

COMPANIES ACTS

WRITTEN RESOLUTION

OF

PHARMACY 2U LIMITED

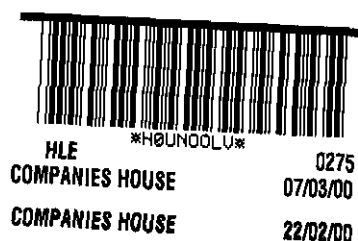
COMPANY NUMBER: 3802593

PASSED ON 9 FEBRUARY 2000

On 9 February 2000 the following resolution was passed as a written resolution; all members of the company, who at that date, were entitled to attend and vote at a General Meeting of the Company, having signed:

1. **THAT** the share capital of the Company be reorganised by sub-dividing each of the 1,000 issued and unissued shares of £1.00 each into 10 shares of 10p each.
2. **THAT** the share capital of the Company be hereby increased from £1,000 to £5,000,000 by the creation of 49,990,000 new shares of 10p each ranking pari passu in all respects with the existing shares.
3. **THAT** the regulations contained in the printed document produced to the shareholders and signed for the purpose of identification by each shareholder be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of all existing regulations.

(Signed) *Russell Curtis*



Company No 3802593

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PHARMACY 2U LIMITED

Incorporated 8 July 1999

(Adopted by special resolution dated 9 February 2000)

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DEFINITIONS

The following table defines some words used in the Articles. After the Articles there is a glossary which explains various words and expressions which appear in the Memorandum and the Articles. The glossary is not part of the Memorandum or Articles and does not affect their meaning.

"Articles"	means the Articles of Association of the Company
the "Act"	means the Companies Act 1985 and any amendments to or any re-enactment of that Act
"Beneficiary"	means any person having an interest under a trust whether contingent, expectant or vested
"Employee Member"	means a person who is or has been a director and/or an employee of the Company or any of its subsidiaries
"Family Trust"	means a trust under which every Beneficiary is the Transferor or a Privileged Relation of the Transferor

"Memorandum"	means the Memorandum of Association of the Company
"Privileged Relation"	means the parents of the Transferor, his spouse and their respective children
"Shares"	means issued shares in the capital of the Company <i>from time to time and shall include any interest in a share</i>
"Table A"	means 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)
"Termination Date"	means:- <ul style="list-style-type: none"> (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires; (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served; (c) where the Employee Member concerned is a director but not an employee, the date on which the contract for the provision of his services (whether entered into directly with him or with a third party) with the Company is terminated; and (d) in any other case, the date on which the contract of employment terminates or is terminated
"Transferor"	means the person transferring the Share or Shares in the Company

PRELIMINARY

- 1.1 The regulations contained in Table A apply to the Company.
- 1.2 Words which refer to a single number also refer to plural numbers and the other way round.
- 1.3 Words which refer to males also refer to females and to companies.

- 1.4 References to a "person" or "people" include companies, corporations and unincorporated associations.

ALLOTMENT OF SHARES

- 2.1 The directors of the Company will have full control of the shares which are part of the Company's authorised share capital. During the five years from the date of incorporation they may allot these shares and other relevant securities to people on terms and conditions as they see fit. However, the directors may not issue more shares than are comprised in the authorised share capital. After the five year period the directors may allot the shares under any agreement or offer to do so which was made before the five year period ended. This authority may at any time be revoked, varied or renewed by ordinary resolution of the Company.

- 2.2 Unless there is a special resolution to direct otherwise, the Company will offer shares which the directors propose to allot to the shareholders of the Company in proportion to the number of shares the shareholders already hold. The Company will offer these shares by notice for a limited period of at least 14 days after which time the offer will lapse. After that period the Company will offer any remaining shares to those who have already accepted all the shares the Company has offered them in proportion to the number of shares held before the original offer was made.

There may be shares left over which the Directors cannot offer under the above provisions except as fractions. The directors may deal with these shares or with any shares released by special resolution (see above) as they think fit. However, the directors must not dispose of these shares on terms which are more favourable than the terms on which they were offered to the shareholders.

- 2.3 Article 2.2 has effect subject to section 80 (which defines how the directors may be authorised to allot shares), 80A (which defines how the duration of the authority may be extended) and 379A (which deals further with the extension of the authority) of the Act.
- 2.4 Under section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act do not apply to the Company.
3. The Company has a lien over all shares including fully paid shares registered in the name of anyone who owes or has a liability to the Company. Regulation 8 of Table A which deals with liens over shares is modified accordingly.

TRANSFER OF SHARES

- 4.1 The Board shall not register any transfer of Shares except where:-
- 4.1.1 the transfer is permitted by Articles 5.1 or 5.2 (a "**permitted transfer**") or is mandatory by reason of Articles 5.3 or 5.4 (a "**mandatory transfer**"); or
- 4.1.2 the transfer is of the entire issued share capital of the Company.
- 4.2 For the purpose of ensuring that a particular transfer of Shares is permitted or mandatory under the provisions of these articles, the Board may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Board may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Board within a period of 28 days after such request the Board shall be entitled to refuse to register the transfer in question.

- 4.3 A reference in these articles to a transfer of Shares shall include a transfer of any interest in Shares (including a beneficial interest) and these articles shall take effect accordingly.

PERMITTED TRANSFERS

5.1 Permitted transfers to relations and Family Trusts

Notwithstanding any other provision in these articles any member may at any time transfer (or by will bequeath or otherwise dispose of on death) Shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust or to a Beneficiary under a Family Trust.

5.2 Permitted transfers by Family Trusts

Where any Shares are held by trustees upon a Family Trust:-

- 5.2.1 on any change of trustees such Shares may be transferred to the new trustees of that Family Trust;
- 5.2.2 such Shares may be transferred at any time to the settlor or to another Family Trust or to any Privileged Relation of the settlor.

5.3 Mandatory transfer if trust ceases to be a 'Family Trust'

If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a transfer notice shall be deemed to have been given in respect of the relevant shares by the holders thereof and such Shares may not otherwise be transferred.

For the purposes of this sub-article the expression 'relevant Shares' means and includes the Shares originally transferred to the trustees and any additional Shares issued or transferred to the trustees by virtue of the holding of the relevant Shares or any of them.

5.4 Mandatory transfer on cessation of employment

If an Employee Member ceases to be a director or employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them, a transfer notice shall be deemed to have been served on the relevant Termination Date in respect of:-

- 5.4.1 all Shares then held by the Employee Member; and
- 5.4.2 all Shares then held by the Employee Member's Privileged Relations and/or Family Trusts (other than Shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the Board in this respect will be final).

- 5.5 For the purposes of Articles 5.3 and 5.4, the transfer notice shall be deemed to be an irrevocable offer to sell all Shares specified in it on the terms set out below and shall be deemed to appoint the Directors as the agent of the Transferor or deemed Transferor for the sale of Shares specified in it (the "**Sale Shares**") at the market value as defined in Article 5.6 (the "**Sale Price**").

5.6 The market value shall be the price certified by an independent firm of chartered accountants (acting by experts and not arbitrators) mutually chosen by the Transferor and the Directors or, failing agreement within 42 days of the transfer notice being given or deemed to have been given, nominated on the application of either of them by the President or other senior officer for the time being of the Institute of Chartered Accountants in England and Wales to be in their opinion the fair value of the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any discount which may otherwise be appropriate because the Sale Shares constitute a minority interest in the Company and on the assumption that the Sale Shares are capable of the transfer without restriction. The certificate as to market value shall be delivered by the accountants to the Company, which shall as soon as possible after receipt forward a copy of it to the Transferor. The costs of obtaining the certificate shall be borne by the Company.

5.7 **Pre-emptive offers-general**

Once the Sale Price has been determined then the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

5.8 **First Offer**

As soon as Sale Shares become available they shall be forthwith offered for sale by the Company to all holders of Shares (other than the Transferor) pro rata as nearly as may be to the respective numbers of Shares held by such members.

Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of shares offered to them they wish to purchase and will remain open for twenty one days (the "First Offer Period").

5.9 **Second Offer**

If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such holders of Shares as have stated in writing their willingness to purchase all the shares previously offered to them.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of shares, held or deemed to be held by the relevant member. This further offer will remain open for further period of twenty one days. Thereafter the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

5.10 **Transfer procedure for pre-emptive offers**

If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article the Transferor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Transferor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Transferor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.

5.11 **Transfers free of pre-emption**

If the Company does not find purchasers for all of the Sale Shares under the terms of this article the Transferor shall not be permitted to transfer the unsold Sale Shares to any third party. The transfer notice shall be deemed to have been revoked in relation to the unsold Sale Shares and any subsequent transfer will be dealt with under the provisions of Articles 4 and 5.

5.12 **Effect of non-compliance**

Any purported transfer of shares otherwise than in accordance with the foregoing provisions of these articles shall be void and have no effect.

COME ALONG & DRAG ALONG

6.1 If the holders of 63% in nominal value of the Shares in issue for the time being (the "Selling Shareholders") wish to transfer all their interest in Shares on a bona fide arms length basis to a person not already a member of the Company and who is unconnected with the Selling Shareholders and where the price to be paid to each of the members for each of their shares is no less than the subscription price paid for each of such shares (the "Third Party Purchaser") the Selling Shareholders shall have the option (the "Come Along Option") to require all the other holders of Shares (the "Called Shareholders") to sell with full title guarantee and transfer all their Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 6. For the purposes of this Article 6 the provisions of section 839 of the Income and Corporation Taxes Act 1988 shall apply to determine if one person is connected with another.

6.2 The Selling Shareholders may exercise the Come Along Option by giving notice to that effect (a "**Come Along Notice**") at any time before the transfer of the Shares of the Selling Shareholders. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") pursuant to this Article 6 the person to whom they are to be transferred, the price at which the Called Shares are to be transferred (calculated in accordance with Article 6.4) and the proposed date of transfer ("**Completion**").

6.3 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Come Along Notice.

6.4 The Called Shareholders shall be obliged to sell each of the Called Shares at the price attributed by the offer from the Third Party Purchaser of a Share.

6.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless:

6.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or

6.5.2 that date is less than 3 days after the Come Along Notice where it shall be deferred until the third day after the Come Along Notice.

6.6 Any rights of pre-emption set out in these Articles shall not arise on any transfer of Shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Come Along Notice has been duly served.

6.7 If any holder of Shares does not on Completion of the sale of Called Shares execute transfer(s) in respect of the Called Shares held by him the Directors shall be irrevocably entitled to and

shall authorise and instruct such person as they shall think fit to execute necessary transfer(s) on his behalf and against receipt by the Company (on trust for such member) of the purchase monies payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person.

- 6.8 If the Selling Shareholders wish to transfer all their interest in Shares to a Third Party Purchaser, the Selling Shareholders shall procure that the Third Party Purchaser shall make an offer to all other holders of Shares to acquire their Shares at the price per ordinary Share offered by the Third Party Purchaser to the Selling Shareholders.
- 6.9 All other regulations of the Company relating to the transfer of Shares and the right to registration of transfers shall be read subject to the provisions of this article.

TRANSMISSION OF SHARES

- 7.1 Regulation 31 of Table A does not apply to the Company and the following Article 7.2 applies instead.
- 7.2 If a shareholder dies or is declared bankrupt, the person who receives his shares will have the same rights as the shareholder except that until registered as the new shareholder, that person will not be entitled to attend and vote at any company meeting (also known as a shareholders' meeting) or at a meeting of the holders of the relevant class of shares (if there is more than one class). If the Company is without directors for any reason however the new shareholder will be entitled to vote on any resolution to appoint a new director before being registered as a shareholder.

GENERAL MEETINGS AND RESOLUTIONS

- 8.1 Regulations 40 and 41 of Table A do not apply to the Company and articles 8.2 and 8.3 apply instead.
- 8.2 There must be a quorum present before a meeting starts to do business and throughout the meeting. A quorum is two people entitled to vote on the business. Each person must be a shareholder, a proxy for a shareholder or an authorised representative of a corporation. However, if the Company has only one shareholder, that shareholder in person or by proxy will be a quorum.
- 8.3 If there is no quorum present within half an hour of the time the meeting is due to start, the meeting will be adjourned until the same day the next week at the same time and place or to any other day, time and place the directors decide. If there is no quorum present at the adjourned meeting within half an hour of the time it is due to start that meeting will be dissolved.
- 8.4 Regulation 100 of Table A outlines the requirements of the directors to keep minutes of meetings and certain events. In addition the directors must record in the minute book of the Company:-
- 8.4.1 all decisions taken by a sole shareholder where there is only one shareholder; and
- 8.4.2 all written resolutions the Company has passed.
- 8.5 The Chairman shall not have a casting vote and Regulation 50 of Table A shall not apply to the Company.

APPOINTING DIRECTORS

- 9.1 Regulation 64 of Table A setting out the maximum and minimum number of directors does not apply to the Company.
- 9.2 The Company will decide by ordinary resolution the maximum and minimum number of directors. If the Company does not announce a decision there will be no maximum number of directors and the minimum number will be one. If there is only one director, that director will be able to exercise all the directors' powers set out in Table A and these articles. Regulation 89 of Table A regarding the number of directors which constitutes a quorum is modified accordingly.
- 9.3 Directors do not have to retire at any specific time. Regulations 73 to 77 (inclusive) and Regulation 80 of Table A regarding the retirement of directors do not apply to the Company. In Regulation 78 the words "and may also determine the rotation in which any additional directors are to retire" are deleted.

BORROWING POWERS

- 10. The directors may use all the powers of the Company to borrow unlimited amounts of money on terms and in such a way as they think fit. Subject to sections 80, 80A and 379A of the Act, they may also agree to a mortgage, charge or security over the business of the Company, its property and uncalled capital. They may issue debentures, debenture stock and other securities outright or as security for a debt, liability or obligation of the Company or any third party.

ALTERNATE DIRECTORS

- 11. Alternate directors are not entitled to any payment from the Company. The Company may pay them part of any amount the Company would otherwise pay to the person who appointed them if that person instructs the Company to do so in writing. The first sentence of Regulation 66 of Table A regarding the rights of the alternate director to receive remuneration for his services is modified accordingly.

DISQUALIFYING DIRECTORS

- 12. A director who can no longer manage or administer his affairs because of illness or injury must leave his office. Regulation 81 of Table A listing the events where directors must retire from office is modified accordingly.

PROCEEDINGS AT DIRECTORS' MEETINGS

- 13. Directors can vote on any resolution, and shall form part of the quorum, at directors' meetings or meetings of committees of the directors so long as they declare any direct or indirect interest they may have in the matter under vote.
- 14.1 Directors and directors' committee members can take part in meetings by conference telephone call or other means of telecommunication as long as everyone involved in the meeting can hear each other. Directors and directors' committee members taking part in this way will be considered present at the meeting and will be entitled to vote and be counted in the quorum. The meeting will be recorded as taking place where the largest group of those taking part is gathered. If there is no such group, the meeting location will be recorded as the place where the chairman of the meeting is.
- 14.2 The Chairman shall not have a casting vote for the purposes of Regulation 88 of Table A.

"INDEMNITY"

15. Subject to section 310 of the Act, all the directors, officers and auditors of the Company will be entitled to payments from the funds of the Company or insurance policies to cover any costs, charges or losses they have to pay in carrying out their duties.

SHARE CERTIFICATES

16. In the second sentence of Regulation 6 of Table A with regard to the entitlement and issue of share certificates the words "shall be sealed with the seal and" are deleted. Share certificates can only be issued if approved by the directors or a directors' committee. The share certificates must be signed by one director and the company secretary or two directors.

COMPANY SEAL

17. Regulation 101 of Table A regarding usage of the company seal does not apply to the Company. The Company does not need to have a company seal. If the directors decide that the Company should, the seal must only be used with the approval of the directors or of a directors' committee. The directors may decide who should sign any document the seal is attached to. Unless they make a specific decision, this will be a director and the company secretary or two directors.

DIVIDENDS

18. Every dividend shall be declared and paid according to the nominal value of the shares on which the dividend is paid and regulation 104 of Table A shall be varied and construed accordingly.

NAMES AND ADDRESSES OF SUBSCRIBERS

York Place Company Nominees Limited
12 York Place
Leeds LS1 2DS

DATED 30 June 1999

WITNESS to the above signature:

Ian Gallimore
12 York Place
Leeds LS1 2DS