

The Companies Act 1985

A Private Company Limited by Shares  
Memorandum of Association

of

~~The Esh Partnership Limited~~  
Esh Holdings Limited\*\*

(Adopted by Special Resolution passed on 14 June 1999)

ESH HOLDINGS \*\*

1. The Company's name is "~~THE ESH PARTNERSHIP LIMITED~~".\*\*
2. The Company's Registered Office is to be situated in England and Wales.
3. The Company's objects are:-
  - 3.1.
    - 3.1.1. To carry on the business of a holding company in all its branches, and to acquire by purchase, lease, concession, grant, licence or otherwise deal in such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, bonds, obligations, securities, reversionary interests annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit, and generally to hold, manage, develop, lease, sell, or dispose of the same; and to vary any of the investments of the Company, and to enter into, assist or participate in financial, commercial, mercantile, industrial and other transactions, undertakings, and business of every description.
    - 3.1.2. To co-ordinate the policy and administration of any subsidiary companies or any companies of which this Company is a member or which are in any manner controlled by this Company.
    - 3.1.3. To carry on all or any of the businesses of building and civil engineering contractors, land, estate and property developers, repairers and jobbers, estate agents and managers, mortgage and insurance brokers, and agents, surveyors, valuers and auctioneers, builders' merchants, plant hire specialists, painters, decorators, plumbers, haulage and transport contractors, electricians and general engineers, financiers for the promotion of the sale for cash or on credit, or on the instalment plan or hire purchase agreement or easy payment system or otherwise for goods, wares, produce, products and merchandise of every description, and general merchants, agents and traders.

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\*The Company's name was, on 14 June 1999, changed from Sandco 610 Limited.

\*\*The Company's name was, on 16 September 1999 changed from The Esh Partnership Limited.



- 3.2. To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses or activities of the Company.
- 3.3. To purchase or by any other means acquire and take options over any real or personal property whatever, and any rights or privileges of any kind over or in respect of any such property.
- 3.4. To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- 3.5. To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or real or personal property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- 3.6. To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the real or personal property and rights of the Company.
- 3.7. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- 3.8. To lend or advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms.
- 3.9. To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property, assets rights

and revenues (present and future) and uncalled capital of the Company, or by both such methods or by any other means, the performance of the liabilities and obligations of and the repayment or payment of any moneys whatever by any person, firm or company, including (but not limited to):-

- 3.9.1. any liabilities and obligations whatever of, and the repayment or payment of any moneys whatever by, any company which is for the time being or is likely to become the Company's holding company or a subsidiary of the Company's holding company or otherwise associated with the Company in business; and
  - 3.9.2. any liabilities and obligations incurred in connection with or for the purpose of the acquisition of shares in the Company or in any company which is for the time being the Company's holding company in so far as the giving of any such guarantee or other support or security is not prohibited by law; and
  - 3.9.3. the repayment or payment of the principal amounts of, and premiums, interest and dividends on, any borrowings and securities.
- 3.10. To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's real or personal property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- 3.11. To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- 3.12. To apply for, promote, and obtain by any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's, indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- 3.13. To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.

- 3.14. To subscribe for, take purchase, or otherwise acquire, hold sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debentures stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- 3.15. To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, or provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangement which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- 3.16. To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property (real or personal) or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- 3.17. To sell or otherwise dispose of the whole or any part of the business or property (real or personal) of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- 3.18. To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- 3.19. To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- 3.20. To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- 3.21. To support and subscribe to any charitable public object and to support and subscribe to any institution, society, or club which may be in the opinion of the board of directors for the benefit of the Company or its business or activities or its Directors or employees, or may be connected with any town or place where the Company carries on business.

- 3.22. To give or award pension, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children or other relatives and dependants of such persons; to make payments towards insurance and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- 3.23. Subject to and in accordance with due compliance with the provisions of Sections 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- 3.24. To purchase and maintain, for the benefit of any Director (including an alternate director) , officer or Auditor of the Company or of any company which is the holding company, a subsidiary, or a fellow subsidiary of the Company, insurance against any liability as is referred to 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 an alternate director), officer or auditor and, subject also to the provisions of the Act, to indemnify any such person 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 and, without prejudice to the foregoing, to grant any such indemnity after the occurrence of the event giving rise to any such liability.
- 3.25. To distribute among the Members of the Company in kind any property (real or personal) of the Company of whatever nature.
- 3.26. To procure the Company to be registered or recognised in any part of the world.
- 3.27. To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

- 3.28. To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND SO that:-

- (A) None of the objects set forth in this Clause 3 shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
  - (B) None of the sub-clauses of this Clause 3 and none of the objects herein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other part of Clause 3, and the Company shall have as full a power to exercise each and every such sub-clause as if each contained the objects of a separate company.
  - (C) The word "company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
  - (D) In this Clause 3 the expressions "holding company" and "subsidiary" shall have the meanings given to them respectively by section 736 of the Act and expression "subsidiaries" shall include a subsidiary undertaking as defined by section 258 of the Act.
4. The liability of the Members is limited.
5. The Company's share capital is £7,358,350 divided into 100,000 voting Ordinary Shares of £0.01 (1p) each, 7,350,000 12.5% Cumulative Preference Shares of £1 each and 735,000 non-voting Ordinary Shares of £0.01 (1p) each.

We, the subscribers of this Memorandum of Association wish to be formed into a Company in accordance with 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
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Name:

Address:

Signature:

Name:

Address:

Signature:

Dated 1999

Witness to the above Signatures:-

Signature:

Name:

Address:

Occupation:

The Companies Act 1985

and

The Companies Act 1989  
Company Limited by Shares  
Articles of Association

of

Esh Holdings Limited\*\*  
~~The Esh Partnership Limited~~  
("the Company")

(Adopted by Special Resolution passed on 14 June 1999)

1. Preliminary and Interpretation

- 1.1. The regulations contained in Table A ("Table A") in the schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) Amendment Regulations 1985 shall apply to the Company save insofar as they are excluded or varied hereby.
- 1.2. In these regulations and in the regulations of Table A that apply to the Company,
  - 1.2.1. "the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
  - 1.2.2. "Articles" means these Articles of Association of the Company and a reference to an Article shall refer to an individual Article in the Articles.
  - 1.2.3. "Original Members" means John George Lumsden, Anthony John Carroll, Brian Manning, John Stephen Bass, Andrew Russell Pickett, Frederick Charles Gressmann and Vestbrown Limited all of whom became members of the Company on the date of the adoption of these Articles and persons to whom a transfer of the relevant shares has been permitted under Articles 5.4, 5.5 or 5.6.
  - 1.2.4. "Net Assets" means the issued share capital of the Company together with the balances standing to the credit of or debited to reserves (including profit and loss account) as shown by the most recent audited consolidated accounts of the Company and its subsidiaries prior to the date of a Transfer Notice served pursuant to Article 6.1 without any subsequent revaluation of any of the assets of the Company or of its subsidiaries after deducting therefrom the value (if any) attributable to goodwill therein.

\*The Company's name was, on 14 June 1999, changed from Sandco 610 Limited.

\*\*The Company's name was, on 16 September 1999 changed from The Esh Partnership Limited.



1.2.5. "shares" means Preference Shares or Voting Ordinary Shares or Non-Voting Ordinary Shares or any other shares in the Company from time to time.

1.3. Unless the context otherwise requires, words or expressions contained in these regulations and in the regulations of Table A that apply to the Company bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Company, words importing the singular only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing natural persons shall include also corporations.

1.4. The headings in these regulations are for convenience only and shall be ignored in construing the language or meaning of the Articles.

## 2. Private Company

The Company is a private company within the meaning of Section 1 of the Act and accordingly no shares in or debentures of the Company shall be offered to the public (whether for cash or otherwise) and the Company shall not allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

## 3. Share Capital

3.1. The share capital of the Company at the date of adoption of these Articles is £7,358,350 divided into 100,000 Voting Ordinary Shares of £0.01 (1p) each (the "Voting Ordinary Shares") 7,350,000 12.5% Cumulative Preference Shares of £1 each (the "Preference Shares") and 735,000 Non-Voting Ordinary Shares of £0.01 (1p) each (the "Non-Voting Ordinary Shares"). The rights attaching to the respective classes of shares shall be as follows.

### 3.2. Rights attaching to Voting Ordinary Shares

3.2.1. On a winding-up the holders of the Voting Ordinary Shares shall be entitled in priority to the holders of the Preference Shares and the Non-Voting Ordinary Shares to the repayment of the capital paid up on the Voting Ordinary Shares, but the Voting Ordinary Shares shall not entitle the holders thereof to any further or other participation in profits or assets of the Company.

3.2.2. The holders of the Voting Ordinary Shares shall not be entitled to any dividend or other distribution thereon.

3.2.3. Each Voting Ordinary Share shall at a General Meeting of the Company be entitled to one vote.

3.3. Rights attaching to Preference Shares

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3.3.1. The Preference Shares shall until 31 December 1999 carry a fixed cumulative preferential dividend at the rate of 12.5% per annum (inclusive of the associated tax credit) on the capital for the time being paid up on the Preference Shares down to the date of a Transfer Notice pursuant to Article 6.1 or deemed served pursuant to Article 6.9, payable yearly on 15 April in each year in respect of the dividend year or period ended prior thereto, the first such payment to be made on 15 April 2000 in respect of the period from the date of the issue of the Preference Shares to 31 December 1999. In respect of all dividend years or periods after 31 December 1999, the Preference Shares shall carry a fixed cumulative preferential dividend at the rate of 14% per annum (inclusive of the associated tax credit) on the capital for the time being paid up on the Preference Shares down to the date of a Transfer Notice served pursuant to Article 6.1 or deemed served pursuant to Article 6.9, payable on 15 April in each year in respect of the dividend year or period ending prior thereto, the first such payment to be made on 15 April 2001 in respect of the period from 1 January 2000 to 31 March 2001 and thereafter such fixed cumulative preferential dividend at the rate of 14% per annum (inclusive of the associated tax credit) will be paid on 15 April in each year in respect of the dividend year ending on the immediately preceding 31 March.

~~3.3.1. The Preference Shares carry a fixed cumulative preferential dividend at the rate of 12.5% per annum (inclusive of the associated tax credit) on the capital for the time being paid up on the Preference Shares down to the date of a Transfer Notice served pursuant to Article 6.1 or deemed served pursuant to Article 6.9, payable yearly on 31 December in each year in respect of the year ending on that date, the first such payment to be made on 31 December 1999 in respect of the period from the date of the issue of the Preference Shares to 31 December 1999.~~

3.3.2. The Preference Shares shall not entitle their holders to receive notice of or to attend or to vote at any general meeting of the Company, unless the business of the meeting includes the consideration of a resolution directly or adversely affecting any of the special rights attached to the Preference Shares. The creation of further shares ranking in any respect in priority to or pari passu with the Preference Shares in the present capital shall be deemed to constitute a variation of the special rights attached to the Preference Shares.

3.3.3. On a winding up the holders of the Preference Shares shall be entitled to repayment of the capital paid up on the Preference Shares (together with a sum equal to any arrears or deficiency of the fixed dividend, whether declared or earned or not, calculated down to the date of the return of

capital) in priority to any payment to the holders of the Non-Voting Ordinary Shares (but not in priority to the holders of the Voting Ordinary Shares), but the Preference Shares shall not entitle the holders thereof to any further or other participation in the profits or assets of the Company.

3.4. Rights attaching to the Non-Voting Ordinary Shares

3.4.1. On a winding up but subject to Articles 3.2.1 and 3.3.3 the holders of the Non-Voting Ordinary Shares shall, in addition to the return of the amount paid up on the Non-Voting Ordinary Shares, be entitled to receive the balance of any surplus assets.

3.4.2. The holders of the Non-Voting Ordinary Shares shall be entitled to such dividend thereon or distribution in respect thereof as shall be declared from time to time down to the date of a Transfer Notice served pursuant to Article 6.1 or deemed served pursuant to Article 6.9.

3.4.3. The Non-Voting Ordinary Shares shall not entitle their holders to receive notice of or to attend or to vote at any general meeting of the Company, unless the business of the meeting includes the consideration of a resolution directly or adversely affecting any of the special rights attached to the Non-Voting Ordinary Shares. The creation of further shares ranking in any respect in priority to or *pari passu* with the Non-Voting Ordinary Shares in the present capital shall be deemed to constitute a variation of the special rights attached to the Non-Voting Ordinary Shares.

3.5. Subject to Chapter VII of the Act, the Company may purchase its own shares (including redeemable shares) whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise.

3.6. Subject to Chapter VII of the Act any shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, at the option of the Company or the shareholders, liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine and whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise.

3.7. In accordance with Section 91(1) of the Act, Sections 89(1) and 90(1) to (6) inclusive of the Act shall be excluded from applying to the Company.

3.8. Subject to Chapter VI of the Act, the Company may give financial assistance for the purpose of or in connection with any acquisition of shares made or to be made in the Company.

4. Lien

The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a

fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any person for all moneys presently payable by him or his estate to the Company, whether he shall be the sole registered holder thereof or shall be one of several joint holders; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon. Regulation 8 of Table A shall not apply.

5. Transfer of Shares

- 5.1. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof, provided that in the case of a partly paid share the instrument of transfer must also be signed by the transferee. Regulation 23 of Table A shall not apply.
- 5.2. Regulation 24 of Table A shall not apply.
- 5.3. The Directors shall refuse to register any transfer of shares made in contravention of the provisions of Article 6 but shall not be entitled to refuse to register any transfer of shares to which the consent in writing of all the members for the time being of the Company is given or any transfer or transmission of shares made pursuant to Articles 5.4, 5.5 or 5.6 or pursuant to Article 6 (including without limitation Article 6.9).
- 5.4. Any member being a corporation may transfer any shares to another corporation resulting from a reconstruction or amalgamation of such member or to any subsidiary or any holding company (as those expressions are defined in Section 744 of the Act) of such member or to another subsidiary of such holding company.
- 5.5. Any member may during his lifetime transfer or by will bequeath or otherwise dispose of on death any of the shares to the husband wife widow widower or any child or children or remoter issue (including adopted children) of such member or any trustees of a trust established exclusively for the benefit of the member and/or any of the aforementioned persons.
- 5.6. The Directors shall register as a member or members the legal personal representatives of a deceased member where under the provisions of the will or the laws as to intestacy the person beneficially entitled whether immediately or contingently to any of the shares in respect of which such legal personal representatives are intended to be registered are persons to whom a transfer may be made under the provisions of Article 5.5.

6. Subject and without prejudice to the provisions of Articles 5.4, 5.5 and 5.6 the following provisions shall have effect in relation to the transfer and transmission of shares, namely:-

- 6.1. Any member who desires to transfer any legal or beneficial interest in any shares (in this Article called "the Vendor") shall give to the Company notice in writing (in

this Article called "a Transfer Notice"), accompanied by the deposit of the relevant share certificate, of such desire and stating the number and class of shares (the "Transfer Shares") which the member desires to transfer. A Transfer Notice may relate to more than one class of shares provided always that a Transfer Notice relating to the disposal of the whole of a member's Preference Shares and Non-Voting Ordinary Shares shall not be valid and effective unless it shall also include the whole of that Member's Voting Ordinary Shares. A Transfer Notice shall not be revocable except with the sanction of the Directors save that a Transfer Notice given by an Original Member may be withdrawn by an Original Member by notice in writing to the Company within three months of the date of the Transfer Notice and provided always that an owner of shares who is not an Original Member (but subject always to Articles 5.4, 5.5 and 5.6) may not transfer any legal or beneficial interest in any shares until the expiry of a three years' notice in writing to the Company expiring no sooner than on or after the eighth anniversary of the adoption of these Articles of Association and provided further that an Original Member may serve on the Company a Transfer Notice of three months at any time.

6.2. A Transfer Notice shall constitute the Directors the Vendor's agents for the sale in manner provided by this Article of the Transfer Shares at the following price:

6.2.1. in the case of a Voting Ordinary Share, £0.01 (1p) per Voting Ordinary Share;

6.2.2. in the case of a Preference Share the amount paid up thereon together with:

6.2.2.1. if the event giving rise to the Transfer Notice is the death or bankruptcy or (in the case of a corporate member) the liquidation (but subject for the avoidance of doubt to Article 5.4) of a Shareholder, 50% of all arrears or deficiency of the fixed dividend thereon, whether declared, earned or not down to the date of the Transfer Notice; and

6.2.2.2. if the event is a Transfer Notice served by an Original Member to expire sooner than the eighth anniversary of the adoption of these Articles of Association, no further entitlement and no part of any arrears or deficiency of the fixed dividend thereon, whether declared, earned or not; and

6.2.2.3. if the event is a Transfer Notice of at least three years expiring on or after the eighth anniversary of the adoption of these Articles of Association all arrears or deficiency of the fixed dividend thereon, whether declared, earned or not down to the date of the Transfer Notice gross but less higher rate tax thereon if the transfer is to an existing shareholder and gross without any deduction if the transfer is to other than an existing shareholder; and

6.2.3. in the case of a Non-Voting Ordinary Share, but subject always to Article 6.9, the price per Non-Voting Ordinary Share which is arrived at by determining the Net Assets of the Company, and

6.2.3.1. if the event giving rise to the Transfer Notice is the death or bankruptcy or liquidation of a Shareholder, multiplying the Net Assets by 150 per cent and deducting therefrom the amount paid up on the Voting Ordinary Shares and the Preference Shares together with any arrears of fixed divided on the Preference Shares, whether declared, earned or not; and

6.2.3.2. if the event is a Transfer Notice served by an Original Member to expire sooner than the eighth anniversary of the adoption of these Articles of Association, applying no multiplier and deducting therefrom the amount paid up on the Voting Ordinary Shares and the Preference Shares together with any arrears of fixed divided on the Preference Shares, whether declared, earned or not; and

6.2.3.3. if the event is a Transfer Notice of at least three years expiring on or after the eighth anniversary of the adoption of these Articles of Association, multiplying the Net Assets by 150 per cent and deducting therefrom the amount paid up on the Voting Ordinary Shares and the Preference Shares together with any arrears of fixed divided on the Preference Shares, whether declared, earned or not; and

in all cases dividing the resulting sum by the number of Non-Voting Ordinary Shares in issue.

6.3. The Net Assets and the price per share shall be certified in writing by the Company's Auditors upon the written request of the Directors and shall be final and binding upon the Vendor unless some manifest error shall be apparent on such certificate and the Vendor objects to the same for reason of such manifest error within seven days of the receipt of such certificate.

6.4. Ten days after the price shall have been notified to the Vendor under Article 6.3 or three days after the resolution of any manifest error if the Vendor shall have drawn the Directors' attention to the same in accordance with Article 6.3, whichever shall be later, the Directors shall give notice (the "Invitation Notice") to all the members (other than the Vendor) holding shares of the same class of the number and price of the Transfer Shares, and shall invite each of them to state in writing within ninety days after the date of the notice whether he is willing to purchase any and, if so, what maximum number of the Transfer Shares.

6.5.

- 6.5.1. If within the periods specified in the Invitation Notice issued pursuant to Article 6.4 members to whom such notice was given have expressed their willingness to purchase all or some of the Transfer Shares the Directors shall allocate those shares among those members so far as may be necessary pro rata to their existing shareholding, subject to the limitation that no member shall be under any obligation to purchase more than the maximum number of shares which he has notified the Company that he is willing to purchase and so that if members shall not be found willing to purchase all of the Transfer Shares the Transfer Shares to be purchased shall be taken rateably from all of the Vendors if more than one in proportion to the number of Transfer Shares offered by each.
- 6.5.2. If within the said period of ninety days mentioned in Article 6.4 the members shall have expressed their willingness to purchase part only of the Transfer Shares or no member shall have expressed his willingness to purchase any of the Transfer Shares, then within fourteen days of expiry of the ninety days' period mentioned in Article 6.4 the Directors shall give an invitation Notice to each of the members (other than the Vendor) holding shares of a different class to that of the Transfer Shares in accordance with Article 6.5.3.
- 6.5.3. Notice under Article 6.5.2 shall be given to members holding the class of shares specified as follows:

<u>Class of Transfer Shares</u>	<u>Class to Receive Notice under Article 5.2</u>
Voting Ordinary Shares	Preference Shares
Preference Shares	Non-Voting Ordinary Shares
Non-Voting Ordinary Shares	Voting Ordinary Shares

- 6.5.4. If within the period of twenty one days specified in the Invitation Notice issued pursuant to Article 6.5.2 members to whom such notice was given have expressed their willingness to purchase all or some of the remaining Transfer Shares the Directors shall allocate those shares among those members so far as may be necessary pro rata to their existing shareholding, subject to the limitation that no member shall be under any obligation to purchase more than the maximum number of shares which he has notified the Company that he is willing to purchase.
- 6.6. As soon as the allocations mentioned in Article 6.5 have been made the Vendor shall be bound, on payment of the price, to transfer the Transfer Shares to the purchaser or respective purchasers thereof, and if he shall default in so doing the Directors shall receive and give good discharge for the purchase money on behalf of the Vendor and shall authorise some person (who shall be deemed to be the attorney of the Vendor for that purpose) to execute in favour of the purchaser or respective purchasers a transfer or transfers of the shares allocated to him or them

and shall enter his name or their names in the register of members as the holder or holders of those shares.

- 6.7. If, but only in the case of the event of the death of a Shareholder or a Transfer Notice by an Original Member, some or all of the Transfer Shares remain unallocated following exhaustion of the procedure set out in Article 6.4, then for a further period of three months the Vendor shall be entitled to transfer to any person whom he selects all but not part of the unallocated balance of the Transfer Shares at a price not lower than the price determined as in Article 6.2 and on terms not less favourable than those offered in the Transfer Notice.
- 6.8. If the Vendor shall be an Original Member (other than an Original Member who shall (other than by reason of death) cease to be employed by the Company or one of its subsidiaries before reaching fifty five years of age) and despite the procedures provided in Articles 6.4 and 6.7 not all of the Transfer Shares shall have been sold and the Company shall have failed to buy in or redeem such Transfer Shares unsold at the price certified under Article 6.3 the Vendor may by written notice to the Company require an extraordinary general meeting of the Company to be called at which all of the Shareholders will vote in favour of the Liquidation of the Company and, for this purpose, all shareholders appoint the Vendor to be their attorney to attend and vote at such meeting on their behalf in favour of such resolution and the vote of any such shareholder attending in person shall unless in favour of such resolution not count.
- 6.9. If any person (other than a permitted transferee pursuant to Article 5.5) shall become entitled to any shares by reason of the death or bankruptcy of any member or if any person (other than an Original Member who has reached fifty five years of age) being a full time employee of the Company or any of its subsidiaries (as the expression is defined in Section 736 of the Act) ceases to be employed by the Company or one of its subsidiaries for whatever reason other than death he shall forthwith give to the Company notice in writing to that effect, and if that person shall fail to give such notice the Directors may give the notice on his behalf and all the foregoing provisions of this Article in relation to a Transfer Notice and the procedure to be adopted following the service of such a Transfer Notice shall apply mutatis mutandis to a notice given pursuant to this Article and which shall be deemed to be a Transfer Notice in respect of all of the shares to which such person has become entitled provided always that if an employee of the Company or one of its subsidiaries who is not an Original Member shall cease to be employed by the Company or such subsidiary within five years of the date upon which he was entered on the register of members of the Company as a member the price per Preference Share and Non-Voting Ordinary Share held by him, which becomes the subject of a Transfer Notice, shall be the amount paid up on such Preference Share or Non-Voting Ordinary Share only and the provisions of Article 6.2.2 and 6.2.3 shall not apply and the employee shall, if directed by the Company, be bound to transfer his shares to the Trustees of an employee share trust or other the person nominated by the Directors and the payment of the share price to such employee shall not be made until such fifth anniversary of the date upon which he was entered on the register of members of the Company as a new member.



- 6.10. If any shares to which any person has become entitled on the death or bankruptcy of any member shall not be sold pursuant to Article 6.4 to 6.9 (inclusive) then after the expiration of the period during which such shares might have been purchased by a member or members pursuant thereto the person being entitled on the death or bankruptcy shall, upon such evidence being produced as may from time to time be required by the Directors, have the right to elect either to be registered himself as the holder of the shares in question or to have some person nominated by him registered as the transferee thereof. Regulations 30 and 31 of Table A shall not apply.

7. Class Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of 75% of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

8. Limitation on Transfer of Control

- 8.1. No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of 75% of the Voting Ordinary Shares if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) would be obtained in the Company:

8.1.1. by a company (other than a company to which the immediately following Article 8.1.2 applies) or by a person or persons (other than a company) who are not Original Members unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all the Voting Ordinary Shares at £0.01 (1p) each, the Non-Voting Ordinary Shares at the Specified Price (as hereinafter defined) and (if not redeemed) all the Preference Shares at a price per share of at least £1.00 plus a sum equal to any arrears or accruals of any dividends accrued on such shares calculated down to the date of sale or transfer; or

8.1.2. by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the October 1990 edition of the City Code on Takeovers and Mergers) with any member of the Company has or as a result of such sale or transfer will have a Controlling Interest.

8.2. For the purpose of this Article:

- 8.2.1. the expression a "Controlling Interest" shall mean an interest in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company;
- 8.2.2. the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment; and
- 8.2.3. the expression the "Specified Price" shall mean the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares taken class by class in the Company plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares and in the event of disagreement on the calculation of the Specified Price for more than twenty one days after the calculation shall fall to be made the calculation of the Specified Price shall be referred to an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination within ten days of the need for the appointment arising, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding.

8.3. All other regulations of the Company relating to the transfer of shares and the right to registration of the transfers shall be read subject to the provisions of this Article.

9. Proceedings at General Meetings

- 9.1. In every notice convening a general meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him and that such proxy need not also be a member. Regulations 38 and 59 of Table A shall be modified accordingly.
- 9.2. Proxies may be deposited at the registered office of the Company at any time before the time of the meeting for which they are to be used unless otherwise specified in the notice convening such meeting. Regulation 62 of Table A shall be modified accordingly.
- 9.3. The chairman of the general meeting shall not in the case of an equality of votes have a second or casting vote and Regulation 50 of Table A shall not apply.

10. Number of Directors

Unless and until otherwise determined by the Company in general meeting the minimum number of directors shall be two and there shall be no maximum number. Regulation 64 of Table A shall not apply.

11. Alternate Directors

- 11.1. Any Director (other than an alternate Director) may appoint any other Director, or any other person, who is either a director of one of the subsidiaries or who is the professional adviser of or the son or daughter or remoter issue of the Director making the appointment, and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. Save as otherwise provided in these Articles, unless he is already an officer of the Company in his own right, an alternate Director shall not, as such, have any rights other than those mentioned in Article 11.2 below.
- 11.2. An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, and to attend, speak and vote at any such meeting at which the Director appointing him is not personally present but it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom. A Director present at such meeting and appointed alternate Director for any other Directors entitled to attend and vote at such meeting shall have an additional vote for each of his appointors absent from the meeting. An alternate Director shall not be entitled to receive any remuneration from the Company for his services as an alternate Director.
- 11.3. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
- 11.4. Any appointment or removal of any alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 11.5. Without prejudice to Article 11.2 and save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes 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.
- 11.6. Regulations 65 to 69 (inclusive) shall not apply and Regulation 88 shall be modified accordingly.

12. Powers of Directors

The Directors may sanction the exercise by the Company of all the powers of the Company to make provision for the benefit of persons (including Directors) employed or formerly employed by the Company or any subsidiary of the Company in connection with

the cessation or transfer to any person of the whole or part of the undertaking of the Company or any such subsidiary as are conferred by Section 719 of the Act and, subject to such sanction, the Directors may exercise all such powers of the Company.

13. Appointment and Retirement of Directors

13.1. Each of John George Lumsden, Anthony John Carroll and Vestbrown Limited, being three of the Original Members, shall so long as he or it remains the holder of shares, be entitled to nominate or remove one Director each (including where appropriate himself) and such nomination or removal shall be by notice in writing to the Company. The same entitlement to nominate or remove one Director each (including where appropriate one of themselves) shall belong to persons who shall be registered as members pursuant to Article 6.10 on the death of either John George Lumsden or Anthony John Carroll and who shall act as a group in each case and who amongst them hold not less than 15% of the Voting Ordinary Shares and so that the persons so registered as members following the death of John George Lumsden shall at no time be entitled to nominate more than one Director and so that the persons so registered as members following the death of Anthony John Carroll shall at no time be entitled to nominate more than one Director.

13.2. The remaining Original Members as a group shall be entitled to nominate or remove one Director (including where appropriate one of themselves) and such nomination or removal shall be by notice in writing to the Company and shall be signed by the holders of a majority in number of shares held by such other Original Members and provided always that the Company shall be entitled to act upon such written nomination or removal if so signed without question.

13.3. Vestbrown Limited, one of the Original Members, may appoint and remove a non-executive director by notice in writing to the Company and such appointment shall take effect unless the remaining Directors for bona fide reason shall refuse to accept such nominated appointment either as to the person or the terms of his appointment.

13.4. The Directors of the Company shall not retire by rotation and Regulations 73 to 77 (inclusive) of Table A shall not apply and Regulation 78 shall be modified accordingly.

13.5. Regulation 79 of Table A shall not apply.

14. Disqualification and Removal of Directors

14.1. The office of Director shall be vacated if:

14.1.1. 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

14.1.2. he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

14.1.3. he is, or may be, suffering from mental disorder and 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 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

14.1.4. he resigns his office by notice in writing to the Company; or

14.1.5. he is removed from office under Section 303 of the Act, or by Extraordinary Resolution of the Company; or

14.1.6. he shall for more than six consecutive months have been absent without permission of the directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated; or

14.1.7. he shall be removed pursuant to Articles 13.1 or 13.2.

14.2. No person shall be disqualified from being or becoming a Director of the Company by reason of his attaining or having attained the age of 70 years or any other age.

15. Directors' Interests

Provided that a Director declares his interest in a contract or arrangement or proposed contract or arrangement with the Company in the manner provided by Section 317 of the Act he shall be counted in the quorum of any meeting of Directors at which the same is considered and shall be entitled to vote as a Director in respect thereof. Regulations 94 and 95 of Table A shall not apply.

16. Directors' Gratuities and Pensions

The Directors shall have power to pay or provide and agree to pay or provide pensions or other retirement, superannuation, death or disability benefits to, or to any person in respect of, any Director or former Director who may hold or have held any executive office or any office of profit under the Company or any subsidiary or holding company of the Company or another subsidiary of any such holding company and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums (whether before or after such Director ceases to hold office or employment). A Director may vote at a meeting of Directors in respect of any matter referred to in this Article, notwithstanding that he is personally interested in such matter and shall be counted in the quorum present at the meeting. Regulation 87 of Table A shall not apply.

17. Proceedings of Directors

17.1. Unless the Directors shall otherwise unanimously decide and record the same in

the Minutes of the Board a meeting of the Directors shall be held at 1000 hours on the last Friday in each calendar month and if any such Friday shall be a statutory or public holiday at 1000 hours on the immediately preceding Thursday. No other meeting of the Directors shall save with the written consent of all the Directors, be called on less than fourteen days' notice. The quorum for the transaction of the business of the Directors shall, except when one Director only is in office, be all of the Directors. If a quorum shall not be present within thirty minutes of the opening of the meeting, the meeting of the Directors shall be adjourned to the same time and place on the same day of the following week and, if on such day the requisite quorum shall not be present within thirty minutes of the opening of the meeting those Directors present shall form the quorum. A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. When one Director only is in office he shall have and may exercise all the powers and authorities in and over the affairs of the Company as are conferred on the Directors by the Articles. Regulation 89 of Table A shall not apply.

- 17.2. A resolution in writing signed by all the Directors (including a sole Director) entitled to receive notice of a meeting of directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. Regulation 93 of Table A shall not apply.
- 17.3. 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.
- 17.4. 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 Directors 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." The last sentence of Regulation 66 of Table A shall not apply to the Company.
- 17.5. The chairman of the board of directors shall not in the case of an equality of votes have a second or casting vote and Regulation 88 of Table A shall be modified accordingly.

18. Dividends

- 18.1. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same, in this case subject to Articles 5 & 6. Regulation 31 of Table A shall be modified accordingly. The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend unclaimed (but not in respect of any Preference Share) after a period of twelve years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company. Regulation 108 of Table A shall not apply.

19. Notices

- 19.1. Any notice given to or by any person pursuant to the Articles shall be in writing. Any notice given by or on behalf of any person to the Company may be given by leaving the same at or by sending the same by post to the registered office of the Company or such other place as the Directors may appoint. Regulation 111 of Table A shall not apply.
- 19.2. Proof that any envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall, unless the contrary is proved, be deemed to be given at the expiration of 48 hours after the envelope containing it was posted. Regulation 115 of Table A shall not apply.

20. Indemnity and Insurance

- 20.1. Subject to Section 310 of the Act every Director (including an alternate Director), or other officer or Auditor 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 judgement 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.
- 20.2. The Directors shall have power to purchase and maintain at the expense of the Company for the benefit of any Director (including an alternate Director), officer or Auditor of the Company, insurance against any such liability as is referred to 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 an alternate Director), officer or Auditor.

20.3. Clause 118 of Table A shall not apply to the Company.