

Company Number: 3587944

THE COMPANIES ACT 1985

Company Limited by Shares

WRITTEN RESOLUTIONS

of

PJO INDITHERM LIMITED



Pursuant to Section 381A of the Companies Act 1985
passed *28* January 2000

We, the undersigned members of the above Company being all the members who at the date hereof would be entitled to attend and vote at a general meeting of the Company hereby resolve in the terms of the following resolution which would otherwise require to be passed as special and ordinary resolutions:-

RESOLUTIONS

That:

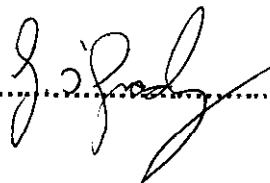
- a) The authorised share capital of the Company be increased from £100,000 (one hundred thousand pounds) to £233,888 (two hundred and thirty three thousand eight hundred and eighty eight pounds) by the creation of 220,000 (two hundred and twenty thousand) redeemable preference shares of £1 (one pound) each (which shares shall have such rights and be subject to such restrictions as contained in the articles of association to be adopted pursuant to paragraph (e) of this resolution) and by the cancellation of 86112 (eighty six thousand one hundred and twelve) unissued ordinary shares.
- b) That 555 (five hundred and fifty five) issued A shares of £1 (one pound) each (registered in the company's books in the name of Deryck Wicks on the date of this resolution) be redesignated as 555 (five hundred and fifty five) A ordinary shares of £1 (one pound) each and 70 (seventy) issued ordinary shares of £1.00 each (registered in the company's books in the name of Patrick O'Grady on the date of this restriction) be redesignated as 70 A ordinary shares of £1.00 each and 2,778 unissued ordinary shares of £1.00 each be redesignated as 2,778 A ordinary shares of £1.00 each which shares shall have such rights and be subject to such restrictions as contained in the articles of association to be adopted pursuant to paragraph (e) of this resolution.

- c) Pursuant to the provision of section 80 of the Companies Act 1985 the directors are authorised to exercise all the powers of the Company to allot 220,000 (two hundred and twenty thousand) preference shares of £1 (one pound) each and 2,778 (two thousand seven hundred and seventy eight) A ordinary shares of £1 (one pound) each such authority to determinate one year from the passing of this resolution.
- d) The directors be and are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot the 220,000 (two hundred and twenty-thousand) redeemable preference shares of £1 (one pound) each and the 2,778 (two thousand seven hundred and seventy eight) A ordinary shares of £1 (one pound) each pursuant to the authority conferred by paragraph (c) of this resolution as if section 89(1) of the Companies Act 1985 did not apply thereto.
- e) The regulations contained in the document annexed hereto for the purposes of identification 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.

Signed by



.....
Patrick O'Grady



.....
James O'Grady



.....
Colin Tarry



.....
Deryck Wicks

.....
John Buckley


Company No: 3587944

**ARTICLES OF ASSOCIATION
OF
PJO INDITHERM LIMITED**

(Adopted by special resolution
passed *28 Jan* 2000)

Date: 28th January 2000

Ref: S:\CLIENT\NBLA01\INDITHERM\DOCS\ARTICLES

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Companies Act 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PJO INDITHERM LIMITED

(Adopted by
special resolution passed [] 2000)

1 Preliminary

The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 in force at the time of adoption of these Articles (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied by these Articles and such regulations (save as so excluded or varied) and these Articles shall be the regulations of the Company. The following Regulations of Table A shall not apply to this Company: 1, 3, 24, 40, 41, 46, 47, 50, 64, 87, 89 and 118.

2 Interpretation

2.1 In these Articles and in Table A the following expressions have the following meanings unless inconsistent with the context:-

"Act"	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
"A Ordinary Shares"	the "A" ordinary shares of £1 each in the capital of the Company;
"Auditors"	the auditors for the time being of the Company;
"these Articles"	these articles of association, whether as originally adopted or as from time to time altered by special resolution;
"Controlling Interest"	an interest (within the meaning of schedule 13 part 1 and section 324 of the Act) in shares conferring in aggregate fifty per cent (50%) or more of the total

	voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue;
“clear days”	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
“Directors”	the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company;
“Due Proportion”	in the same proportion, as nearly as may be, as the nominal amount of a Shareholder's existing holding of a class of Shares bears to the total nominal amount of such class of Shares in issue and for this purpose the A Ordinary Shares and Ordinary Shares shall constitute one class;
“Equity Shares”	the Ordinary Shares and A Ordinary Shares;
“executed”	includes any mode of execution;
“Family Trust”	as defined in Article 9.1.2;
“Group”	the Company and any subsidiary or associated company for the time being of the Company;
“Group Company”	any company for the time being in the Group;
“holder”	in relation to shares means the member whose name is entered in the register of members as the holder of the shares;
“ICTA”	the Income and Corporation Taxes Act 1988;
“Investor”	Brymarc Limited
“Investor Director”	the director appointed under Article 22;
“Listing”	the admission of any part of the equity share capital of the Company to the Official List of the London Stock Exchange Limited or the grant of permission by the London Stock Exchange Limited to deal in any of the Company's shares on the Alternative Investment Market of the London Stock Exchange Limited or on any other recognised investment exchange (as defined by section 207 of the Financial Services Act 1986) and such permission becoming effective;
“Market Value”	as defined in Article 10.2;

“Member of an Investor’s Group”	the Investor, any subsidiary of the Investor and any holding company and any nominee of any of the foregoing and “Investor’s Group” shall be construed accordingly;
“office”	the registered office of the Company;
“Ordinary Shares”	ordinary shares of £1 each in the capital of the Company;
“Preference Shares”	the redeemable preferences shares of £1 each in the capital of the Company;
“Privileged Relation”	as defined in <u>Article 9.1.2</u> ;
“Sale”	the sale of the whole or substantially the whole of the undertaking of the Company or a subsidiary of the Company or more than fifty per cent (50%) of the equity share capital of the Company or a subsidiary of the Company;
“seal”	the common seal of the Company (if any);
“secretary”	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
“Shareholder”	a holder for the time being of shares in the capital of the Company;
“Shares”	the issued shares in the capital of the Company from time to time and shall include any interest in a share;
“Specified Event”	a transfer of a Controlling Interest, a Listing or a Sale;
“Subscription Agreement”	the subscription agreement entered into on the same date as these Articles are adopted between Patrick O’Grady (1) the Company (2) Brymarc Limited (3) Shareholders (as defined therein) (4) and PJO Industrial Limited (5);
“Supplemental Deed”	a deed supplemental to the Subscription Agreement substantially in the form set out in the Subscription Agreement;
“Transfer Notice”	as defined in Article 10.1;
“United Kingdom”	Great Britain and Northern Ireland.

- 2.2 Unless the context otherwise requires, words or expressions contained in these Articles and in Table A shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

3 Share capital

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £233,888 divided into 10,485 Ordinary Shares, 3403 A Ordinary Shares and 220,000 Preference Shares.
- 3.2 Subject at all times to Articles 4.5 and 5 and save as may be provided by regulation 110 of Table A, all shares which are comprised in the authorised share capital of the Company from time to time which the Directors propose to issue shall first be offered, at par or at a premium and upon such other terms and conditions as the Directors may determine, to the members who are holders of the same class of shares as those to be issued at the time of the offer in proportion to the number of the existing shares of that class held by them respectively and at the same price. Each such offer shall be made by notice specifying the total number and class of shares being offered to the members holding shares of that class as a whole, the proportionate entitlement of the member to whom the offer is made and the price per share and shall require each member to state in writing within a period (not being less than fourteen (14) days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said shares up to his proportionate entitlement. An offer, if not accepted within the period specified as regards any shares, will be deemed to be declined as regards those shares. After the expiration of such period, those shares so deemed to be declined shall be offered in proportion as aforesaid to the persons holding shares of the same class who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions shall not be issued. Any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit. No share shall be issued at a discount or otherwise in breach of the provisions of these Articles or of the Act. For the purposes of this Article 3.2 the "A" Ordinary Shares and Ordinary Shares shall constitute one class.
- 3.3 Subject to Article 4.5 and any special rights conferred upon the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by special resolution determine.
- 3.4 Subject to the Act, any preference shares may be issued on terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may by special resolution determine.

4 Rights attaching to Shares

4.1 Income

4.1.1 Preference Shares

In the event the Company fails to redeem any Preference Shares on any redemption date as set out in regulation 4.3 the holders of Preference Shares which have not been redeemed shall be entitled to receive, in priority to the holders of any other class of shares, a fixed cumulative preferential net cash dividend (the "Preference Dividend") of 5 pence per annum on each share which the Company has failed to redeem such dividend to accrue day to day from the date such Preference Shares were due for redemption and to be payable half yearly in arrears on 30 June and 31 December, the first such payment to be made on 30 June 2001 if relevant.

4.1.2 Further distributions

The balance of any profits resolved to be distributed in any financial year or period shall be distributed amongst the holders of the Equity Shares pro rata according to the par value of the Equity Shares held by each such shareholder.

4.2 Capital

On a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares), the assets of the Company available for distribution amongst Shareholders after payment of its liabilities shall be applied in the following manner and order of priority:

- (a) first, in paying to the holders of the A Ordinary Shares £1 per share together with a sum equal to all unpaid arrears of dividends, if any, declared thereon;
- (b) second, in paying to the holders of the Preference Shares £1 per share together with a sum equal to all unpaid arrears of the Preference Dividend calculated down to the date of the return of capital on the Preference Shares;
- (c) third, in paying to the holders of the Ordinary Shares £1 per share; and
- (d) finally, in paying the balance to the holders of the Equity Shares *pari passu* as if the same constituted one class of share.

4.3 Redemption

- 4.3.1 Subject to the provisions of the Act, and subject to there being, in the reasonable opinion of the Directors, sufficient profits retained to meet the financial requirements of the Company as shown in the budget of the Company (as proposed in accordance with the Subscription Agreement and approved by the Board for these purposes for the relevant financial year) the Company shall redeem the following number of Preference Shares on the following dates:

<u>Date</u>	<u>Number of Preference Shares to be redeemed</u>
31 January 2001	55,000
31 January 2002	55,000
31 January 2003	55,000
31 January 2004	55,000

or earlier subject to the Company having sufficient distributable profits and the board of directors of the Company being of the reasonable opinion that early redemption will not adversely affect the achievement of the Company's objectives as set out in the business plan disclosed to the Investor.

4.3.2 Subject to the provisions of the Act and, save where a Controlling Interest transfers pursuant to regulation 12.1, on the date upon which a Specified Event occurs all of the Preference Shares shall (unless the holders of fifty per cent (50%) of the Preference Shares give notice in writing to the Company to the contrary) be redeemed immediately.

4.3.3 Subject to receipt of the relevant share certificates or an indemnity in respect of them in a form reasonably satisfactory to the Company, on the dates fixed for any redemption the Company shall pay to the holder of each Preference Share then to be redeemed:

- (a) £1 per share; and
- (b) all arrears and accruals of the Preference Dividend payable on it (whether earned or declared or not),

which shall become a debt due and payable by the Company to the holder.

4.3.4 If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant redemption date a fresh certificate for the Preference Shares not so redeemed shall be issued to the shareholder concerned.

4.3.5 If there is more than one holder of Preference Shares, the number of each holder's Preference Shares to be redeemed on each occasion on which Preference Shares are redeemed shall be such number (as nearly as may be) as shall bear the same proportion to the total number of Preference Shares to be redeemed on each such occasion as that proportion which each such holder's entire holding of Preference Shares bears to the total number of Preference Shares then in issue.

4.4 **Voting**

4.4.1 Preference Shares

The holders of the Preference Shares shall be entitled to receive notice of

and to attend either in person or by proxy at any general meeting of the Company but shall not be entitled to vote thereat (either personally or by proxy).

4.4.2 Equity Shares

The holders of the Equity Shares shall have the right to receive notice of and attend and vote at any general meeting of the Company. Each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll to one vote for each Equity Share held by him.

4.5 **Further issues of shares**

The Company shall not be entitled to issue any further shares ranking as regards participation in the profits and/or assets of the Company either in priority to or pari passu with the A Ordinary Shares save with the consent or sanction of the holders of the A Ordinary Shares given in accordance with the provisions of Article 5.

5 **Class rights**

5.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the holders of seventy five per cent (75%) of the issued shares of that class.

5.2 Without prejudice to the generality of article 5.1 the special rights attached to the A Ordinary Shares shall be deemed to have been varied without the requisite majority consent:-

5.2.1 by the grant of any option or other right to subscribe for shares and by any alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries; or

5.2.2 by the declaration or payment of any dividend (other than the Preference Dividend) or the making of any other distribution by the Company otherwise than in accordance with the Subscription Agreement;

5.2.3 by the disposal of the undertaking of the Company or of any of its subsidiaries or any substantial part thereof or by the disposal of any share in the capital of any subsidiary of the Company otherwise than in accordance with the Subscription Agreement; or

5.2.4 by the acquisition of any interest in any share in the capital of any company by the Company or any of its subsidiaries; or

5.2.5 by the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company; or

5.2.6 by any alteration of the restrictions on the powers of the Directors or the

directors of the subsidiaries to borrow, give guarantees or create charges;
or

5.2.7 by the winding up of the Company; or

5.2.8 by the redemption of any of the Company's shares (otherwise than pursuant to Article 4.3) or by the entering into of a contract by the Company to purchase any of its shares; or

5.2.9 by any alteration of the Company's memorandum or articles of association; or

5.2.10 by the entering into of a written service agreement with any director or connected person (as defined by section 839 ICTA) or the material variation of any such existing service agreement with any such person save as provided for in the Subscription Agreement; or

5.2.11 by the calling of a meeting of the Company to effect or approve any matter which would by virtue of this article be a variation of the class rights of the A Ordinary Shares.

5.3 The provisions of clause 5.2 shall cease to apply in the event that shares in the Investor conferring more than 50% of the total voting rights conferred by all shares in the Investor are sold within a period of four years from the date of adoption of these articles but thereafter such sale shall not affect such provisions which shall remain in full force and effect.

5.4 The provisions of clause 5.2 shall cease to apply in the event that the Investor transfers beneficial title to 75% or more of the A Ordinary Shares prior to the fourth anniversary of the adoption of these articles to a transferee other than the transferees of the kind referred to in regulations 9.1 or 9.2. For the avoidance of doubt, if the Investor transfers beneficial title to any of the A Ordinary Shares after the fourth anniversary of the adoption of these Articles, or to a transferee of the kind described in regulations 9.1 or 9.2 at any time (including the period of four years from the adoption of the date of these Articles), the provisions of regulation 5.2 shall remain in full force and effect.

6 Lien

The Company shall have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company whether or not in respect of the shares in question. Regulation 8 of Table A shall be modified accordingly.

7 Calls on shares and forfeiture

There shall be added at the end of the first sentence of Regulation 18 of Table A, so as to increase the liability of any member in default in respect of a call, the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

8 Share transfers

8.1 The Directors shall not register any transfer of shares in the Company except

where:

- 8.1.1 the transfer is permitted by Article 9 (a “permitted transfer”) or is compulsory by reason of any of Articles 10, 11 and 12 (a “compulsory transfer”); and
- 8.1.2 in all cases a Supplemental Deed duly executed by all relevant parties is laid before the meeting at which the transfer is to be approved.
- 8.2 Subject to Article 8.1 and Article 8.3, the Directors shall be obliged to register both a permitted transfer and a compulsory transfer.
- 8.3 The Directors may in their absolute discretion, and without assigning any reason for it, decline to register:
 - 8.3.1 any transfer of any share over which the Company has a lien;
 - 8.3.2 any transfer to more than four transferees; and/or
 - 8.3.3 any transfer comprising shares of more than one class.

9 Permitted transfers

9.1 Transfers to family shareholders, trusts and nominees

9.1.1 Any Shareholder may at any time transfer Equity Shares:

- (a) to a Privileged Relation of such Shareholder; or
- (b) to trustees to be held upon a Family Trust resident in the United Kingdom; or
- (c) to a nominee of the Shareholder or, where the Shareholder is a nominee for any other person, to that person or to another nominee for him provided that in any such case the transferor certifies to the Company that no beneficial interest in the shares passes by reason of the transfer,
- (d) where the Shareholder is a trustee of a Family Trust, to any person beneficially entitled thereunder,

provided that the maximum amount of Shares which can be transferred pursuant to paragraphs (a) and (b) above shall not, without the prior written consent of the Investor, exceed fifty per cent (50%) of the Shareholder's holding of Shares at the date of adoption of these Articles.

9.1.2 For the purposes of this Article:

- (a) the expression “Privileged Relation” in relation to a Shareholder shall mean the spouse or widow or widower of the Shareholder and the Shareholder's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Shareholder's children; and
- (b) the expression “Family Trust” shall, in relation to any

Shareholder, mean trusts (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or under an intestacy):

- (i) under which no immediate beneficial interest in the Shares in question is for the time being vested in any person other than the Shareholder concerned or a Privileged Relation of such Shareholder and no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustee or trustees or the Shareholder concerned or a Privileged Relation of such Shareholder and also the Directors are satisfied that the trust is and is intended to remain a trust the sole purpose of which is to benefit the Shareholder or a Privileged Relation of such Shareholder; and
- (ii) the terms of which relation to the powers of the trustees and the identity of the trustees have been approved by the Investor.

9.2 Transfers by an Investor

The Investor may at any time transfer shares to any Member of the Investor's Group or to Brian Holmes or to Mark Holmes or to Anne Holmes without restriction provided that if (in the case of a Member of the Investor's Group) subsequently such Member of the Investor's Group ceases to be a Member of the Investor's Group, such transferee shall forthwith notify the Directors in writing that such event has occurred and be bound to transfer all Shares held by it to the original transferor or another Member of the Investor's Group or to Brian Holmes or to Mark Holmes or to Anne Holmes.

9.3 Transfers with consent

A transfer of shares may be made to any person with the prior written consent of the Investor and Shareholders holding not less than ninety per cent (90%) of the voting rights attaching to the issued share capital of the Company at the time when such consent is given.

- 9.4 There shall be no restriction on the transfer of Preference Shares nor shall such shares be subject to the pre-emption provisions set out in these articles.

10 Pre-emption rights

- 10.1 Any person proposing to transfer any interest in any Equity Shares (a "Retiring Shareholder") other than pursuant to Article 9 shall give to the Company notice in writing referring expressly to this Article and indicating his desire to transfer his shares under its provisions (a "Transfer Notice"). The Transfer Notice shall be deemed to appoint the Directors as the agent of the Retiring Shareholder for the sale of Equity Shares specified in it (the "Sale Shares") at the price agreed in writing by the Retiring Shareholder and the Directors or, failing agreement with twenty eight (28) days of the Transfer Notice being given or deemed to have been given, at the Market Value. A Transfer Notice may provide that unless all the Sale Shares are sold by the Company, none shall be sold (a "Total Transfer Condition").

- 10.2 The "Market Value" shall be the price certified by an independent firm of chartered accountants (acting as experts and not arbitrators) mutually chosen by the Retiring Shareholder and the Directors or, failing agreement within forty-two (42) days of the Transfer Notice being given or deemed to have been given, 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 to be in their opinion the fair value of the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any discount which may otherwise be appropriate because the Sale Shares constitute a minority interest in the Company and on the assumption that the Sale Shares are capable of transfer without restriction. The certificate as to Market Value shall be delivered by the accountants to the Company, which shall as soon as possible after receipt forward a copy of it to the Retiring Shareholder. The costs of obtaining the certificate shall be borne by the Company unless the Retiring Shareholder shall revoke the Transfer Notice in which case the Retiring Shareholder shall bear the cost.
- 10.3 The Retiring Shareholder shall be entitled to revoke the Transfer Notice by giving notice in writing to the Directors within seven (7) days of the date on which the price is agreed in writing or, if later, receipt by him of the accountants' certificate (the "Withdrawal Period"). If a Retiring Shareholder revokes a Transfer Notice he may not subsequently transfer the Sale Shares (or any interest in them) otherwise than in accordance with these Articles.
- 10.4 Within seven (7) days after the expiry of the Withdrawal Period, the Directors shall offer the Sale Shares to each Equity Shareholder (other than the Retiring Shareholder) by notice in writing, giving details of the price of the Sale Shares and inviting him to state in writing within twenty eight (28) days of receipt by him of this notice whether he is willing to purchase and, if so, what number of Sale Shares up to the number comprised in the Transfer Notice. At the expiry of this period the Directors shall allocate the Sale Shares to the holders of the Equity Shares who have notified their willingness to purchase Sale Shares in their Due Proportion.
- 10.5 If, after making the allocations pursuant to Article 10.4, Sale Shares remain unallocated the Directors shall forthwith offer them to the Company or, if the holders of the Equity Shares so consent, to any person or persons selected by the Directors and approved by the holders of the Equity Shares in writing, who shall (subject, in the case of the Company, to due compliance with the Act) be entitled to purchase them at the agreed price at any time within forty-two (42) days from the date of this offer.
- 10.6 If the Sale Shares are subject to a Total Transfer Condition and the Company, selected persons and the Shareholders together do not offer to purchase all the Sale Shares or where there is no such condition but all the Sale Shares are not acquired in accordance with this Article 10, the Directors shall forthwith so inform the Retiring Shareholder by notice in writing. The Retiring Shareholder may retain the Sale Shares (or such of them as have not been acquired in accordance with this Article 10) or, at any time within six (6) months following receipt of this notice, transfer the Sale Shares (or such as have not been so acquired) to any person on a bona fide sale, at a price not being less than the price agreed or certified under this Article 10 and on terms not materially more favourable as to timing of payment than would apply to the existing Shareholders accepting Sale Shares in accordance with this Article 10 provided that:

- 10.6.1 the Directors may require to be satisfied that such Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer; and
- 10.6.2 if the Transfer Notice contained a Total Transfer Condition the Retiring Shareholder shall not be entitled under this Article 10 to transfer any Sale Shares unless the whole of such Shares are transferred by him.
- 10.7 The Directors shall in writing notify the Shareholders (including the Retiring Shareholder) of the allocations made pursuant to Article 10.4 and the sale and purchase of the Sale Shares shall be completed within fourteen (14) days of receipt of this notice. If, after having become bound to transfer any Sale Shares to a transferee, a Retiring Shareholder defaults in so doing (or is unable to) the Directors shall authorise some person to execute any necessary transfers in favour of the transferee upon receipt of the purchase money enter the name of the transferee in the register of members of the Company as the holder of the shares in question and hold the purchase money in trust for the Retiring Shareholder. The receipt of the Company for the purchase money shall be a good discharge to the transferee and the transferee shall not be bound to see to the application of it. After the name of the transferee has been entered in the register in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

11 Limitation on transfer of control

- 11.1 No sale or transfer of the Equity Shares (for the purposes of this Article 11.1 the "Specified Shares") shall be made which would result if made and registered in a person or persons (whether or not a body corporate) who was or were not a Shareholder or Shareholders on the date of adoption of these Articles obtaining a Controlling Interest in the Company without the previous written consent of the Investor unless before the transfer is lodged for registration the proposed transferee or transferees or his or their nominees has or have made an offer (stipulated to be open for twenty eight (28) days) to purchase all of the Equity Shares held by all the Shareholders (the "Offer Shares") at the Specified Price on the same terms as the Specified Shares and the Shareholder to whom the offer was originally made shall procure that such offer remains open for acceptance by the holders of the Offer Shares for a period of twenty eight (28) days from the date of the said offer.
- 11.2 For the purpose of this Article:
- 11.2.1 the expressions "transferor" and "transferee" shall, without limitation, include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment; and
- 11.2.2 the expression the "Specified Price" shall mean a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for the Specified Shares to the holder or holders thereof plus an amount equal (in the relevant proportion) to any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be

transaction as a whole; and

- (b) if any such sale of Specified Shares shall be made or proposed to be made to a person or persons connected (within the meaning of section 839 of ICTA) with the Shareholder or Shareholders transferring such Shares or which is not made on arm's length terms, the price shall be such price as would be equal to the Market Value for such Shares in the same way as if they were the subject of a Transfer Notice but so that no account shall be taken, in determining the Specified Price, of the size of the shareholding representing a minority shareholding in the Company.

11.2.3 All other regulations of the Company relating to the transfer of Shares or other interests and the right to registration of transfers shall be read subject to the provision of this Article 11.

12 Deemed Transfer Notice and compulsory transfers

12.1 Cessation of employment or death of Patrick O'Grady

If, during the period of three years from the date of adoption of these Articles, Patrick O'Grady dies, or resigns his directorship or resigns as an employee of the Company or its subsidiaries, or fails to perform his duties under his service agreement with the Company or its subsidiaries without good cause for a period of three months (ignoring for these purposes any period of less than fourteen days or any period of illness and where Patrick O'Grady resumes such duties), then a Transfer Notice shall be deemed to have been served upon either the date of death, cessation of employment or directorship, or the expiry of the three month period referred to above (as the case may be) in respect of such number of Equity Shares held by Patrick O'Grady (and/or originally held by Patrick O'Grady but at the relevant time held by a Privileged Relation of his or the trustees of his Family Trust or any nominee of Patrick O'Grady) as when aggregated with the Investor's A Ordinary Shares, would, if transferred to the Investor, give the Investor a Controlling Interest in the Company. For this purpose the remaining shareholders shall be deemed to have notified the Company that they do not wish to purchase any such Equity Shares comprised in such Transfer Notice and to have consented to the transfer of such Equity Shares by Patrick O'Grady (or his Privileged Relation or the trustees of his Family Trust or his nominee) to the Investor and waived any pre-emption rights in respect thereof. Any Transfer Notice deemed to be given under this Article 12.1 shall be deemed also:

12.1.1 to incorporate a term that the sale price for the relevant shares shall be the Market Value; and

12.1.2 to incorporate a Total Transfer Condition; and

12.1.3 (notwithstanding Article 10.3) to be irrevocable; and

12.1.4 in the case of death or bankruptcy be deemed to have been given immediately prior to such death or bankruptcy.

12.2 Purported transfer of Shares

If and when required by notice in writing by the Directors at the request of the holder or holders of a majority in nominal value of the other shares in the Company so to do (the “call notice”), a Shareholder who transfers or purports to transfer any Share in breach of the foregoing provisions of these Articles shall be bound to give a Transfer Notice in respect of all the Shares registered in the name of such Shareholder unless and to the extent that a valid transfer in respect of such Shares in favour of a person or persons to whom they may be transferred pursuant to Article 10 shall have been lodged for registration. If such Shareholder fails to serve a Transfer Notice within thirty (30) days of the date of the call notice such Shareholder shall be deemed to have given a Transfer Notice at the expiration of such period of thirty (30) days and to have specified therein as the price per share the Market Value. The provisions of Article 10 shall mutatis mutandis apply.

12.3 Compulsory sale

12.3.1 If the holders of at least seventy five per cent (75%) of the Ordinary Shares and one hundred per cent (100%) of the A Ordinary Shares (for the purposes of this Article 12.3 the “Sellers”) intend to sell all of the Equity Shares held by them (the shares to be sold by the Sellers being referred to as the “Selling Shares”) the Sellers shall have the right, if they so wish, to give to the Company not less than fourteen (14) days' notice in advance before selling the Selling Shares. That notice (the “Selling Notice”) shall include details of the Selling Shares and the proposed price for each Selling Share to be paid by the proposed purchaser, the place, date and time of completion of the proposed purchase being a date not less than fourteen (14) days from the date of the Selling Notice (“Completion”).

12.3.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing (a “Compulsory Sale Notice”) to each of the Shareholders (other than the Sellers), giving the details contained in the Selling Notice, requiring them each to sell to the proposed purchaser at Completion all of their holdings of Equity Shares.

12.3.3 Each Shareholder who is given a Compulsory Sale Notice shall sell all of his shares referred to in the Compulsory Sale Notice at the highest price for the same class per Selling Share to be sold to the proposed purchaser on Completion by the Sellers, subject only to the Sellers completing the sale to the proposed purchaser.

12.3.4 If any Shareholder(s) (the “Defaulting Shareholder(s)”) fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his shares in accordance with the Compulsory Sale Notice and the provisions of Article 10.7 shall mutatis mutandis apply save that reference to “Retiring Shareholder” in Article 10.7 shall be deemed to be reference to “Defaulting Shareholder”.

13 General meetings

The Directors may call general meetings and regulation 37 of Table A shall not apply to the Company.

14 Notice of general meetings

14.1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and regulation 38 of Table A shall be modified accordingly. The words "or a resolution appointing a person as a director" and paragraphs (a) and (b) in regulation 38 of Table A shall be deleted and the words "in accordance with section 369(3) of the Act" shall be inserted after the words "if it is so agreed" in that regulation.

14.2 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the profit and loss account, balance sheet and the reports of the Directors and Auditors, the appointment of and the fixing of the remuneration of the Auditors and the giving or renewal of any authority in accordance with the provisions of section 80 of the Act.

14.3 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Directors and to the Auditors.

15 Proceedings at general meetings

15.1 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business and at all times throughout the meeting thereafter; save as herein otherwise provided two Shareholders present in person or by proxy (or, being a corporation, by representative) shall be a quorum, of whom one must be a duly authorised representative of the Investor.

15.2 If a quorum is not present within half an hour from the time appointed for a general meeting, or ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

15.3 If at an adjourned meeting a quorum for the purposes of Article 15.1 is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved, unless the meeting was adjourned for thirteen (13) days or more and due notice in such regard was given to the Shareholders within five (5) days of the adjournment whereupon the quorum at any such adjourned meeting shall be any two Shareholders present in person or by proxy (or, being a corporation, by representative).

16 Votes of members

16.1 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes

place or at which the poll is demanded shall not be entitled to a second or casting vote.

- 16.2 Regulation 54 of Table A shall not apply to the Company. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, every member shall have one vote for each share of which he is the holder.
- 16.3 The words "be entitled to" shall be inserted between the words "shall" and "vote" in regulation 57 of Table A.
- 16.4 A member shall not be entitled to appoint more than one proxy to attend on the same occasion and accordingly the final sentence of regulation 59 of Table A shall not apply to the Company. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.

17 Alternate Directors

- 17.1 An alternate Director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointor is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him), to attend and vote at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointor at such meeting as a Director in his absence. An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. Regulation 66 of Table A shall not apply to the Company.
- 17.2 A Director, or any such other person as is mentioned in regulation 65 of Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present and the final sentence of regulation 88 shall not apply to the Company.
- 17.3 Save as otherwise provided in the regulations of the Company, an alternate Director shall be deemed for the purposes specified in Article 17.1 to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. Regulation 69 of Table A shall not apply to the Company.

18 Appointment and retirement of Directors

- 18.1 The Directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.
- 18.2 The Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

- 18.3 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with Article 21.1.

19 Disqualification and removal of Directors

The office of a Director shall be vacated if:-

- 19.1 he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director; or
- 19.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 19.3 he is, or may be, suffering from mental disorder and either:
- 19.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- 19.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 19.4 he resigns his office by notice to the Company; or
- 19.5 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 the Directors resolve that his office be vacated,

and regulation 81 of Table A shall not apply to the Company.

20 Gratuities and pensions

Regulation 87 of Table A shall not apply to the Company and the Directors may exercise any powers of the Company conferred by its memorandum of association to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 27(3) of the Companies Act 1989) of the Company and the Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

21 Proceedings of the Directors

- 21.1 Unless and until the Company by special resolution shall otherwise determine, the number of Directors shall not be less than two or more than six.
- 21.2 The quorum necessary for the transaction of business of the Directors shall be two..
- 21.3 At any meeting of the Directors each Director (or his alternate Director) present at the meeting shall be entitled to one vote.

- 21.4 In the case of an equality of votes at any meeting of the Directors the chairman of such meeting shall be entitled to a second or casting vote.
- 21.5 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:
- 21.5.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 21.5.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - 21.5.3 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - 21.5.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - 21.5.5 shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 21.5.1 to 21.5.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.
- 21.6 For the purposes of Article 21.5:
- 21.6.1 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall not be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
 - 21.6.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
 - 21.6.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.
- 21.7 Any Director including an alternate Director may participate in a meeting of the Directors or a committee of the Directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons

participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. 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.

21.8 Regulation 88 of Table A shall be amended by substituting for the sentence:- "It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom" the following sentence:- "Notice of every meeting of the Directors shall be given to each Director and his alternate, including Directors and alternate Directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom for service".

21.9 Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

22 The Investor Director

22.1 The Investor shall be entitled to appoint one person as a Director of the Company and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place.

22.2 The Investor Director shall not be required to hold any Shares.

22.3 Any appointment or removal of the Investor Director shall be by signed instrument in writing served on the Company by the Investor and shall take effect on and from the date on which such instrument is lodged or deposited at the registered office of the Company.

22.4 Subject to section 303 of the Act, on any resolution to remove the Investor Director the Shares held by the Investor shall together carry at least one vote in excess of seventy five per cent (75%) of the votes exercisable in respect of that resolution at the general meeting at which such resolution is to be proposed and if any such Investor Director is removed pursuant to section 303 of the Act the Investor may reappoint him or any other person as the Investor Director.

23 Directors' borrowing powers

Subject as hereinafter provided the Directors may exercise all the powers of the Company (whether express or implied):-

23.1 of borrowing or securing the payment of money;

23.2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and

23.3 of mortgaging or charging the property assets and uncalled capital of the Company and (subject to section 80 of the Act) of issuing debentures;

but so that:-

23.4 no such sanction shall be required for the borrowing of any sum of money intended to be applied in the repayment (with or without premium) of any moneys then already borrowed and outstanding, notwithstanding that the same

may result in such limit being exceeded;

- 23.5 no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this article is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed has been or was thereby exceeded;
- 23.6 except with the previous consent of the Investor no mortgage or charge shall be created on any part of the undertaking property or assets of the Company or any subsidiary of the Company in favour of any holder of Shares or any person connected with the holder of such Shares.

24 The seal

If the Company has a seal it shall be used only with the authority of the Directors or of a committee of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined, every instrument to which the seal is affixed shall be signed by one Director and by the secretary or another Director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall only apply if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

25 Disputes

In the event of disagreement as to calculation of the Specified Price for the purposes of Article 11, or as to whether any dividend shall be due under the provisions of these Articles to the holders of any class of share capital in the Company, or as to the amount of such dividend, any such disagreement shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination by the President for the time being of the Institute of Chartered Accountants in England and Wales on application by any such party) whose decision shall be final and binding and the costs of such umpire shall be borne equally by the parties to the dispute or disagreement.

26 Notices

- 26.1 In regulation 112 of Table A, the words "by facsimile to a facsimile number supplied by the member for such purpose or" shall be inserted immediately after the words "or by sending it" and the words "first class" shall be inserted immediately before the words "post in a prepaid envelope".
- 26.2 Where a notice is sent by first class post, proof of the notice having been posted in a properly addressed prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at the expiration of forty-eight (48) hours after the envelope containing the same is posted. Where a notice is sent by facsimile receipt of the appropriate answerback shall be conclusive evidence that the notice was given and the notice shall be deemed to have been given two hours after transmission following receipt of the appropriate answerback during normal business hours (and otherwise at the opening of business on the next business day). Regulation 115 of Table A shall not apply to the Company.

- 26.3 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

27 **Winding up**

In regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

28 **Indemnity**

- 28.1 Subject to the provisions of section 310 of the Act every Director (including an alternate Director) or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the court, and no Director (including an alternate Director) or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the lawful execution of the duties of his office or in relation thereto. Regulation 118 of Table A shall not apply to the Company.
- 28.2 The Directors shall have power to purchase and maintain for any Director, (including an alternate Director) officer or auditor of the Company insurance against any such liability as is referred in section 310 (1) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director (including as an alternate Director) officer or auditor.
- 28.3 The Directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any director (including an alternate director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 28.2.