paragraph and shall be construed as separate, distinct and independent objects capable of being performed and carried out separately, distinctly and independently of each other.

- 4. The liability of the Members is limited.
- 5. The share capital of the company is £100 divided into 100 shares of £1 each ranking *pari passu* in all respects.

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and Addresses of Subscribers	Number of shares taken by each Subscriber
1. <i>Nigel Read</i> Director for and on behalf of LOVITING LIMITED Registered Office 21 Holborn Viaduct London EC1A 2DY A Company limited by shares	<i>NIGEL READ</i> One
2. <i>Nigel Read</i> Director for and on behalf of SERJEANTS' INN NOMINEES LIMITED Registered Office 21 Holborn Viaduct London EC1A 2DY A Company limited by shares	<i>NIGEL READ</i> One
Total shares taken	— Two =

Dated *28/01* 19 *98*

WITNESS to the above signatures,

Ann-Marie Santos

ANN-MARIE SANTOS

65 Holborn Viaduct
London EC1A 2DY

The Companies Act 1985

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

267th SHELF INVESTMENT COMPANY LIMITED

(in the process of changing its name to Axsia Group Limited)

(Adopted by Special Resolution passed on 27 April 1998)

LOVELL WHITE DURRANT
65 HOLBORN VIADUCT
LONDON EC1A 2DY

A5/AMS/AMJ

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A PRIVATE COMPANY LIMITED BY SHARES

Articles of Association

of

267th SHELF INVESTMENT COMPANY LIMITED
(in the process of changing its name to Axsia Group Limited)

1. **Share capital**

The authorised share capital of the Company at the date of adoption of these Articles is £7,170,830 divided into:

160,000 "A" Ordinary Shares of 1p each ("A" Ordinary Shares);
520,000 "B" Ordinary Shares of 1p each ("B" Ordinary Shares);
120,000 "C" Ordinary Shares of 1p each ("C" Ordinary Shares); and
7,170,000 Preference Shares of £0.999 each ("Preference Shares").

2. **Ordinary Shares rank pari passu**

Save as otherwise specifically provided in these Articles, the "A" Ordinary Shares, the "B" Ordinary Shares and the "C" Ordinary Shares rank pari passu, but constitute three separate classes of shares.

RIGHTS AND OBLIGATIONS OF THE "A" ORDINARY SHARES

3. **Restrictions on transfer**

The "A" Ordinary Shares and any interest therein shall not be transferable except:

- (a) with the written consent of the "B" Director;
- (b) on and after the admission ("Listing") of any of the Company's shares to the Official List of the London Stock Exchange Limited ("The Stock Exchange");
- (c) when a transfer is required by Article 4 or Article 6;
- (d) pursuant to an offer required to be made by Article 5;

- (e) to the trustees of a trust of which the only beneficiaries (and the only persons capable of being beneficiaries) are Lars McBride or John Cope (each the "settlor") and/or his spouse and/or his lineal descendants by blood or adoption (a "Family Trust") Provided that the trustees of any such trust shall not be entitled to transfer any "A" Ordinary Shares pursuant to this paragraph (e), other than to replacement trustees of the same trust; or
- (f) a transfer made upon the death of a shareholder to his executors, administrators or beneficiaries after expiry of the two month time limit in Article 4 without the "B" Director having exercised his rights. For the purpose of this clause death of a shareholder shall include the death of the beneficiary of a Family Trust.

4. Compulsory transfer

- 4.1 If an "A" Ordinary Shareholder, or an employee of the Company or a person whose services are provided to the Company or any of its subsidiaries who is the beneficiary of a Family Trust ceases for any reason whatsoever to be employed by the Company or any of its subsidiaries or his services cease to be provided to the Company or any of its subsidiaries, then the "B" Director shall have the right within the period of two months from such cessation, to require that such "A" Ordinary Shareholder (or his personal representatives in case of death) and the trustees of any Family Trust (each a "Compulsory Transferor") transfers his (or their) entire holding of "A" Ordinary Shares (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) to such person as the "B" Director shall nominate.
- 4.2 The price at which such transfer shall be made shall be:
 - (a) (subject to (b) below) at either the price agreed between the "B" Director and the Compulsory Transferor or, if no agreement is reached within 10 days of the exercise of such right by the "B" Director, the price certified by an independent accountant to be the market value of such "A" Ordinary Shares at the time of such cessation (as defined in Article 4.6); and for the purposes of this Article 4.2, the independent accountant shall be a Chartered Accountant or firm of Chartered Accountants agreed on by the "B" Director and the relevant "A" Ordinary Shareholder or, if they cannot agree on such within seven days of either party giving notice in writing to the other that it desires an independent accountant to be appointed, such Chartered Accountant or firm of Chartered Accountants as may be nominated on the application of either of them by the President or other senior officer for the time being of the Institute of Chartered Accountants in England and Wales;
 - (b) if the relevant "A" Ordinary Shareholder or employee resigned his employment (other than by reason of permanent ill health or permanent disability or in the event of being constructively dismissed where the Company was not entitled to terminate his employment) or his contract of employment was terminated by the Company without notice in accordance with its terms as a result of the breach by the "A" Ordinary Shareholder or employee, £1 per "A" Ordinary Share or, if less, the amount provided for in (a) above.
- 4.3 The Compulsory Transferor shall deliver a duly executed stock transfer form and the relative share certificate to the Company within 14 days of agreement or certification of the price in accordance with Article 4.2 in exchange for payment of such price.
- 4.4 If any Compulsory Transferor fails to transfer such "A" Ordinary Shares in accordance with Article 4.3 the directors may (and will if so requested by the "B" Director) authorise any

person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such "A" Ordinary Shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

4.5 If shares have been transferred under Article 3(e) to trustees and any trustee ceases to hold "A" Ordinary Shares as trustee of a family trust, he shall promptly transfer the shares to the settlor of the trust and if he fails to do so shall be bound to transfer the shares held by him (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights attaching thereto) to such persons at such price as the "B" Director may direct.

4.6 The market value of any "A" Ordinary Shares shall be such proportion of the market value of the entire equity share capital of the Company as such "A" Ordinary Shares shall be of the entire equity share capital without adjustment for the size of the shareholding or its marketability.

5. Right to receive an offer in the event of a Sale

5.1 If a transfer of any "B" Ordinary Shares would result if made and registered in a person (and any other person who in relation to him is a connected person as defined by s 839 Income and Corporation Taxes Act 1988, a "connected person" or "person connected with" him) other than a person who is a holder of "B" Ordinary Shares on the date of the adoption of these Articles holding, or increasing a holding of, more than 50 per cent of the "B" Ordinary Shares (a "Sale") then no such transfer shall be made unless the proposed transferee has:

(a) made an offer in writing to acquire all the "A" Ordinary Shares at exactly the same price and on exactly the same terms relating to price as it is proposing to acquire such "B" Ordinary Shares, except that:

(i) such offer must be open for acceptance for at least 21 days; and

(ii) if the proposed transferee or a person connected with him has acquired any other "A" Ordinary Shares or "B" Ordinary Shares or "C" Ordinary Shares within the period of six months prior to such offer at a higher price than the terms of such offer shall be increased to equal the highest price paid by any such persons within that period; and

(b) made an offer to acquire any Preference Shares which cannot for any reason be redeemed upon such Sale in accordance with Article 21.3 in cash for the amount which would be payable if such Preference Shares were to be redeemed under Article 21.3;

and unless each such accepted offer has been completed and the consideration thereunder paid except in so far as failure to complete is due to the fault of the offeree.

5.2 Article 5.1 shall not apply to any transfer:

(a) to which the provisions of Article 9(a) to (c) apply; or

(b) made with the consent of the holders of 90 per cent of the "A" Ordinary Shares and 90 per cent of the "B" Ordinary Shares.

6. Obligation to sell shares on receipt of a Qualifying Offer

- 6.1 If at any time an offer is made for the whole of the equity share capital of the Company not already owned by the offeror or persons connected with the offeror (a "Qualifying Offer") and is accepted by such number of shareholders that a Sale would result from the transfer of shares made following such acceptances, the holders of "A" Ordinary Shares in the Company who have not accepted the Qualifying Offer shall be obliged to sell all of the "A" Ordinary Shares held by them (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) in accordance with such Qualifying Offer provided always that the same price is offered for all of the shares. In respect of a transfer pursuant to this Article no member of the Company shall have any pre-emption rights whether under these Articles or otherwise.
- 6.2 If any person ("Mandatory Transferor") fails to transfer any shares in accordance with Article 6.1 the directors may (and will if so requested by the "B" Director) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Mandatory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Mandatory Transferor shall in such case be bound to deliver up his certificate for such "A" Ordinary Shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

7. Variation of class rights

The rights attaching to the "A" Ordinary Shares shall only be adversely varied with the consent in writing of the holders of not less than 75 per cent of the "A" Ordinary Shares or by an extraordinary resolution passed at a separate class meeting of the holders of the "A" Ordinary Shares. Any variation which does not adversely affect their rights shall not require such consent. For the purposes of this Article 7, the rights attaching to the "A" Ordinary Shares shall be deemed, inter alia, to be varied by any alteration of the pre-emption rights on issue of Ordinary Shares.

RIGHTS AND OBLIGATIONS OF THE "B" ORDINARY SHARES

8. Pre-emption rights on transfer

- 8.1 (a) Any "B" Ordinary Shareholder who wishes to transfer any "B" Ordinary Shares ("Transferor Shareholder") shall (unless the provisions of Article 9 apply) serve a written notice ("Transfer Notice") on the Company stating the number of shares he wishes to transfer ("Transfer Shares") and the proposed price for each such share (the "Prescribed Price").
- (b) Within seven days of the receipt of a Transfer Notice the Company shall send a copy of it to the other "B" Ordinary Shareholders who shall each be entitled to offer to purchase all or any of the Transfer Shares at the Prescribed Price. Any such offer must be made in writing to the Company within 21 days of the despatch by the Company of such copy of the Transfer Notice.
- (c) If the Company receives offers for a number of "B" Ordinary Shares in excess of the Transfer Shares then those "B" Ordinary Shareholders who have made such offers shall be deemed (as far as practicable and without exceeding the number of shares

which each such "B" Ordinary Shareholder shall have offered to purchase) to have offered to purchase the Transfer Shares in proportion to their existing holdings of "B" Ordinary Shares.

- 8.2 If the Company receives offers to purchase any of the Transfer Shares in accordance with Article 8.1, it shall forthwith give notice thereof to the Transferor Shareholder who shall then be bound to transfer such Transfer Shares (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) upon payment of the Prescribed Price for each share. Such notice shall state the name and address of each of the purchasers and the number of Transfer Shares to be acquired by him and the purchase shall be completed at a place and time to be appointed by the Company being not less than three and not more than 10 days after the date of such notice. However, if the Transfer Notice states that the Transferor Shareholder is not willing to transfer part only of the Transfer Shares, then the provisions of Article 8.4 shall apply if the Company does not receive offers for all of the Transfer Shares.
- 8.3 If a Transferor Shareholder fails to transfer any Transfer Shares to a purchaser in accordance with Article 8.2 the directors may (and will if so requested by the "B" Director) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the Prescribed Price for each share in trust for the Transferor Shareholder and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Transferor Shareholder shall in such case be bound to deliver up his certificate for the Transfer Shares to the Company whereupon he shall be entitled to receive the Prescribed Price for each share without interest. If such certificate shall comprise any shares which the Transferor Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Transferor Shareholder a fresh certificate for such shares.
- 8.4 If the Company does not receive offers to purchase all of the Transfer Shares in accordance with Article 8.1, then the Company shall promptly notify the Transferor Shareholder. The Transferor Shareholder shall within the period of two months from such notification be entitled to transfer those Transfer Shares for which the Company has not received offers (or, where the Transferor Shareholder has stated that he is not willing to transfer part only of the Transfer Shares, all but not part only of the Transfer Shares) at a price which is not less than the Prescribed Price for each share.
- 8.5 If the Proposing Transferor is also a holder of Preference Shares he shall state in the Transfer Notice that the Transfer Shares include the number of Preference Shares which is equal to the same proportion of the Preference Shares held by him as the number of "B" Ordinary Shares which he wishes to transfer bears to the number of "B" Ordinary Shares held by him, and any offer by the other "B" Ordinary Shareholders (and any transfer by the Transferor Shareholder in accordance with Article 8.4) must be, in that case, in respect of both "B" Ordinary Shares and Preference Shares, in the proportions set out in the Transfer Notice and at a price for each Preference Share as set out in the Transfer Notice.

9. Transfers not subject to pre-emption rights

Article 8 shall not apply to any transfer made:

- (a) on or after Listing;
- (b) to Schroder Venture Advisers, Schroders plc or any of its subsidiaries or to any partnership (or to the partners of any such partnership) of which any of them is

general partner, manager or adviser or to any unit trust or other fund of which any of them is trustee, manager or adviser or any unit trust, partnership or other fund, the managers of which are advised by any of them (the "Defined Group") or to any nominee or trustee for any member of the Defined Group (whether on a change of nominee or trustee or otherwise);

- (c) to the holders of units in, or partners in or members of or investors in any such unit trust or fund referred to in (b) above;
- (d) by the subscribers of any "B" Ordinary Shares within 12 months of the date of subscription for the purposes of syndication.

10. Rights to receive an offer in the event of a Sale

10.1 If a transfer of any "B" Ordinary Shares would result if made and registered in a Sale then no such transfer shall be made unless the proposed transferee has:

- (a) made an offer in writing to acquire all the other "B" Ordinary Shares at exactly the same price and on exactly the same terms relating to price as it is proposing to acquire such "B" Ordinary Shares, except that:
 - (i) such offer must be open for acceptance for at least 21 days; and
 - (ii) if the proposed transferee (or a person connected with him) has acquired any other "A" Ordinary Shares or "B" Ordinary Shares or "C" Ordinary Shares within the period of six months prior to such offer at a higher price than the terms of such offer shall be increased to equal the highest price paid by any such person within that period; and
- (b) made an offer to acquire any Preference Shares which cannot for any reason be redeemed upon such Sale in accordance with Article 21.3 in cash for the amount which would be payable if such Preference Shares were to be redeemed under Article 21.3 and unless each such accepted offer has been completed and the consideration thereunder paid except in so far as failure to compete is due to the fault of the offeree.

10.2 Article 10.1 shall not apply to any transfer:

- (a) to which the provisions of Article 9(a) to (d) apply;
- (b) made with the consent of the holders of 90 per cent of the "A" Ordinary Shares and 90 per cent of the "B" Ordinary Shares.

10.3 Any transfer referred to in Article 10.1 shall be subject to the provisions of Article 8.

11. Right to appoint "B" Director

Those holders of a majority of the "B" Ordinary Shares held by members of the Defined Group shall be entitled to appoint and remove a director (the "B" Director) on the date of the adoption of these Articles, and, at any time thereafter, such additional number of directors as shall constitute together a majority of the directors of the Company. Such appointment(s) or removal shall be made either by resolution of the directors at the request of such holders or by notice in writing from such holders to the Company.

12. Fee of "B" Director

The "B" Director shall be entitled to an annual fee of £20,000 (or such higher amount as the directors may from time to time determine) plus VAT payable quarterly in arrears together with all expenses reasonably incurred by him in connection with his office as a director, including reasonable travelling expenses. The annual fee shall be increased annually on 1 January each year by the rate (if any) at which the remuneration of the deputy managing director increases in each year.

13. Variation of class rights

The rights attaching to the "B" Ordinary Shares shall only be adversely varied with the consent in writing of the holders of not less than 75 per cent of the "B" Ordinary Shares or by an extraordinary resolution passed at a separate class meeting of the holders of the "B" Ordinary Shares. Any variation which does not adversely affect their rights shall not require such consent.

RIGHTS AND OBLIGATIONS OF THE "C" ORDINARY SHARES

14. Restrictions on transfer

The "C" Ordinary Shares and any interest therein shall not be transferable except:

- (a) with the written consent of the "B" Director;
- (b) on and after Listing;
- (c) when a transfer is required by Article 16; or
- (d) pursuant to an offer required to be made by Article 15.

15. Right to receive an offer in the event of a sale of "B" Ordinary Shares

15.1 If a transfer of any "B" Ordinary Shares would result if made and registered in a Sale then no such transfer shall be made unless the proposed transferee has:

- (a) made an offer in writing to acquire all the "C" Ordinary Shares at exactly the same price and on exactly the same terms relating to price as it is proposing to acquire such "B" Ordinary Shares, except that:
 - (i) such offer must be open for acceptance for at least 21 days; and
 - (ii) if the proposed transferee or a person connected with him has acquired any other "A" Ordinary Shares or "B" Ordinary Shares or "C" Ordinary Shares within the period of six months prior to such offer at a higher price than the terms of such offer shall be increased to equal the highest price paid by any such persons within that period; and
- (b) made an offer to acquire any Preference Shares which cannot for any reason be redeemed upon such Sale in accordance with Article 21.3 in cash for the amount which would be payable if such Preference Shares were to be redeemed under Article 21.3;

and unless each such accepted offer has been completed and the consideration thereunder paid except in so far as failure to complete is due to the fault of the offeree.

15.2 If any "B" Ordinary Shareholder proposes to transfer any "B" Ordinary Shares but such transfer would not result if made and registered in a Sale, then, if such transfer is to be to a person other than another existing "B" Ordinary Shareholder, no such transfer shall be made unless the proposed transferee has made an offer in writing to acquire at exactly the same price from the "C" Ordinary Shareholders pro rata such number of "C" Ordinary Shares as equals the same ratio to issued "C" Ordinary Shares as the ratio of "B" Ordinary Shares proposed to be transferred bears to the issued "B" Ordinary Shares at the date of such proposed transfer.

15.3 Articles 15.1 and 15.2 shall not apply to any transfer:

- (a) to which the provisions of Article 9(a) to (d) apply; or
- (b) made with the consent of the holders of 90 per cent of the "C" Ordinary Shares and 90 per cent of the "B" Ordinary Shares.

16. Obligation to sell shares on receipt of a Qualifying Offer

16.1 If at any time an offer is made for the whole of the equity share capital of the Company not already owned by the offeror or persons connected with the offeror (a "Qualifying Offer") and is accepted by such number of shareholders that a Sale would result from the transfer of shares made following such acceptances, the holders of "C" Ordinary Shares in the Company who have not accepted the Qualifying Offer shall be obliged to sell all of the "C" Ordinary Shares held by them (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) in accordance with such Qualifying Offer provided always that the same price is offered for all of the shares. In respect of a transfer pursuant to this Article no member of the Company shall have any pre-emption rights whether under these Articles or otherwise.

16.2 If any person ("Mandatory Transferor") fails to transfer any shares in accordance with Article 16.1 the directors may (and will if so requested by the "B" Director) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Mandatory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Mandatory Transferor shall in such case be bound to deliver up his certificate for such "C" Ordinary Shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

17. Right to appoint "C" Director

The holders of a majority of the "C" Ordinary Shares from time to time shall be entitled to appoint and remove a director (the "C" Director) subject to the identity of such director being approved by the "B" Director for the time being such approval not to be unreasonably withheld or delayed. Such appointment or removal shall be made either by resolution of the directors at the request of such holders or by notice in writing from such holders to the Company.

18. Variation of class rights

The rights attaching to the "C" Ordinary Shares shall only be varied with the consent in writing of the holders of not less than 75 per cent of the "C" Ordinary Shares or by an extraordinary resolution passed at a separate class meeting of the holders of the "C" Ordinary Shares. For the purposes of this Article 18, the rights attaching to the "C" Ordinary Shares shall be deemed, inter alia, to be varied by any alteration of the pre-emption rights on issue of Ordinary Shares.

RIGHTS OF THE PREFERENCE SHARES

19. Dividends

- 19.1 The holders of the Preference Shares are entitled to receive, in priority to the transfer of any sum to reserves and to any rights of the holders of any other class of shares in the Company to receive any dividend or other distribution and payable without any resolution of the directors or shareholders, a fixed cumulative preferential dividend ("Preference Dividend") at the rate of 12 per cent. per annum (exclusive of any associated tax credit) on the nominal amount of the Preference Shares. The Preference Dividend shall accrue from day to day and be paid half-yearly on each 31 March and 30 September (each a "Preference Dividend Payment Date") in respect of the half-years ending on those dates or, in the case of the first Preference Dividend Payment Date being 30 September 1998, in respect of the period from 31 March 1998. No amount of the Preference Dividend shall be paid if the Company is prohibited from making such payment as a matter of law. Any amount of the Preference Dividend unpaid shall be carried forward and be payable in priority to the Preference Dividend payable on any later date.
- 19.2 The rate at which the Preference Dividend is payable shall be a rate per annum compounded with rests on each Preference Dividend Payment Date, and the amount payable in respect of any overdue dividend shall be increased accordingly.
- 19.3 The Company shall procure the distribution to the Company in respect of each year ending on a Preference Dividend Payment Date whether by way of dividend, reduction of capital, liquidation of subsidiary undertaking or otherwise of sufficient of the profits of its subsidiary undertakings to enable the Company to pay the Preference Dividend.

20. Return of capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst its shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the Company, in paying to the Preference Shareholders:

- (a) first, the nominal amount of the Preference Shares; and
- (b) secondly, a sum equal to any accrued, unpaid Preference Dividend to be calculated down to the date of return of capital and to be payable irrespective of whether the Company has sufficient distributable profits out of which to pay such sum.

21. Further participation

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

21.1 Redemption

The Company shall redeem the Preference Shares in full on 31 December 2001, together with any accrued and unpaid Preference Dividend.

21.2 Early voluntary redemption by the Company

The Company may at any time redeem all or tranches of not less than 100,000 of the Preference Shares by serving notice of such redemption upon the Preference Shareholders specifying a date upon which redemption is to take place being not less than 14 days nor more than 30 days from the date of such notice and stating the number of Preference Shares to be redeemed.

21.3 Redemption on a Listing or Sale

The Company shall redeem all the Preference Shares immediately prior to a Listing or a Sale.

21.4 Early redemption required by Preference Shareholders

The Preference Shareholders shall be entitled by notice in writing to the Company given by the holders of a majority of the Preference Shares to require redemption of all or any of the Preference Shares in the event that any indebtedness of the Company or any of its subsidiaries becomes repayable prior to its specified maturity or demand is made for repayment thereof and any security given by the Company or any of its subsidiaries to such creditor is enforced.

21.5 Provisions applicable to all redemptions

21.5.1 Each such redemption of some but not all of the Preference Shares shall be made amongst the holders thereof pro-rata as nearly as possible to their then holdings of Preference Shares.

21.5.2 Upon the due date for any redemption of Preference Shares (a "Redemption Date") the Company shall pay the following amount in cash in respect of each Preference Share to be redeemed:

- (a) the nominal amount plus any premium paid on subscription of such Preference Share; and
- (b) any unpaid Preference Dividend accrued up to the Redemption Date.

21.5.3 On each Redemption Date the redemption moneys payable on the Preference Shares shall (irrespective of whether the Company has sufficient distributable reserves out of which to pay such sum) become a debt due and payable by the Company to the Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon such Redemption Date pay the redemption moneys to the Preference Shareholders.

21.5.4 On redemption the Company shall cancel the share certificate of the shareholder concerned and, in the case of a redemption of part of the shares included in the certificate, without charge issue a fresh certificate for the balance of shares not redeemed.

21.5.5 As from the due date for any redemption the Preference Dividend shall cease to accrue on the Preference Shares due to be redeemed on that date unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the Company fails to make payment of the

redemption moneys in full in which case the Preference Dividend shall continue to accrue from the due date for redemption to the date of actual redemption.

21.6 As regards voting

Preference Shareholders shall be entitled to receive notice of and attend but not to speak or vote at all general meetings of the Company unless the event set out in Article 21.4 exists or any sum due in respect of Preference Shares is not paid on the due date as specified in these Articles irrespective of whether the Company had sufficient distributable profits or reserves out of which to pay such sum, when the Preference Shareholders shall, while such event exists, be entitled to speak and vote at any general meeting of the Company and on a show of hands each Preference Shareholder present in person or by proxy shall have one vote and on a poll each Preference Shareholder shall have one vote for every Preference Share of which he is the holder.

GENERAL PROVISIONS

22. Table A

22.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save in so far as they are excluded or modified hereby. No other regulations contained in any statute, statutory instrument or other subordinate legislation shall apply as the regulations or the articles of the Company.

22.2 The regulations of Table A numbered 24, 38, 60, 61, 64, 73, 74, 75, 76, 77, 78, 80, 81, 90, 94, 95, 96, 97, 98, 115 and 118 shall not apply. The regulations of Table A numbered 35, 37, 46, 53, 57, 59, 62, 65, 66, 68, 79, 88, 89, 91, 92, 93, 110, 112 and 116 shall be modified. Subject to such exclusions and modifications and any other modifications expressly referred to in the following provisions of these Articles, and in addition to the remaining regulations of Table A, the provisions hereof shall be the articles of association of the Company.

22.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective.

23. Private Company

The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

24. Authority to issue shares

24.1 The directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased share capital) to such persons, at such times and generally on such terms and conditions as the directors may determine. Further, the directors shall have general and unconditional authority pursuant to s 80 of the Companies Act 1985 (the "Act") to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of that section) for a period expiring on the fifth anniversary of the date of adoption of these Articles unless previously 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 the authorised but as yet unissued share capital of the Company at the date of adoption of these Articles or, where the authority is renewed, at the date of that renewal.

- 24.2 The directors shall be entitled, pursuant to the authority conferred by Article 24.1 or under any renewal of such authority, to make at any time prior to its expiry any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority and to allot relevant securities pursuant to such offer or agreement.

25. Pre-emption rights on issue of shares

- 25.1 The pre-emption provisions of s 89(1) of the Act and the provisions of subsections (1) to (6) inclusive of s 90 of the Act shall not apply to any allotment of the Company's equity securities (as defined in s 94 of the Act).

- 25.2 The Company shall not allot any equity securities unless:

- (a) such allotment is of "A" Ordinary Shares, "B" Ordinary Shares and "C" Ordinary Shares as nearly as practicable in the same proportions in which they were in issue immediately prior to such allotment;
- (b) such "A" Ordinary Shares are first offered to the holders of the "A" Ordinary Shares and such "B" Ordinary Shares are first offered to the holders of the "B" Ordinary Shares and such "C" Ordinary Shares are first offered to the holders of the "C" Ordinary Shares, in each case as nearly as practicable in the proportions in which they held "A" Ordinary Shares or, as the case may be, "B" Ordinary Shares or "C" Ordinary Shares immediately prior to such allotment and on the same terms.

- 25.3 The following provisions apply to any offer made pursuant to Article 25.2(b):

- (a) such offer shall be open for a period of 14 days;
- (b) any holder of "B" Ordinary Shares shall be entitled to elect that any "B" Ordinary Shares which are not accepted by him shall be allotted in such proportion as he may determine to any person or persons who are a fund or funds advised by Schroder Venture Advisers, nominated by such holder of "B" Ordinary Shares (the "Election"). Such shareholder shall notify the Company of the Election within the 14 day offer period;
- (c) the shareholders who accept shall be entitled to indicate that they would accept shares (and the maximum number that they would accept) that have not been accepted by other shareholders or in respect of which there has been no Election or which have not been accepted by any person in whose favour an Election was made ("Remaining Shares") and any such shares shall be allotted to the shareholders who have indicated that they would accept Remaining Shares in the numbers they have indicated or, if there are insufficient Remaining Shares, as nearly as practicable in the proportion that the number of Remaining Shares each shareholder indicated he would accept, bears to the total number of Remaining Shares;
- (d) any shares which are not accepted by any shareholder or in respect of which there has been no Election or which have not been accepted by any person in whose favour an Election was made may be allotted to such other person as the directors determine;

- (e) where such offer of "B" Ordinary Shares or "C" Ordinary Shares includes, or is accompanied by, an offer of Preference Shares, no "B" Ordinary Shareholder or "C" Ordinary Shareholder may accept any offer of "B" Ordinary Shares or "C" Ordinary Shares (as the case may be) unless he also accepts the number of Preference Shares in the proportionate number to the Preference Shares offered to him, as the number of "B" Ordinary Shares or "C" Ordinary Shares accepted by him bears to the number of "B" Ordinary Shares or "C" Ordinary Shares offered to him.
- 25.4 The provisions of Article 25.2 do not apply to any issue of shares pursuant to the Subscription and Shareholders Agreement entered into by the Company and others on the same date as the adoption of these Articles.
26. **Purchase of own shares**
- Regulation 35 of Table A shall be modified by the deletion of the words "otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares" and the substitution for them of the words, "whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise".
27. **Notice of general meetings**
- 27.1 Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks" and the substitution for them of the words "twenty-eight days" and by the insertion of the words "or the "B" Director acting alone" after the second word of that regulation.
- 27.2 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.
28. **Proceedings at general meetings**
- A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A shall be modified accordingly.
- 28.1 Regulation 53 of Table A shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly".
- 28.2 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The

person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

29. Votes of members

- 29.1 Regulation 57 of Table A shall be modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".
- 29.2 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof."
- 29.3 An instrument appointing a proxy shall be in writing in any form which is usual or in which the directors may approve and shall be executed by or on behalf of the appointor.
- 29.4 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

30. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum number shall be one.

31. Alternate directors

- 31.1 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A shall be modified accordingly. Each of the "B" Director and the "C" Director shall be entitled to appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director for him and such person need not be approved by resolution of the directors and regulation 65 of Table A shall be modified accordingly.
- 31.2 Regulation 68 of Table A shall be modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

32. Borrowing powers of directors

The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

33. Appointment and removal of directors

- 33.1 The directors shall not be subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation shall be disregarded.

- 33.2 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 33.3 A person appointed by the directors to fill a vacancy or as an additional director shall not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A shall be deleted.
- 33.4 No person shall be or become incapable of being appointed a director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age. Section 293 of the Act shall not apply to the Company.
- 33.5 The holder or holders of more than half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any director from office (other than the "B" Director or the "C" Director), without prejudice to his contractual rights, or appoint any person to be a director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the directors for the purpose. Such removal or appointment shall take effect immediately upon deposit of the notice in accordance with the articles or on such later date (if any) as may be specified in the notice.

34. Disqualification and removal of directors

The office of a director shall be vacated, without prejudice to his contractual rights, if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- (b) he becomes bankrupt or becomes the subject of an interim order under the Insolvency Act 1986 or makes any arrangement or composition with his creditors; or
- (c) he becomes a patient as defined in the Mental Health Act 1983; or
- (d) he is convicted of any criminal offence (other than an offence under road traffic legislation in the United Kingdom or elsewhere for which a penalty other than imprisonment is imposed); or
- (e) he is disqualified from being a director of any company by reason of an order made by any competent court; or
- (f) he resigns his office by notice in writing to the Company; or
- (g) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have attended any such meetings instead of him, and the directors resolve that his office be vacated; or
- (h) (other than in the case of the "B" Director or the "C" Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or

- (i) (other than in the case of the "B" Director or the "C" Director) he is removed from office by notice given by a member or members under Article 33.5.

35. Proceedings of directors

- 35.1 Regulation 88 of Table A shall be modified by the exclusion of the third sentence and the substitution of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom".
- 35.2 Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of the directors shall for the purposes of the articles be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 35.3 Meetings of the board of directors shall take place no less frequently than once per quarter and at least five clear working days notice shall be given to each director. Provided that with the consent of the "B" Director and the "C" Director board meetings may be held less frequently and a shorter period of notice for any board meeting may be given which shall not, in any event, be less than 48 hours. At meetings of the board of directors, the Chairman shall not have a casting vote and regulation 88 of Table A shall be amended accordingly.
- 35.4 If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the articles by resolution in writing signed by him, and regulations 88, 89, 91, 92 and 93 of Table A and Article 35.2 shall not apply.

36. Directors' appointments and interests

Without prejudice to the obligation of any director to disclose his interest in accordance with s 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty and if he does so vote his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution.

37. Dividends

The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share any moneys presently payable by him to the Company in respect of that share.

38. Capitalisation of profits

The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for

dividends only to the extent that such partly paid shares rank for dividend and regulation 110 of Table A shall be modified accordingly.

39. Notices

- 39.1 Regulation 112 of Table A shall be modified by the deletion of the last sentence and the substitution thereof of the following: "Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."
- 39.2 Any notice sent by post to an address within the United Kingdom shall be deemed to have been given within twenty-four hours, if prepaid as first class, and within forty-eight hours, if prepaid as second class, after the same shall have been posted. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if prepaid as airmail. In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted. Any notice not sent by post but left at the relevant address shall be deemed to have been given on the day it was so left.
- 39.3 Regulation 116 of Table A shall be modified by the deletion of the words "within the United Kingdom".

40. Indemnity

- 40.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer or employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including, without prejudice to the generality of the foregoing, any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 40.2 The directors may exercise all the powers of the Company to purchase and maintain for any director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.