

Company Number: 3742388



THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
THINKNATURAL LIMITED

NOTICE OF PASSING OF RESOLUTION

Section 380 Companies Act 1985

Notice is given that by written resolutions passed on 15 May 2000 the following resolutions were duly passed as special resolutions of the Company:

1. That each of the 74,625 authorised but unissued A preference shares of £1 each in the capital of the Company be and they are converted into a B preference share.
2. That the authorised share capital of the Company be increased from £2,376,450 to £12,002,866 by the creation of 1,559,100 ordinary shares of 1p each and 9,610,825 B preference shares of £1 each, such shares having the respective rights and being subject to the respective restrictions attaching thereto under the new articles of association of the company ("the New Articles") adopted pursuant to paragraph 3 of this resolution.
3. That the New Articles contained in the document produced to the meeting and signed for identification by the chairman be adopted as the articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association.
4. That the directors are generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 ("the Act") to allot and issue relevant securities (as such expression is defined in Section 80 of the Act) up to a total issued share capital of the Company of £12,002,866 which authority shall expire on the fifth anniversary of the date of this resolution and the directors shall have the power to exercise the authority hereby conferred upon them to allot and issue up to 9,685,450 'B' preference shares of £1 each and 1,455,000 ordinary shares of 1p each to such persons and on such

conditions as they may in their discretion determine as if the pre-emption provisions contained in article 3 of the New Articles did not apply thereto.

A handwritten signature in black ink, appearing to read "Morgan Cole", written over a dotted line.

Director

Presenter's Name, Address and Reference:

Morgan Cole
Buxton Court
3 West Way
OXFORD
OX2 0SZ

Ref: KNE

Wp Ref: 95080.7. Print of Special Resolution 12.05.00


ROBIN KLEIN

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
OF
THINKNATURAL LIMITED

(as adopted by Special Resolution passed on 15 May 2000)

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THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of

THINKNATURAL LIMITED
(as adopted by Special Resolution passed on 2000)

1. Preliminary

1.1 The regulations contained in Table A as prescribed by the regulations made under the Act in force at the date of the adoption of these Articles of Association (hereinafter referred to as "Table A") shall apply to the Company in so far as these Articles do not exclude or modify Table A. A reference herein to any regulation is to that regulation as set out in Table A.

1.2 In these Articles the following words and expressions shall have the meanings set out below

the Act	the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force
'A' Preference Shares	cumulative redeemable 'A' preference shares of £1.00 each in the capital of the Company having the rights set out in Article 2.2
the Auditors	the auditors for the time being of the Company
'B' Preference Shares	cumulative redeemable 'B' preference shares of £1.00 each in the capital of the Company having the rights set out in Article 2.2
the Competitors	Holland & Barrett/GNC, The Body Shop, Boots, Mothernature.com, Greentree.com, ClickMango or any Member of the same Group as any such company.
the Directors	the directors for the time being of the Company or a quorum of such directors present at a meeting of the directors
Family Trusts	as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or

	other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons
Investment Fund	any person, company, trust, limited partnership or fund holding shares for investment purposes and not being a member of the Company by virtue of being a Relevant Member
Listing	a successful application being made by the Company or a new holding company of the Company to London Stock Exchange Limited, Nasdaq, the Frankfurt Neuer Markt or any other recognised investment exchange or overseas investment exchange (as such expressions are defined in the Financial Services Act 1986) approved by the holders of 60 per cent of the Ordinary Shares (other than the Ordinary Shares held by Relevant Members) for all or any of the Ordinary Share Capital of the Company (or ordinary share capital of a holding company of the Company) to be traded or quoted.
Listing Price	the price at which each Ordinary Share is to be offered for subscription in a Listing
Majority	as regards members of a class or classes of shares, a majority by reference to the number of shares of such class or classes held and not by reference to the number of members holding shares of such class or classes
A Member of the same Group	as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company
New Share Option Plan	any employee share option plan relating to not more than 105,000 Ordinary Shares adopted by the Company at any time (other than the Share Option Plan)
the Ordinary Share capital	the issued Ordinary Shares from time to time
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company having the rights set out in Article 2.3
Permitted Transfer	a transfer of shares authorised by Article 4
Permitted Transferee	a person, firm or unincorporated association to whom or which shares have been, or may be, transferred pursuant to a Permitted Transfer
Preference Dividend	the dividend payable under Article.2.2.1
Preference Shares	the 'A' Preference Shares and the 'B' Preference Shares together
Privileged Relation	in relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member, the person with whom that member has (or in the case of a deceased member, immediately prior to the death of that member had) a long term relationship akin to marriage and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and their lineal descendants and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate

	child of any person shall be deemed to be his or her lineal descendant
Redemption Amount	in aggregate the amounts specified in Article 2.2.4.3.
Redemption Date	whichever shall be applicable of: <ul style="list-style-type: none"> (a) the date of a Sale or Listing; or (b) the date specified in Article 2.2.4.1.1 or Article 2.2.4.1.2
Relevant Executive	a director or employee of, or a consultant to, the Company or any subsidiary of the Company
Relevant Member	a member who is a Relevant Executive, or a member who shall have acquired shares directly or indirectly from a Relevant Executive pursuant to one or more Permitted Transfers under Article 4.1.2 (including where such shares were subscribed by such member and that member would have been entitled to receive a Permitted Transfer from the Relevant Executive under Article 4.1.2), or any trust connected with such Relevant Executive on the date hereof
the Relevant Shares	(so far as the same remain for the time being held by the trustees of any Family Trusts or by any Transferee Company) the shares originally acquired by such trustees or Transferee Company and any additional shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred
Remuneration Committee	the remuneration committee of the Board
Sale	the sale of any part of the Ordinary Share Capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) with such person holding more than 50% of the Ordinary Share Capital and for the purposes of these Articles, the persons who are holders of the Preference Shares at the date of adoption of these Articles shall not be deemed to be acting in concert with each other
Service Agreement	includes any written or other contract of employment or for servicesShare Option Plan the employee share option plan adopted by the Company on 7April 2000
Subscription Price	in relation to any share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such share was issued whether or not such premium is applied for any purpose thereafter)
Transferee Company	a company for the time being holding shares in consequence, directly or indirectly, of a transfer or series of transfers of shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series)

Transferor Company	a company (other than a Transferee Company) which has transferred or proposes to transfer shares to a Member of the same Group
Transfer Notice	a notice in accordance with Article 5 that a member desires to transfer his shares
Warrant Instrument	the deed poll executed by the Company on 31 July 1999 for the issue of 'A' Warrants to subscribe for up to 49,253 Ordinary Shares

2. Share Capital

2.1 Authorised Share Capital

The share capital of the Company at the date of adoption of these Articles is £ 12,002,866 divided into 2,264,325 'A' Preference Shares, 9,685,450 'B' Preference Shares and 5,309,100 Ordinary Shares. Save as expressly provided in these Articles the 'A' Preference Shares and the 'B' Preference Shares shall rank pari passu in all respects. In particular in the event of any recapitalisation, refinancing or other reorganisation of the Company's share capital the rights and restrictions attaching to the 'A' Preference Shares and the rights and restrictions attaching to the 'B' Preference Shares shall be modified, amended or otherwise dealt with in an equivalent manner. In consequence:-

- 2.1.1 it shall be a variation of the class rights attaching to the 'B' Preference Shares, if, immediately following any such recapitalisation, refinancing or other reorganisation the rights and restrictions attaching to such shares (or the shares which then represent them) shall be less favourable than those attaching to the 'A' Preference Shares (or the shares which then represent them);
- 2.1.2 it shall be a variation of the class rights attaching to the 'A' Preference Shares if, immediately following any such recapitalisation, refinancing or other reorganisation the rights and restrictions attaching to such shares (or the shares which then represent them) shall be less favourable than those attaching to the 'B' Preference Shares (or the shares which then represent them);

PROVIDED THAT the fact that after such recapitalisation, refinancing or other reorganisation the 'A' Preference Shares (or the shares which then represent them) shall have a fixed redemption date earlier than the fixed redemption date of the 'B' Preference Shares (or the shares which then represent them) shall not (of itself) be, or be deemed to be, a variation of the class rights attaching to such shares by virtue of the provisions of this Article 2.1.

2.2 Preference Shares

The Preference Shares shall entitle the holders thereof to the following rights

~~4.1.4~~2.2.1 as regards dividend:

- 2.2.1.1 the Company shall, in priority to payment of any dividend to all other shareholders, pay to the holders of the Preference Shares a fixed cumulative preferential dividend at the rate of 6% per annum accruing on a daily basis on the Subscription Price for such shares, and payable on the Redemption Date in respect of the period from the date upon which the Preference Shares held by them were issued up to the Redemption Date;

2.2.1.2 in the event of a Listing each holder of Preference Shares shall be entitled to elect to receive the Preference Dividend, in whole or in part, by a cash payment or by the allotment and issue by the Company of such number of new Ordinary Shares as shall equal the amount due divided by the Listing Price per Ordinary Share at the date of the Listing but in all other circumstances the Preference Dividend shall be satisfied in cash;

2.2.1.3 if any Preference Dividend (including any amount payable pursuant to this Article 2.2.1.3), is for whatever reason not paid in full on the Redemption Date then the Preference Dividend from that date shall accrue at the rate of 10% per annum accruing on a daily basis on the Subscription Price for such shares;

2.2.2 as regards capital:

on a return of assets on liquidation, reduction of capital or otherwise, the holders of Preference Shares shall be entitled in respect of their Preference Shares (in proportion to the number of such shares held by each of them), in priority to all other shareholders to be paid out of the surplus assets of the Company remaining after payment of its liabilities an amount equal to the Subscription Price for the Preference Shares and the amount of the accrued Preference Dividend and other amounts due in respect of the Preference Shares.

~~4.1.32.2.3~~ as regards voting in general meetings:

2.2.3.1 the holders of the Preference Shares shall be entitled to receive notice of, and to attend at, general meetings of the Company but shall not in respect of their holdings of such shares be entitled to vote upon any resolution except

2.2.3.1.1 in respect of Preference Shares in respect of which

2.2.3.1.1.1 all or any part of the Redemption Amount remains unpaid for a period of at least six months after it becomes due; or

2.2.3.1.1.2 the Company, on any of the Redemption Dates under Article 2.2.4.1 below, shall have failed or been unable to redeem all or any of the Preference Shares falling to be redeemed on any such Redemption Date; or

2.2.3.1.2 in circumstances where:-

2.2.3.1.2.1 the resolution is one which directly or indirectly varies, modifies, alters or abrogates any of the rights, privileges, limitations or restrictions attaching to the Preference Shares; or

2.2.3.1.2.2 the resolution is for the winding up of the Company, the reduction of share capital, the approval of the giving of financial assistance or the purchase by it of any of its shares other than in accordance with the provisions of these Articles;

2.2.3.2 when entitled to vote pursuant to Article 2.2.3.1 above, every holder of Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and, on a poll, one vote for each Preference Share held by him to which Article 2.2.3.1 relates;

2.2.4 as regards redemption:

2.2.4.1 subject as hereinafter provided, the Preference Shares shall be redeemed by the Company

2.2.4.1.1 in the case of the 'A' Preference Shares, at the option of each holder of 'A' Preference Shares at any time after 31 July 2004;

2.2.4.1.2 in the case of the 'B' Preference Shares, at the option of each holder of 'B' Preference Shares at any time after the fifth anniversary of the date of adoption of these Articles

2.2.4.1.3 if earlier, immediately prior to a Sale or Listing;

PROVIDED THAT if the Company is not lawfully able to redeem all of the Preference Shares on the occasion of a Sale or Listing the Company shall, on that occasion, redeem so many of the Preference Shares as it is then lawfully able to redeem, such Preference Shares to be allocated in the same manner as set out in the proviso to Article 2.2.4.2 below.

~~4.1.1~~ 2.2.4.2 the Company may at any time by giving not less than 14 days notice in writing to the holders of Preference Shares redeem the whole or any part of the Preference Shares then outstanding (subject, if the redemption is of part only of the Preference Shares outstanding, to the number of Preference Shares to be redeemed on any occasion being not less than £100,000) pro rata to the number of Preference Shares held by each holder thereof; PROVIDED THAT, if part only of the Preference Shares outstanding are to be redeemed:

2.2.4.2.1 the Preference Shares to be redeemed shall be divided between 'A' Preference Shares and 'B' Preference Shares pro rata to the number of shares of those respective classes in issue immediately prior to the redemption;

2.2.4.2.2 the number of 'A' Preference Shares and the number of 'B' Preference Shares to be redeemed shall be divided amongst the holders of the shares of each class pro rata to their respective holdings of shares of the relevant class;

2.2.4.3 on the Redemption Date each holder of Preference Shares shall deliver to the Company at its registered office the certificates for the Preference Shares held by him and upon such delivery, the Company shall pay to such holder (or, in the case of joint holders, to the holder whose name stands first in the register of members in respect of such shares) the amount of the Subscription Price for each Preference Share together with a sum equal to the Preference Dividend due thereon;

2.2.4.4 the receipt of the registered holder (or, in the case of joint holders, the holder whose name stands first in the register of members) for the time

being of any Preference Shares being redeemed for the monies payable on redemption of such shares shall constitute an absolute discharge to the Company in respect thereof;

2.3 Ordinary Shares

The Ordinary Shares shall entitle the holders thereof to the following rights:

~~4.1.12.3.1~~ as regards dividend:

subject to all of the Preference Shares having been redeemed, the Company shall apply any profits which the Company may by ordinary resolution resolve thereafter to distribute in respect of any financial year of the Company to the holders of the Ordinary Shares in respect of their holdings of such shares pro rata to the number of such shares held by each of them;

~~4.1.22.3.2~~ as regards capital:

on a return of assets on a liquidation, reduction of capital or otherwise, the holders of the Ordinary Shares shall, subject to the rights of the holders of the Preference Shares, be entitled (in proportion to the number of Ordinary Shares held by each of them) to share in the surplus assets of the Company remaining after payment of its liabilities;

~~4.1.32.3.3~~ as regards voting in general meetings

each holder of Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company. On a show of hands every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of Ordinary Shares so present shall have one vote for each Ordinary Share held by him.

2.4 Unless the Company is prohibited by law, the Preference Dividend shall (notwithstanding Regulations 102 to 108 inclusive or any provision of these Articles and in particular notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend.

2.5 The Company shall procure that each of its subsidiaries and, so far as it is able, each of its subsidiary undertakings which has profits available for distribution shall from time to time declare and pay to the Company such dividends to the extent possible as are necessary to permit lawful and prompt payment by the Company of the Preference Dividend and the lawful and prompt redemption of the Preference Shares in accordance with these Articles.

2.6 Subject to the Act, and provided it is a private company, the Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

3. Issue of Shares

3.1 Subject to the provisions of the Act and Article 3.2, all unissued shares shall be at the disposal of the Directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

3.2 Subject to the provisions of the Act, all relevant securities (as such expression is defined in Section 80 of the Act) (other than:-

- 3.2.1 any unissued shares to be issued as consideration (or part consideration) for any acquisition by the Company of any business or of the shares of any company);
- 3.2.2 any options granted or to be granted under the Share Option Plan or the New Share Option Plan and any shares to be issued pursuant thereto;
- 3.2.3 any shares to be issued pursuant to the Warrant Instrument)

shall be offered to existing holders of the Ordinary Share Capital ("Equity Shareholders") pro rata to their then current holdings of Ordinary Shares. The offer must state a period of not less than 21 clear days during which it may be accepted. Equity Shareholders who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be offered to the Equity Shareholders, who have indicated they would accept Excess Shares, pro rata to their current holdings of Ordinary Shares. Subject to the Act, any Excess Shares not taken up by the Equity Shareholders pursuant to this Article 3 may be offered to such persons as the Directors think fit PROVIDED THAT:

- (a) such Excess Shares shall not be offered at a price less than the price per share at which they were offered to the Equity Shareholders (and so that, if such shares are proposed to be allotted otherwise than for cash (as defined in Section 738(2) Companies Act 1985) the determination by the Company's auditors of the cash equivalent value of such non-cash consideration for these purposes will be final and binding);
- (b) the Directors shall not allot any such Excess Shares after the date falling three months after the expiry of the last offer to Equity Shareholders made under this Article 3.2.

~~4.33.3~~ Sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company.

4. Transfer of Shares

4.1 Subject to the provisions of Regulation 24 any shares (other than any shares in respect of which the holder shall have been required by the Directors under these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred:

- 4.1.1 to any person with the prior consent in writing of holders of shares entitled to cast 95% of the votes exercisable on a poll at a general meeting of the Company (which consent may be granted unconditionally or subject to terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer); or
- 4.1.2 by any individual member (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Privileged Relation of such member or by any such individual member to trustees to be held upon Family Trusts related to such individual member provided that any such shares transferred shall not exceed 50 per cent in aggregate of the total number of shares held by such member; or
- 4.1.3 by any person entitled to shares in consequence of the death or bankruptcy of an individual member to any person or trustee to whom such individual member, if not dead or bankrupt, would be permitted hereunder to transfer the same; or
- 4.1.4 to or from the trustees of any employee share ownership trust established for the benefit of, inter alia, the Company's employees from or to any employee or past

- employee of the Company or any employee or past employee of a Member of the same Group as the Company; or
- 4.1.5 with the prior written consent of the chairman of the Directors, such consent not to be withheld where the transferee is not one of the Competitors, by any member being a company (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Member of the same Group as the Transferor Company; or
- 4.1.6 by a holder which is an Investment Fund or by its trustee, custodian or nominee:
- 4.1.6.1 to any trustee, nominee or custodian for such fund and vice versa;
- 4.1.6.2 to any unit holder, shareholder, member, partner, participant, manager or investment adviser (or an employee of such manager or adviser) in any such fund;
- 4.1.6.3 to any other Investment Fund, or its trustee, nominee or custodian, managed or advised by the same manager or adviser as any such fund;
- 4.1.7 to a trustee, nominee, custodian or to a Member of the same Group of any of the persons referred to in Articles 4.1.6.1 to 4.1.6.3
- 4.2 Where shares have been issued to trustees of Family Trusts or transferred under Article 4.1 or under Articles 4.2.1 or 4.2.2 to trustees of Family Trusts, the trustees and their successors in office may transfer all or any of the Relevant Shares:
- 4.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees;
- 4.2.2 to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
- 4.2.3 to the Relevant Member or former member or any Privileged Relation of the Relevant Member or deceased or former member who has thereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.
- 4.3 If and whenever any of the Relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 4.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the shares concerned.
- 4.4 If a person to whom shares have been transferred pursuant to Article 4.1.2 shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the shares concerned.
- 4.5 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 4.1.3) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company, any such transfer being deemed to be authorised under the foregoing provisions of

this Article) the Transferee Company shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the Relevant Shares.

5. Pre-emption on Transfer

5.1 Except in the case of :

5.1.1 a Permitted Transfer;

5.1.2 a transfer pursuant to Article 8.3;

5.1.3 a transfer made pursuant to an offer made for the entirety of the issued Ordinary Share capital in circumstances in which Article 7.5 applies;

5.1.4 a transfer pursuant to an offer made in accordance with Articles 5.10.3.1 and 5.10.3.2

5.1.5 a transfer pursuant to an offer made in accordance with Article 7.6.1 ;

the right to transfer shares or any interest in shares in the Company shall be subject to the following restrictions and provisions. References in this Article 5 to transferring shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of shares.

~~4.25.2~~ Subject as provided in Article 5.1, any person ("the Proposing Transferor") proposing to transfer any shares in the capital of the Company ("the Sale Shares") shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company that he desires to transfer the Sale Shares and shall state in the Transfer Notice the identity of the person (if known) to whom the Proposing Transferor desires to transfer the legal and beneficial interest in the Sale Shares. The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) at the Prescribed Price (as determined in accordance with Articles 5.3 and/or 5.4) during the Prescribed Period (as defined in Article 5.5) to any member or to any other person selected or approved by the Directors on the basis set out in the following provisions of these Articles and shall include such other details of the proposed transfer as the Directors may in their absolute discretion determine and, save as expressly provided otherwise in these Articles, , shall not be revocable except with the consent of the Directors or if there is a subsequent Transfer Notice given by a holder of Ordinary Shares that requires an offer to be made pursuant to Article 5.10.3 during the Prescribed Period for such Sale Shares, then the holder of such Sale Shares shall be entitled to revoke his Transfer Notice in part or in its entirety forthwith upon giving written notice to the Company at any time during the Prescribed Period.

5.3 The Prescribed Price (subject to the deduction therefrom where the Prescribed Price has been agreed with the Directors of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given ("the Notice Date")) shall be whichever is applicable of:

5.3.1 if the Proposing Transferor has specified a Prescribed Price in the Transfer Notice, that price;

5.3.2 in any other case the price per Sale Share agreed not more than seven days after the Notice Date between the Proposing Transferor and the Directors as representing the market value thereof.

5.4 If, in a case where Article 5.3.2 applies, the Prescribed Price shall not have been agreed in accordance with Article 5.3.2, upon the expiry of the seven day period referred to Directors shall refer the matter to a firm of investment bankers ("the Investment Bankers") appointed with the unanimous approval of the Directors and the Proposing Transferor (or if the Directors

and the Proposing Transferor fail to unanimously agree within 14 days of the Notice Date, by a firm of investment bankers nominated by the president for the time being of the Institute of Chartered Accountants). The Investment Bankers shall determine and certify the sum per share considered in their opinion to be the market value thereof applying an appropriate discount for any minority holding as at the Notice Date and the sum per share so determined and certified shall be the Prescribed Price. The Investment Bankers shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith.

- 5.5 If the Prescribed Price was agreed or determined as provided in Article 5.3, the Prescribed Period shall commence on the Notice Date and expire 12 weeks thereafter. If the Prescribed Price is to be determined in accordance with Article 5.4, the Prescribed Period shall commence on the Notice Date and shall expire two months after the date on which the Investment Bankers shall have notified the Directors of their determination of the Prescribed Price. Pending such determination the Directors shall defer the making of the offer mentioned in Article 5.6.
- 5.6 All shares included in any Transfer Notice shall by notice in writing be offered by the Company forthwith on receipt (subject to Article 5.5) of the relative Transfer Notice to all members holding shares of the same class as the Sale Shares ("class members") (other than the holder of the Sale Shares) for purchase at the Prescribed Price on the terms that in case of competition the Sale Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of shares of the same class as the Sale Shares. Such offer:
- 5.6.1 shall stipulate a time not exceeding 28 days within which it must be accepted or in default will lapse; and
- 5.6.2 may stipulate that any class members who desire to purchase a number of Sale Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess Sale Shares they wish to purchase and any shares not accepted by other class members shall be used for satisfying the requests for excess Sale Shares pro rata to the existing shares of the same class as the Sale Shares respectively held by such class members making such requests.
- 5.7 Any shares not accepted by any of the members pursuant to the foregoing provisions of these Articles by the end of the last of the relevant periods under Article 5.6 may be offered by the Directors to such persons as they may think fit for purchase at the Prescribed Price, provided that no shares in the Company may be sold to a person who is not then already a member, in the circumstances described in Article 5.10.3 except in accordance with the provisions of that Article.
- 5.8 If the Company shall within the Prescribed Period find members or such other persons as aforesaid (each such person being hereinafter called "a Purchaser") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment to him of the Prescribed Price, to transfer such shares to the respective Purchaser(s), provided that, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer some only of the Sale Shares (which he shall not be entitled to do if he is required by virtue of any provision of these Articles other than this Article 5 to give a Transfer Notice), this provision shall not apply unless the Company shall have found Purchasers for all of the Sale Shares. Every notice given by the Company under this Article 5.8 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and

time to be appointed by the Directors not being less than three days nor more than ten days after the date of the notice.

- 5.9 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser(s) hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser(s) to be registered as the holder of such shares. The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see to the application thereof) and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company.
- 5.10 If the Company shall not within the Prescribed Period find Purchasers willing to purchase any or all of the Sale Shares and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no prospect of finding Purchasers, the Proposing Transferor at any time during a period of 45 days after the end of the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24) to transfer those Sale Shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) provided that:
- 5.10.1 if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares he shall only be entitled to transfer all the unsold Sale Shares under this Article; and
- 5.10.2 the Directors may require to be reasonably satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for a consideration not less than the Prescribed Price without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may refuse to register the instrument of transfer; and
- 5.10.3 in the case of any transfer (not being a Permitted Transfer) of Sale Shares which includes more than 10% in nominal amount of the Ordinary Shares held by the Proposing Transferor, the Proposing Transferor will not sell any such Sale Shares under Article 5.10 unless the proposed purchaser(s) of such shares in relation to each other holder of Ordinary Shares:
- 5.10.3.1 shall have offered to purchase from each such other holder (at the Prescribed Price, such proportion of the Ordinary Shares held by each such other holder as is equal to the proportion which the Ordinary Shares being sold by the Proposing Transferor under this Article bears to the total holding of Ordinary Shares (including the shares to be sold) held by the Proposing Transferor; and
- 5.10.3.2 shall, in respect of any holder of shares which wishes to take up the offer referred to in Article 5.10.3.1 above, acquire from such holder the shares in question at the Prescribed Price simultaneously with the acquisition from the Proposing Transferor of the Sale Shares to be sold.

6. Bare Nominees

For the avoidance of doubt and without limitation, no share (other than any share so held prior to 31 July 1999) shall be held by any member as a bare nominee for, and no interest in any

share shall be sold to, any person unless a transfer of such share to such person would rank as a Permitted Transfer. If the foregoing provision shall be infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof.

7. Compulsory Transfers – General

- 7.1 A person entitled to a share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such share and the price per share shall be the lower of cost and market value as determined in accordance with Article 5.
- 7.2 If a share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either to effect a transfer of such shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the Directors that a Permitted Transfer will be effected up to or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Transfer Notice in respect of such share.
- 7.3 If a member which is a company (otherwise than for the purposes of a bona fide reconstruction) either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member shall forthwith at the request of the Directors be required to give a Transfer Notice in respect of all of the shares held by such member.
- 7.4 If a member becomes a Member of the same Group as one of the Competitors it shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of all the shares registered in its name.
- 7.5
- 7.5.1 If at any time after the date of adoption of these Articles the holder(s) of at least a 75% Majority of the Ordinary Shares (for the purposes of this Article 7.5 ("the Seller")) intend(s) to sell all of its or their holding of Ordinary Shares (or any interest in such shares) (the shares to be sold by the Seller being referred to as "Selling Shares") to a proposed purchaser(s) ("the Proposed Purchaser") who has made a bona fide offer on arm's length terms for the entire issued Ordinary Share Capital, (including any Ordinary Shares issued or to be issued upon any exercise of any option where such option is exercised in contemplation of, or in consequence of, the offer or its consummation) the Seller shall have the right to give to the Company not less than 14 days' advance notice before selling the Selling Shares. That notice ("the Selling Notice") will include details of the Selling Shares and the proposed price for each Selling Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the place, date and time of completion of the proposed purchase being a date not less than 14 days from the date of the Selling Notice ("Completion").
- 7.5.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing (a "Compulsory Sale Notice") to each of the members (other than the Seller) (the "Other Members") giving the details contained in the Selling Notice, requiring each of them to sell to the Proposed Purchaser at Completion all of their holdings of shares on the same terms as those contained in the Selling Notice.
- 7.5.3 Each member 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 Seller and on the terms set out in the Selling Notice.

- 7.5.4 If any of the member(s) ("the Defaulting Member(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 Member for the sale of his shares in accordance with the Compulsory Sale Notice (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member(s) until he shall, in respect of the shares being the subject of the Compulsory Sale Notice, have delivered his share certificates or a suitable indemnity and the necessary transfers to the Company. No member shall be required to comply with a Compulsory Sale Notice unless the Seller shall sell the Selling Shares to the Proposed Purchaser on Completion, subject at all times to the Seller being able to withdraw the Selling Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Transfer Notice shall cease to have effect.
- 7.6 If at any time after the date of adoption of these Articles any Shareholder ("the Seller") intends to sell any shares in the capital of the Company (or any interest in such shares (the shares to be sold by the Seller being referred to as "Selling Shares")) to any of the Competitors then the Seller shall not sell any such Selling Shares to such Competitor unless the Competitor in relation to each other holder of shares in the capital of the Company:
- 7.6.1 shall have offered to purchase from each such other holder (at the Prescribed Price as determined in accordance with Article 5) the entire holding(s) of all shares held by each such other holder ("the Offer"); and
- 7.6.2 shall, in respect of any holder of shares which wishes to take up the Offer, acquire from such holder the shares in question at the relevant price simultaneously with the acquisition from the Seller of the Selling Shares.
- 7.6.3 In the event that the Offer is not accepted by the holders of 75 per cent. of the Ordinary Shares, the Selling Shares shall be offered in accordance with the provisions of Article 5.
- 8. Compulsory Transfers - Management Shareholders**
- 8.1 Except in relation to Jane Sadler, in the case of a Relevant Member or the Relevant Executive in relation to a Relevant Member ceasing to be a Relevant Executive at any time, then within 12 months after such cessation, the Remuneration Committee may serve notice on such Relevant Member requiring such Relevant Member to:
- 8.1.1 transfer all or some of the shares held by such Relevant Member (the percentage to be sold to be determined in accordance with the table set out at Article 8.1.3) to the Company; or
- 8.1.2 give a Transfer Notice (as defined in Article 5) in respect of some or all of the shares held by such Relevant Member (the percentage to be sold to be determined in accordance with the table set out at Article 8.1.3),
- 8.1.3 in each case as set out in the table below for a price per share, depending on the date of such cessation, as set out in the table below

Circumstances of Cessation	Date of Cessation	% of Shares to be transferred	Price per share
Bad Leaver	at any time after the Relevant Date	100%	the lower of cost and Market Value
Good Leaver	at any time up to and including the third anniversary of the Relevant Date	100%	Market Value
Good Leaver	at any time after the third anniversary of the Relevant Date and within 4 years of the Relevant Date	90%	Market Value
Good Leaver	at any time after the fourth anniversary of the Relevant Date and within 5 years of the Relevant Date	80%	Market Value
Good Leaver	at any time after the fifth anniversary of the Relevant Date and within 6 years of the Relevant Date	70%	Market Value
Good Leaver	at any time after the sixth anniversary of the Relevant Date and within 7 years of the Relevant Date	60%	Market Value
Good Leaver	at any time after the seventh anniversary of the Relevant Date and within 8 years of the Relevant Date	50%	Market Value
Good Leaver	at any time after the eighth anniversary of the Relevant Date	Nil	N/A

For the purpose of this Article 8, the following expressions shall have the meanings shown

Bad Leaver	a Relevant Member or the Relevant Executive in relation to a Relevant Member who shall have ceased to be a Relevant Executive in circumstances involving a serious breach by the Relevant Executive of his/her service agreement or terms of his/her service or where he/she leaves voluntarily except on death or ill health
Good Leaver	a Relevant Member or the Relevant Executive in relation to a Relevant Member who shall have ceased

	to be a Relevant Executive in circumstances where he/she is not a Bad Leaver
Market Value	the price per share agreed or determined in accordance with Article 5 without applying any discount for any minority holding
Relevant Date	the date of adoption of these Articles.

~~4.28.2~~ If a Transfer Notice is required to be given pursuant to Article 8.1, then:

8.2.1 the Company shall forthwith give written notice of such occurrence (such notice to include details of all the shares to which such Transfer Notice relates) to each holder of Preference Shares. If within 21 days of the giving of such notice by the Company, the Remuneration Committee requires by written notice to the Company (an "Employee Priority Notice") that all or any shares to which such Transfer Notice relates should be made or kept available either for any person or persons who is or are (an) existing director(s) and/or employee(s) of the Company or any subsidiary or a person (whether or not then ascertained) who it is proposed should be appointed as a director and/or employee of the Company or a subsidiary whether or not in place of the person by whom the relevant Transfer Notice was given ("a New Employee"), then the provisions of Article 8.3 below shall apply in priority to the procedure set out in Article 5; and

8.2.2 whether or not an Employee Priority Notice is given pursuant to Article 8.2.1 above, the Board may, with the consent of the Remuneration Committee, require the provisions of Article 8.3 to be applied in priority to the procedure set out in Article 5.

8.3 If an Employee Priority Notice is given, then, in relation to the shares the subject thereof ("the Employee Shares") the provisions of Article 5 shall be modified hereby and the Employee Shares shall either;

8.3.1 be offered to the person(s) (and, in the case of more than one, in the proportions) specified in the Employee Priority Notice (conditional, in the case of any prospective director and/or employee upon his taking up his proposed appointment with the Company or a subsidiary (if not then taken up)); or

8.3.2 if the relevant Employee Priority Notice so requires, be offered to persons designated by the holders of a Majority of the Preference Shares (in the event of their acquiring the Employee Shares) upon trust for a New Employee as and when appointed.

8.4 For the purposes of these Articles Mr Robin Klein shall, for so long as he is a director or employee of, or a consultant to, the Company or any subsidiary of the Company, be deemed to be a Relevant Executive in relation to the 157,900 Ordinary Shares originally subscribed by Kilda Investments Limited before 31 July 1999 (and any shares deriving from them) and each of the holder or holders from time to time of those shares shall be deemed to be a Relevant Member in respect of such shares.

8.5 For the avoidance of doubt, if any person who was a Relevant Executive, but has ceased to be a Relevant Executive, (or the personal representatives of any such person) shall acquire any shares after the date of cessation, the provisions of Article 8.1 shall apply equally to all shares so acquired.

9. Sale Preference

9.1 In the event of a Sale at an aggregate price which would result in the holders of the Preference Shares receiving less than the Subscription Price on such shares by way of sale and/or redemption and other amounts due or owing thereon, the total of all and any cash received in respect of the shares that are the subject of the Sale shall be reallocated between the holders of such shares so as to ensure the following order of application of the aggregate sale proceeds as follows:

9.1.1 first, in paying to the holders of any Preference Shares (pari passu as if the same constituted one class of shares) that are unredeemed and outstanding the Subscription Price on all such shares together with all other amounts due or owing thereon;

9.1.2 secondly, in paying the balance pro rata to the holders of the Ordinary Shares.

10. Information concerning shareholdings and transfers

10.1 For the purpose of ensuring that a transfer of shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 5 in respect of the shares concerned.

10.2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any shares and such Transfer Notice is not duly given within a period of one month, or such longer period as the Directors may allow for the purpose, such Transfer Notice shall (except and to the extent that a Permitted Transfer of any of such shares shall have been made) be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the foregoing provisions of these Articles shall take effect accordingly.

10.3 From (and including) the date on which the Directors have duly required a Transfer Notice(s), all holders of shares the subject of such Transfer Notice(s) shall not transfer or encumber any of their shares or any interest in their shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles

- 10.4 The Directors will register a transfer made in accordance with the provisions of Articles 4 to 10 and will not register a transfer not made in accordance with those provisions.

11. Proceedings at General Meetings

- 11.1 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 11.2 A resolution in writing executed or approved by telegram, telefax or telex by or on behalf of the holders of all the issued Ordinary Share Capital and, in a case where the holders of the Preference Shares (or any of them) is entitled to vote in respect of such holding, by such holder or holders, shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly.

12. Alternate Directors

- 12.1 Any Director (other than an alternate Director) may at any time by writing under his hand and served on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. The same person may be appointed as the alternate Director of more than one Director.
- 12.2 An alternate Director shall be entitled:
- 12.2.1 to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, save that it shall not be necessary to give notice of such meeting to an alternate Director who is absent from the United Kingdom;
 - 12.2.2 to attend, be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present; and
 - 12.2.3 generally at such meeting to perform all the functions of his appointor as a Director in his absence.

If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative.

- ~~4.3~~12.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but, if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 12.4 Any appointment or removal of an 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.
- 12.5 An alternate Director 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, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor.
- 12.6 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director.

12.7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only 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.

12.8 Regulations 65 to 69 shall not apply.

13. **Directors**

13.1

13.1.1 Each non-executive director from time to time who is not appointed by a particular member or members of the Company shall retire at the first board meeting following the third anniversary of his or her appointment as Director, at which meeting he or she shall be eligible to be re-appointed in accordance with the provisions of these Articles.

13.1.2 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly.

13.2 Without prejudice to the first sentence of Regulation 89, a meeting of the Directors or of a committee of the Directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles shall be construed accordingly.

13.3 The quorum for the transaction of the business of the directors shall be three, such number to include the Lead Investor's Director (as defined in the subscription agreement entered into on the date of adoption of these Articles between the Company and certain of the members of the Company) or his or her alternate. Regulation 89 shall be modified accordingly. If a quorum is not present at a meeting of the Directors by virtue of the absence of the Lead Investor's Director, the meeting shall be adjourned to such time and place as the directors present shall agree and if at such re-convened meeting the Lead Investor's Director is still absent, the meeting shall be deemed to be quorate.

13.4 A resolution in writing signed or approved by telegram telefax or telex by all the directors shall be as valid and effectual as if it had been passed at a meeting 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 shall not apply.

13.5 A Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Regulation 94 shall be modified accordingly, provided that he has disclosed to the Directors the nature and extent of any material interest or duty.

13.6 The office of a Director shall be vacated if he shall be removed from office by notice in writing served upon him signed by a majority of his co-Directors but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed

an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.

- 13.7 Each of the Directors shall disclose to the Board any conflict between his or her duty to the Company and:

13.7.1 his or her duty to any person, firm or company; or

13.7.2 his or her interests,

as soon as practicable after he or she becomes aware of such conflict.

- 13.8 Any appointment of a chairman of the Board from time to time will be subject to *Investor Majority Consent (as defined in the subscription agreement entered into on the date of adoption of these Articles between certain of the members of the Company and others)*. ~~the approval of the holders of 60% of the Ordinary Shares (other than Ordinary Shares held by the Relevant Members).~~

14. Notices

Notices shall be given to a member whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.

15. Indemnity

- 15.1 Without prejudice to any indemnity to which such officer may otherwise be entitled, every Director, Auditor, Secretary or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.
- 15.2 The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.