

Co Reg. No 3877786

sit-up limited

By a written resolution of the Company passed the 2nd August 2002 the following resolutions were passed as Special Resolutions of the Company


1. That the authorised capital of the Company be increased to £171,000 by the creation of 6,100,000 redeemable convertible cumulative preference shares of 1 penny each having the respective rights set out in the New Articles of Association referred to in Resolution 2.
2. That the existing Articles of Association be replaced with the New Articles of Association in the form attached hereto.

8th August 2002

The Third Floor,
Stamford Bridge
Fulham Road,
London SW6 1HS

R. M. Taylor
(Secretary)



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The Companies Act 1985 to 1989

A Private Company Limited by Shares

Articles of Association

Sit-up limited

(Incorporated 11th November 1999)

(Adopted 2nd August 2002)

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A Private Company Limited by Shares

Articles of Association

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(Incorporated 11th November 1999)

(Adopted 2nd August 2002)

Company No: 3877786

The Companies Acts 1985 to 1989

A Private Company Limited by Shares

Articles of Association of sit-up limited

(As adopted by Special Resolution passed 2nd August 2002)

Preliminary

1. (a) Subject as hereinafter provided the Regulations contained in Table A in The Companies (Table A to F) Regulations 1985 ("Table A") shall apply to the Company.

(b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
2. Regulations 24, 40, 41, 64-68 (inclusive) 73-90 (inclusive), 110 and 118 (inclusive) of Table A shall not apply to the Company.
3. The Company is a private company.

Interpretation and Definitions

4. In these Articles the following expressions have the following meanings unless the context otherwise requires:

"Applicable Price"	as the meaning ascribed to it in Article 9.9.6.
"Conversion Notice"	has the meaning ascribed to it in Article 9.9.14.
"Conversion Price"	has the meaning ascribed to it in Articles 9.9.4 and 9.9.5.
"equity share capital"	has the meaning ascribed to it in s.744 of the Act.
"Excluded Transaction"	has the meaning ascribed to it in Article 9.9.13.
"Existing Warrants and Options"	the warrants and options existing as at the date of adoption of Articles details of which are set out below: (i) the warrant dated 1 March 2001 in favour of

Screenshop Limited in respect of 210,685 Ordinary Shares;

(ii) the warrant dated 24 April 2001 in favour of Screenshop Limited in respect of 150,489 Ordinary Shares;

(iii) the warrant dated 4 March 2002 in favour of each of Elderstreet Millenium VCT plc, Downing Classic VCT 3 plc, I-Net VCT plc and Matrix E-Ventures Fund VCT plc in respect of either (a) 1.25% of the Company's total issued share capital as at the date of exercise of the warrants (where the Facility has been redeemed on or prior to 31 March 2003); or (b) 2.5 % of the Company's total issued share capital as at the date of exercise of the warrants (where the Facility is redeemed after 31 March 2003) (the "**Classic Warrant**");

(iv) the options in respect of 86,456 Ordinary Shares in favour of Deborah Ward;

(v) the options in respect of 43,228 Ordinary Shares in favour of Farncombe Technology Limited;

(vi) the options in respect of 94,943 Ordinary Shares in favour of certain former employees of the Company;

(vii) the options in respect of 330,427 Ordinary Shares in favour of certain employees of the Company under the Enterprise Management Incentive Scheme;

(viii) the options in respect of 33,937 Ordinary Shares in favour of Raylian London Limited;

(ix) the options in respect of 34,615 Ordinary Shares in favour of Intermedia Partners;

(x) the unallocated options in respect of a further 21,869 Ordinary Shares which may be granted to certain employees of the Company at the discretion of the Board; and

(xi) the options existing as at the date of adoption

of these Articles in respect of 643,369 Ordinary Shares in favour of certain of the shareholders of the Company granted pursuant to the Shareholders Agreement.

"Facility"

means the facility agreement dated 4 March 2002 made between (i) the Company and (ii) Downing Classic VCT 3 plc, I-Net VCT plc, Elderstreet Millenium VCT plc and Matrix Venture Fund VCT plc.

"Investor Director"

means the director appointed as such pursuant to Article 22.

"Liquidation Price"

has the meaning ascribed to it in Article 9.2.

"Listing"

together the admission of any of the Company's shares to the Official List of the UK Listing Authority becoming effective (in accordance with paragraph 7.1 of the rules made by the UK Listing Authority pursuant to section 74 of the Financial Services and Markets Act 2000, as amended or its successor legislation) and the admission of any of the Company's shares to trading on (i) the London Stock Exchange plc becoming effective (in accordance with paragraph 2.1 of the Admission and Disclosure Standards of the London Stock Exchange plc from time to time), or (ii) the Alternative Investment Market or any other recognised investment exchange, such that (a) the gross proceeds arising from such Listing is not less than £15 million and (b) the valuation of the equity share capital of the Company prior to such Listing (calculated by multiplying the number of equity shares in issue at Listing by, in the case of a sale, the underwritten price or, in the case of a placing, the price at which shares are sold under the placing (excluding any equity shares issued for the purpose of raising money for the Company as part of the Listing arrangements or for any other reason but including any shares issued pursuant to the Existing Warrants and Options)) is not less than £60 million.

"Market Price"

has the meaning ascribed to it in Article 9.9.12.

"New Issue Price"	has the meaning ascribed to it in Article 9.9.6.
"Ordinary Shares"	ordinary shares of 1p each of the Company.
"Ordinary Share Equivalents"	has the meaning ascribed to it in Article 9.9.13.
"Original Issue Price"	has the meaning ascribed to it in Article 9.2.
"Preference Dividend"	has the meaning ascribed to it in Article 9.1.1.
"Preference Shares"	redeemable, convertible, cumulative preference shares of 1p each of the Company.
"recognised investment exchange"	has the meaning given in section 285 of the Financial Services and Markets Act 2000.
"Redemption Date"	has the meaning ascribed to it in Article 9.4.
"Redemption Notice"	has the meaning ascribed to it in Article 9.5.1.
"Redemption Reserve"	has the meaning ascribed to it in Article 9.7.1.
"Sale"	<p>the transfer (whether through a single transaction or a series of transactions) of 50% or more of the Ordinary Shares (which shall include Preference Shares on an as-converted basis) in issue to a person and any other person:</p> <ul style="list-style-type: none"> (a) who in relation to him is a connected person, or defined in section 839 of the Income and Corporation Taxes Act 1988, or (b) with whom he is acting in concert, as defined in the City Code on Takeovers and Mergers.
"Shareholders Agreement"	<p>the agreement dated on or about the date of the adoption of these Articles and made between (1) J.P. Egan and Others (2) Walsby Investments and Others (3) KBC Peel Hunt plc (4) the Company (5) City Friends & Others and (6) Alpine Situp LLC which amends and re-states the shareholders agreement dated 7 March 2000 made between (1) J.P. Egan and Others (the "Founders") (2) Walsby Investments Limited & Others (the "Initial Shareholders") (3) Peel Hunt plc and (4) the Company.</p>

"Subscription Agreement"

the agreement dated on or about the date of adoption of these Articles and made between (1) the Company and (2) Alpine Situp LLC in respect of the subscription for Preference Shares.

"Transfer Notice"

has the meaning ascribed to it in Article 11.

Shares

5. The authorised share capital of the Company at the date of adoption of these Articles is £171,000 divided into 11,000,000 Ordinary Shares of 1p each and 6,100,000 Preference Shares of 1p each.
6. Subject to Article 8 and to any directions which may be given by the Company in general meeting, the Directors may unconditionally exercise the power of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) and without prejudice to the generality of the foregoing any shares unissued at the date of adoption of these Articles and any shares hereafter created shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as they may think proper, provided that no shares shall be issued at a discount.
7. The maximum nominal amount of share capital which the Directors may allot, grant options or subscription or conversion rights over or otherwise deal with or dispose of in respect of employee share schemes (subject always to the provisions of this Article) shall be £5,769.23 or such other amount as shall be authorised by the Company in general meeting. The authority conferred on the Directors by this Article shall expire on the day preceding the fifth anniversary of the date of adoption of these Articles.
8. The provisions of Section 89(1) of the Act shall not apply to the Company.
9. **RIGHTS ATTACHING TO PREFERENCE SHARES**

The rights attaching to the Preference Shares are set out below.

9.1 Rights to Dividends

- 9.1.1 In addition to the dividend rights under Article 9.1.6, the holders of Preference Shares have the right to a fixed cumulative preferential dividend (the "**Preference Dividend**") at the net rate of 9.5% per annum, such rate being a percentage of the nominal amount and premium paid on each Preference Share and excluding any associated tax credit. For the purposes of Article 9 and for the avoidance of doubt, "net" shall mean net of any taxes that may be levied, imposed or otherwise charged by any taxation authority in the UK on the payment of the Preference Dividend by the Company to, and/or its receipt by, any holder of a Preference Share who is not resident in the UK for tax purposes.

- 9.1.2 The Preference Dividend shall be paid before the transfer of any sums to reserves.

The right to the Preference Dividend has priority over the rights of the holders of any other class of shares.

- 9.1.3 The Preference Dividend accrues from day to day and shall be paid quarterly every 31 March, 30 June, 30 September and 31 December in respect of the quarter-years ending on those dates out of the profits of the Company available for distribution, except that the first Preference Dividend shall be paid on 30 September and calculated in respect of the period from the date of issue up to and including that date.

- 9.1.4 To the extent that a Preference Dividend remains unpaid on the due date it shall become an accrued liability of the Company accruing at the net rate of 11.5% per annum (and not 9.5%) for the period in respect of which it has just accrued. The Company shall immediately procure that such liability is capitalised by the issuance of additional Preference Shares. To the extent that such liability is not so capitalised (for whatever reason), it shall continue to accrue and compound quarterly on 31 March, 30 June, 30 September and 31 December at the net rate of 11.5% per annum. For the avoidance of doubt, a failure to capitalise any unpaid Preference Dividend in no way entitles the Company to pay such unpaid dividend in the future by way of cash payment unless consented to by the relevant holder of Preference Shares.

- 9.1.5 The holders of a majority of the Preference Shares in issue are entitled to require, by serving notice on the Company, the Company to procure that its subsidiary undertakings distribute to the Company sufficient profits to enable the Company to pay any accrued and/or unpaid Preference Dividend.

- 9.1.6 Each of the holders of Preference Shares shall be entitled to participate in the payment of any other dividend declared by the Company payable on the Ordinary Shares on a pro-rata basis as if those Preference Shares and any unpaid Preference Dividend had already been converted pursuant to Article 9.9.

9.2 Return of capital

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

- (a) £2.95 per share (the "Original Issue Price") plus all accrued but unpaid Preference Dividends (whether or not declared); or

- (b) the amount that a holder of Preference Shares would have received in respect of its Ordinary Shares if, immediately prior to such liquidation, its Preference Shares had been converted in accordance with Article 9.9

(the amount referred to in (a) or (b) being the "**Liquidation Price**").

9.3 Further participation

Except as otherwise provided in these Articles, the Preference Shares do not confer any further right of participation in the profits or assets of the Company.

9.4 Redemption

At the election of a holder of Preference Shares, the Company shall redeem the following proportion of that holder's Preference Shares on the earlier of:

9.4.1	Date	Proportion of a holder's Preference Shares to be redeemed
(a)	The 5th anniversary of the date of issue of the Preference Shares;	A maximum of 33.33%.
(b)	The 6th anniversary of the date of issue of the Preference Shares;	A maximum of 66.67% of Preference Shares issued less any Preference Shares previously redeemed by such holder and its predecessors in title.
(c)	The 7th anniversary of the date of issue of the Preference Shares.	The balance of Preference Shares which remain unredeemed.

For the purposes of Article 9.4.1 (b) any redemption by a predecessor in title shall be apportioned pro rata to its successors in title and any holding the predecessor in title retains.

OR

- 9.4.2 a Sale, consolidation, reorganisation, merger, sale of the assets (or a material part thereof) of the Company and its subsidiaries or any transaction similar to any of the foregoing.

(each such date being a "**Redemption Date**".)

The redemption price for each Preference Share shall be (i) the Original Issue Price plus all accrued but unpaid Preference Dividends (whether or not declared) in respect of that Preference Share calculated to the date of return of capital and payable whether or not the Company has enough profits available

for distribution to pay the accrued but unpaid Preference Dividend in respect of redemptions made pursuant to Articles 9.4.1, or (ii) the Liquidation Price in respect of redemptions made pursuant to Article 9.4.2.

9.5 Early redemption on events of default

9.5.1 The holders of a majority of the Preference Shares in issue shall be entitled to require redemption of some or all the Preference Shares if any of the following events occur and they serve the Company with notice (the "Redemption Notice") specifying their requirements:

Events

- (i) when Preference Shares are due for redemption, the Company does not within 28 days of the due date pay all the redemption money then payable to Preference Shareholders, whether or not the Company has enough profits available for distribution or other requisite funds to pay the redemption money; or
- (ii) those holders become aware that (i) any borrowing of the Company or a subsidiary undertaking in excess of £25,000 has become repayable before its specified maturity, or (ii) there has been a failure to satisfy or overturn a statutory demand within 3 weeks of it being properly served or (iii) the Company has committed a breach of any financial covenant in respect of any facility arrangement to which it is a party and such breach, if capable of remedy, is not remedied within 30 days of the breach.

9.5.2 For the purposes of this Article 9.5 the Redemption Date for such a redemption is the date specified in the Redemption Notice (being a date not less than 28 days after the date of service of the Redemption Notice).

9.5.3 The holders of a majority of the Preference Shares are entitled to withdraw the Redemption Notice requiring redemption if they serve the Company with a further notice to that effect before the redemption is due to take place.

9.6 Provisions applying to all redemptions

The amount payable in respect of all the Preference Shares to be redeemed comprises the "redemption money".

9.6.1 On the Redemption Date the redemption money shall become a debt due and payable by the Company to the holders of Preference Shares who have exercised their right of redemption, whether or not the Company has enough profits available for distribution or other requisite funds to pay the redemption money and shall, for the avoidance of doubt, be paid in cash.

9.6.2 On the Redemption Date the redemption money shall be paid to each holder of Preference Shares in respect of those Preference Shares which are to be

redeemed against receipt of the relevant share certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of a share certificate which cannot be produced). If a holder produces neither the share certificate nor a satisfactory indemnity the Company may retain his redemption money until delivery of the certificate or a satisfactory indemnity.

9.6.3 The Company shall cancel share certificates in respect of redeemed Preference Shares and issue fresh certificates without charge in respect of any Preference Shares represented by those certificates which remain outstanding.

9.6.4 As from the relevant Redemption Date the Preference Dividend shall cease to accrue on the Preference Shares to be redeemed unless, despite presentation of the relevant share certificate or an indemnity complying with Article 9.6.2, the Company fails to pay redemption money in respect of all the Preference Shares to be redeemed. In that case the Preference Dividend shall continue to accrue or be deemed to continue to accrue on the Preference Shares in respect of which redemption money is outstanding.

9.7 Preference Share Capital Redemption Reserve

9.7.1 For a period of 6 years commencing from the date of adoption of these Articles, at the end of each financial year falling in that period the Company shall reserve from the profits available for distribution the amount necessary to pay the Preference Dividend due within the next financial year. The Company shall then, in each of those 6 years, transfer to a preference share capital redemption reserve (the "**Redemption Reserve**") an amount from the profits remaining available for distribution which shall be calculated as follows:

$$\frac{P \times \text{Original Issue Price} + (Y) + (Z) - (ZI)}{(X)}$$

Where P = The highest number of Preference Shares in issue prior to 30 September 2002 less any Preference Shares converted pursuant to Article 9.9;

X = (a) 10 in respect of the period between the date of adoption of these Articles and 31 December 2002, and in respect of the last financial year in which the Redemption Reserve is to be maintained; or

(b) 5 in respect of all other financial years;

Y = The number of Preference shares arising from the capitalisation of accrued but unpaid Preference Dividends multiplied by the Original Issue Price;

Z = The aggregate of any amounts that should have been transferred to the Redemption Reserve in previous years

but were not;

ZI = In respect of any Preference Shares which have been converted to Ordinary Shares any amounts (i) either previously transferred to the Redemption Reserve or (ii) which should have been transferred to the Redemption Reserve.

9.7.2 The Redemption Reserve shall only be used for the purposes of redeeming the Preference Shares unless a majority of the holders of Preference Shares in issue agree otherwise in general meeting or in writing.

9.8 Votes

The holders of Preference Shares are entitled to receive notice of and to attend and speak and vote at general meetings of the Company as if their Preference Shares had been converted in full pursuant to Article 9.9.

9.9 Conversion

9.9.1 Each holder of a Preference Share may at any time and in the manner specified in this Article 9.9 convert the whole or part of its holding of Preference Shares into fully paid Ordinary Shares. Such conversion shall take place on the basis of X Ordinary Shares for every Preference Share that such holder elects to convert. X shall be calculated as follows:

$$X = \frac{\text{Number of Preference Shares to be converted} \times \text{£2.95}}{\text{Conversion Price (as adjusted pursuant to this Article 9.9)}}$$

9.9.2 Immediately prior to conversion of a Preference Share any accrued but unpaid Preference Dividend (whether declared or not) in respect of that Preference Share shall become a liability due from, and immediately payable by, the Company. Without prejudice to the Company's obligations in Article 9.1.4 to the extent that the Company does not immediately pay such liability on demand it will be converted into X Ordinary Shares. X shall be calculated as follows:

$$X = \frac{\text{Amount of any accrued but unpaid Preference Dividend}}{\text{Conversion Price (as adjusted pursuant to this Article 9.9)}}$$

9.9.3 To the extent that a fractional entitlement to an Ordinary Share arises no such share shall be issued but the fractional entitlement shall become a debt due from and immediately payable by the Company.

9.9.4 At the date of adoption of these Articles, the Conversion Price is £2.95 per Preference Share for each Ordinary Share.

9.9.5 The Conversion Price shall be adjusted pursuant to this Article 9.9 In the event that the Company shall at any time or from time to time, prior to conversion of the Preference Shares: -

- (a) pay a dividend or make a distribution (other than a dividend or distribution in which holders of Preference Shares participate pursuant to Article 9.1.6) on the Ordinary Shares in issue;
- (b) subdivide the outstanding Ordinary Shares into a larger number of shares;
- (c) consolidate the outstanding Ordinary Shares into a smaller number of shares; or
- (d) issue any additional Ordinary Shares in a reclassification of Ordinary Shares,

then, and in each such case, the Conversion Price in effect immediately prior to such event shall be adjusted (and any other appropriate actions shall be taken by the Company) so that the holder of any Preference Shares thereafter surrendered for conversion shall be entitled to receive the number of Ordinary Shares (or other securities of the Company) that such holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such Preference Shares been converted immediately prior to the occurrence of such event. An adjustment made pursuant to this Article shall become effective retroactively (i) in the case of any such dividend or distribution, to a date immediately following the close of business on the record date for the determination of holders of Ordinary Shares entitled to receive such dividend or distribution or (ii) in the case of any such subdivision, consolidation or reclassification, to the close of business on the day upon which such corporate action becomes effective.

9.9.6 If the Company shall at any time or from time to time prior to conversion of Preference Shares, issue any Ordinary Shares or Ordinary Share Equivalents at a price per Ordinary Share (the "New Issue Price") that is less than either the Conversion Price then in effect or the Market Price (as defined in Article 9.9.12), in each case as of the record date or Issue Date (as defined below), as the case may be (the "Relevant Date") (treating the price per Ordinary Share, in the case of the issue of any Ordinary Share Equivalent, as equal to (A) the sum of the price for such Ordinary Share Equivalent plus any additional consideration payable (without regard to any anti-dilution adjustments) upon the conversion, exchange or exercise of such Ordinary Share Equivalent divided by (B) the number of Ordinary Shares initially underlying such

Ordinary Share Equivalent), other than (a) issues for which an adjustment is made pursuant to another provision of this Article 9.9 and (b) issues in connection with an Excluded Transaction, then, and in each such case, the Conversion Price then in effect shall be adjusted by multiplying the Conversion Price in effect on the day immediately prior to the Relevant Date by a fraction (x) the numerator of which shall be the sum of the number of Ordinary Shares outstanding on the Relevant Date plus the number of Ordinary Shares which the aggregate consideration received by the Company for the total number of such additional Ordinary Shares so issued would purchase at the Applicable Price (as such term is defined below) on the Relevant Date (or, in the case of Ordinary Share Equivalents, the number of Ordinary Shares which the aggregate consideration received by the Company upon the issue of such Ordinary Share Equivalents and receivable by the Company upon the conversion, exchange or exercise of such Ordinary Share Equivalents would purchase at the Applicable Price on the Relevant Date) and (y) the denominator of which shall be the sum of the number of shares of Ordinary Shares outstanding on the Relevant Date plus the number of additional Ordinary Shares issued or to be issued (or, in the case of Ordinary Share Equivalents, the maximum number of Ordinary Shares into which such Ordinary Share Equivalents initially may convert, exchange or be exercised). The "Applicable Price" shall mean the greater of the Market Price and the Conversion Price.

- 9.9.7 Such adjustment shall be made whenever such Ordinary Shares or Ordinary Share Equivalents are issued, and shall become effective retroactively (a) in the case of an issue to the members on a date immediately following the close of business on the record date for the determination of members entitled to receive such amounts of Ordinary Shares or Ordinary Share Equivalents and (b) in all other cases, on the date (the "Issue Date") of such issue; provided, however, that the determination as to whether an adjustment is required to be made pursuant to this sub-section shall only be made upon the issue of such Ordinary Shares or Ordinary Share Equivalents, and not upon the issue of any security into which the Ordinary Share Equivalents convert, exchange or may be exercised.
- 9.9.8 If at any time any Ordinary Shares or Ordinary Share Equivalents or any rights or options to subscribe for any shares, Ordinary Shares or Ordinary Share Equivalents shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith. In case any Ordinary Shares or Ordinary Share Equivalents or any rights or option to purchase any Ordinary Shares or Ordinary Share Equivalents shall be sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall

be deemed to be the market value of such consideration, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions or discounts paid or allowed by the Company in connection therewith, as determined by the Directors and the holders of a majority of the Preference Shares or, if the Directors and the holders of a majority of the Preference Shares shall fail to agree, at the Company's expense, by an expert chosen by the Directors and reasonably acceptable to the holders of a majority of the Preference Shares.

- 9.9.9 If any Ordinary Share Equivalents (or any portions thereof) which shall have given rise to an adjustment pursuant to this sub-section shall have expired or terminated without the exercise thereof and/or if by reason of the terms of such Ordinary Share Equivalents there shall have been an increase or increases, with the passage of time or otherwise, in the price payable upon the exercise or conversion thereof, then the Conversion Price hereunder shall be readjusted (but to no greater extent than originally adjusted) in order to (a) eliminate from the computation any additional Ordinary Shares corresponding to such Ordinary Share Equivalents as shall have expired or terminated, (b) treat the additional Ordinary Shares, if any, actually issued or issuable pursuant to the previous exercise of such Ordinary Share Equivalents as having been issued for the consideration actually received and receivable therefor and (c) treat any of such Ordinary Share Equivalents which remain outstanding as being subject to exercise or conversion on the basis of such exercise or conversion price as shall be in effect at the time.
- 9.9.10 If the Company, prior to the conversion of all of the Preference Shares, shall take any action affecting the Ordinary Shares similar to or having an effect similar to any of the actions described in any of Articles 9.9.5 to 9.9.9 and it is equitable in the circumstances to adjust the Conversion Price as a result of such action, then, and in each such case, the Conversion Price shall be adjusted in such manner and at such time as would be equitable in the circumstances.
- 9.9.11 Notwithstanding anything herein to the contrary, no adjustment need be made to the Conversion Price if the Company receives written notice from the holders of 75% of the outstanding Preference Shares that no such adjustment is required.
- 9.9.12 For the purpose of any computation under this Article 9.9, the Market Price per Ordinary Share on any date shall be deemed to be the value of such share on such date and shall be determined jointly by the Board and such person as may be nominated by the holders of a majority of the Preference Shares pursuant to a determination (a "**Determination**") to be made jointly by such persons. In the event the parties are unable so to agree within 20 days after receipt of such notice by either party, the Determination shall be resolved by an independent accountant appointed by the President of the Institute of

Chartered Accountants of England and Wales acting as an expert and not as an arbitrator. The costs of such independent accountant shall be borne as the independent accountant determines.

9.9.13 For the purpose of this Article 9.9:

"Ordinary Share Equivalent" means any agreement, arrangement or right to subscribe for any shares in the Company or obligation on the Company to create, allot or issue shares (in each case whether conditional or unconditional or actual or contingent) and any instrument that is capable of being converted into Ordinary Shares; and

"Excluded Transaction" means the issue of Ordinary Shares (i) pursuant to a division of share capital or (ii) pursuant to the exercise of the Existing Warrants and Options (for these purposes, the only shares issued to the warrant holders with respect to the Classic Warrant which fall within the definition of Excluded Transaction shall be deemed to be such number of shares as if such warrants were exercised on the date that the Facility is redeemed in full).

9.9.14 The right of conversion may be exercised by a holder of Preference Shares by delivering his share certificate together with a written notice (the **"Conversion Notice"**) to the Company notifying the number of Preference Shares he wishes to convert.

9.10 **Transfer**

9.10.1 The Preference Shares shall be freely transferable.

9.10.2 The directors may not register a transfer of Preference Shares unless the proposed transferee has entered into an agreement to be bound by the Shareholders Agreement in the form required by that agreement.

9.11 **Automatic Conversion**

Upon a Listing, each Preference Share shall automatically be converted into Ordinary Shares in accordance with the conversion rate set out in Article 9.9.

9.12 **Pre-emption rights on issues of new securities**

9.12.1 Subject to Article 9.12.2, in the event that the Company intends to offer additional equity securities including, but not limited to, a fresh issue of Ordinary Shares (the **"Sale Securities"**), the Company shall not allot any of them on any terms to a person unless it has made an offer on the same terms (the **"Original Offer"**) to each of the holders of the Preference Shares (the **"Offerees"**) to purchase a pro-rata proportion of the Sale Securities by reference to their respective percentage holdings of the issued share capital of the Company (as if each of their Preference Shares had been converted into Ordinary Shares in accordance with Article 9.9). The Offer Period shall last

for 14 days from the date that the Company serves written notice on each of the holders of Preference Shares of the offer. After the expiration of the Offer Period, those Sale Securities not taken up by the Offerees (the "**Further Offer Securities**") shall be offered to those Offerees who have taken up all the Sale Securities offered to them pursuant to the Original Offer (the "**Further Offer**"). The recipients of the Further Offer shall be entitled to purchase Further Offer Securities in proportion as nearly as the circumstances admit to the number of Ordinary Shares (as if each Preference Share had been converted in accordance with Article 9.9) then held by them respectively as against the other members to whom the Further Offer is being made. Such Further Offer shall remain open for 14 days from the first 14 day period.

- 9.12.2 The pre-emption right referred to in Article 9.12.1 shall not be exercisable in respect of the issue of Ordinary Shares (i) pursuant to a division of share capital or (ii) pursuant to the exercise of the Existing Warrants and Options. The pre-emption right set out in this Article 9.12 shall automatically terminate on a Listing.

9.13 Tag-along rights

If the Founders, the Initial Shareholders (or any person to whom they transfer their shares pursuant to Article 16) receive an offer for their shares pursuant to a proposed Sale, those holders shall use all reasonable endeavours to procure that materially the same offer terms are made to each of the holders of Preference Shares in respect of their holdings (as if each Preference Share had been converted into an Ordinary Share in accordance with Article 9.9) together with the holders of all other Ordinary Shares, and if the holders of the Ordinary Shares the subject of such Sale offer are unable to affect such an offer on those terms, they shall not proceed with the Sale.

9.14 Class rights

To the extent that any of the following actions are carried out by the Company, such actions shall be deemed to be a variation of class rights attaching to the Preference Shares and shall require the approval of the holders of not less than 75% of the Preference Shares:

- (a) increasing the amount of the authorised or issued share capital (other than any increase required in respect of the exercise of any of the Existing Warrants and Options, the exercise of any option approved pursuant to this Article 9.14 or as is required in respect of the Preference Shares); granting an option or other interest (in the form of a convertible security or any other form) over or in its share capital;
- (b) redeeming or purchasing any of the shares of the Company (except in respect of the Preference Shares pursuant to Articles 9.4 or 9.5);

- (c) consolidating, sub-dividing, converting (except in respect of conversion of Preference Shares pursuant to Article 9.9 or Article 9.11) or reducing any of the share capital;
- (d) altering any rights attaching to any class of shares;
- (e) issuing and/or allotting (except in respect of a capitalisation of any accrued but unpaid Preference Dividend pursuant to Article 9.1.4 or as permitted under the Shareholders Agreement) any shares or issue any loan capital or enter into any commitment with any person with respect to the issue of any shares or loan capital;
- (f) permitting the existence of any mortgage, lien or other encumbrance on the assets of the Company or any of its subsidiaries (excluding retention of title liens);
- (g) making any borrowing (which shall include (i) guarantees given by a third party in favour of the Company and/or its subsidiaries and (ii) finance leases) to the extent that following such borrowing the aggregate borrowing of the Company and its subsidiaries will exceed £250,000;
- (h) without prejudice to the restrictions in Article 9.14(y), making any capital expenditure (other than any such expenditure which is specified in an annual budget) committing the Company (or as the case may be a subsidiary) to capital expenditures in excess of £250,000 in aggregate in any twelve month period;
- (i) forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (whether incorporated or not);
- (j) amalgamating with any other company or business undertaking;
- (k) carrying out any corporate reorganisation or merger or entering into any arrangement under which effective control of the Company or its business passes to a third party;
- (l) without prejudice to the restrictions in Article 9.14(y), entering into any contract, arrangement or commitment (other than for capital expenditure) for the supply of goods and services (other than by persons as employees) to the Company and its subsidiaries in excess of £250,000 other than any such contractual arrangement or commitment which is specified in an annual budget;
- (m) selling, transferring, leasing, assigning, licensing or disposing of a material part of the undertaking, property or other assets of the Company or (as the case may be) the relevant subsidiary or contract to do so in a single transaction or a series of transactions;
- (n) dismissing, employing or entering into employment contracts with any actual or proposed director or senior employee of the Company or any of its subsidiaries or increasing any employee's total remuneration package to be in excess of £75,000 per annum;

- (o) passing any resolution to liquidate, dissolve, wind-up, consolidate, merge or sell the Company or (as the case may be) the relevant subsidiary or any business of the foregoing;
- (p) giving any guarantee or indemnity to secure the liabilities or obligations of any person;
- (q) altering the provisions of the Articles or the Memorandum of Association;
- (r) entering into any agreement to acquire another business entity (or its assets) or a division thereof when the aggregate of the consideration paid and liabilities assumed is in excess of £300,000;
- (s) entering into any transaction, or series of transactions, the effectuation of which would result in either (i) 50% or more of the equity share capital existing as at the date of adoption of these Articles being transferred from the holders (as at the date of adoption of these Articles) or (ii) 50% of the equity share capital (from time to time) being transferred;
- (t) conducting any business which is materially different from the current business of the Company;
- (u) appointing auditors of the Company (other than the re-appointment of an existing auditor);
- (v) *approving the Company's annual operating and capital expenditure budget;*
- (w) declaring or distributing any dividend or other payment out of the Company's distributable profits (except, to the extent that (i) the Preference Dividend due and payable to the holders of the Preference Shares pursuant to Article 9.1 has been paid, (ii) the Company has complied with its obligations under Article 9.7 and (iii) any proposed dividend or distribution is made pro rata to the holders of both Ordinary Shares and Preference Shares (as if each Preference Share had been converted into an Ordinary Share in accordance with Article 9.1.6));
- (x) instigating or settling any litigation or arbitration proceedings by the Company (or any subsidiary undertaking) when the amount claimed exceeds £500,000;
- (y) either (i) making any capital expenditure or making any commitment to make any capital expenditure or (ii) incurring or committing to incur any outgoings or expenses which are in excess of the average monthly outgoings and expenses for that type of expense and outgoing in the previous financial year, unless in either case an operating and capital expenditure budget for the relevant financial year has been approved (in accordance with Article 9.14(v)).

Transfer of Shares

10. Except for a transfer of Ordinary Shares made in accordance with Articles 11 to 17 (inclusive) or previously approved in writing by all the holders of Ordinary Shares

from time to time, none of the Ordinary Shares shall be transferred and the Directors shall not register any transfer of the Ordinary Shares except one made in accordance with Articles 11 to 17 (inclusive).

11. Every member who wishes to transfer any of his Ordinary Shares (such member being hereinafter referred to as "**Vendor**") shall serve on the Directors a written notice (a "**Transfer Notice**") of his desire to transfer his Ordinary Shares which notice shall be accompanied by the relevant share certificates. Such Transfer Notice shall:
- (a) state the number of Ordinary Shares which the Vendor wishes to transfer (hereinafter called the "**Sale Shares**");
 - (b) give full details of all the terms (hereinafter called the "**Sale Terms**") on which the Vendor wishes to transfer the Sale Shares (including details of the price);
 - (c) give details of the person (hereinafter called the "**Proposed Transferee**") to whom the Vendor wishes to transfer the Sale Shares in the event that no holder of Shares who wishes to purchase the same shall have been found pursuant to Articles 12 and 13; and
 - (d) constitute the Directors as the Vendor's agents for the sale of the Sale Shares.

Offer Round Procedure

12. (a) Within 7 days after a Transfer Notice has been received by the Directors, the Directors shall offer the Sale Shares to (a) the holders of the then existing Ordinary Shares and (b) the holders of Preference Shares (as if each Preference Share had been converted to an Ordinary Share in accordance with Article 9.9) pro rata as nearly as may be in proportion to the numbers of Ordinary Shares (as if each Preference Share had been converted to an Ordinary Share in accordance with Article 9.9) then held, or deemed to be held, by each of them (hereinafter called the "**Offerees**") and such offer (hereinafter referred to as the "**Original Offer**") shall:
- (i) give written details of the Sale Terms and the Proposed Transferee; and
 - (ii) invite each Offeree to state in writing within 21 days from the date of the offer notice (hereinafter called "**the Offer Period**") whether he is willing to purchase any of the Sale Shares on the Sale Terms and, if so, the maximum number of them.
- (b) At the expiration of the Offer Period those Sale Shares not taken up by the Offerees (hereinafter referred to as "**the Further Offer Shares**") shall be offered to those Offerees who have taken up all the Sale Shares offered to them pursuant to the Original Offer. Such further offer (hereinafter referred to as the "**Further Offer**") shall be on the Sale Terms and shall remain open

for not less than 14 days (hereinafter referred to as the "**Further Offer Period**").

- (c) The recipients of the Further Offer shall be entitled:
 - (i) to purchase Further Offer Shares in proportion as nearly as the circumstances admit to the number of Ordinary Shares (as if each Preference Share had been converted to an Ordinary Share in accordance with Article 9.9) then held, or deemed to be held, by each of them respectively as against other members to whom the Further Offer is being made; and
 - (ii) to offer to purchase any Shares not taken up as a result of the Further Offer (hereinafter referred to as the "**Excess Shares**").
 - (d) If all the recipients of the Further Offer do not accept such offer in full any offers to purchase the Excess Shares made in accordance with paragraph (c)(ii) above shall be accepted as nearly as may be in proportion to the number of Ordinary Shares (as if each Preference Share had been converted to an Ordinary Share in accordance with Article 9.9) held, or deemed to be held, by each member offering to purchase all or any of the Excess Shares.
 - (e) the pre-emption rights referred to in Article 12(a) to (d) above shall automatically terminate on a Listing.
13. The Directors shall on the expiration of the Offer Period and (if relevant) the Further Offer Period notify to the Vendor of whether (and if so which) members are together willing to purchase on the Sale Terms all (but not some only) of the Sale Shares and the Vendor shall be bound on both the receipt of the sale consideration and (if applicable) the relevant purchaser otherwise complying with the Sale Terms, to transfer the relevant Sale Shares to the relevant purchasers specified by the Directors in accordance with this Article. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Directors when against payment of the sale consideration, compliance with the Sale Terms and the payment of any relevant stamp duties, the purchaser(s) shall (subject to Article 17) be registered as the holder of the relevant Sale Shares in the Register of Members of the Company and share certificate(s) in the name(s) of such purchaser(s) and in respect of the relevant Sale Shares shall be delivered to them.
14. If the Vendor, after having become bound to transfer any Sale Shares to a purchaser, makes default in so doing, the Directors shall authorise some person to execute any necessary transfers of the Sale Shares in favour of the purchaser or purchasers and shall enter the name(s) of the purchaser(s) in the Register of Members as the holder(s) of such of the Sale Shares as shall have been transferred to them as aforesaid. The Company shall receive the purchase money on behalf of the Vendor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to any purchaser who shall not be bound to see to the

application thereof and after the name of the purchaser has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

15. Where a Transfer Notice has been served under Article 11, if by the end of the Offer Period and (if applicable) the Further Offer Period the Directors shall not have found purchasers for all (but not some only) of the Sale Shares at the Sale Price and on the Sale Term, the Vendor shall be at liberty to sell and transfer all (but not some) of the Sale Shares at any time within the following two months of the Proposed Transferee on the Sale Terms but not on any less onerous terms.
16. (a) The provisions of Articles 11 to 15 (inclusive) shall not apply to:
- (i) any transfer by a member to a privileged relation of such member;
 - (ii) any transfer by the personal representatives of a deceased member to any widow, widower, or child or remoter issue or parent or brother or sister of such deceased member;
 - (iii) any transfer to trustees to be held on the trusts of a family settlement;
 - (iv) any transfer to a company that is a member of the same Group as the transferor provided that if such transferee whilst holding shares in the company ceases to be a member of the same Group as the transferor it shall forthwith transfer the shares back to the original transferor or to another member of the said Group. In the default thereof a Transfer Notice pursuant to Article 11 shall be deemed to have been given on the date that such relationship ceased; and
 - (v) in the case of a member which holds Ordinary Shares as nominee or trustee for a limited partnership, unit trust or limited liability company which is primarily a vehicle for institutional investors:
 - (i) to another nominee or trustee for the limited partnership, unit trust or limited liability company;
 - (ii) on a distribution in kind under the relevant limited liability company agreement, partnership agreement or trust deed, to the members of the limited liability company or the partners of the limited partnership or any person controlling or controlled by or under common control with any members, limited partners or general partners, as the case may be, (including any nominee of any member, limited partner or general partner) or the holders of units in the unit trust or their nominees; or
 - (iii) to a nominee or trustee for a limited partnership, unit trust or investment trust which is primarily a vehicle for institutional investors and which is advised or managed by the adviser or manager of the former limited partnership or unit trust.

(b) For the purpose of this Article:

- (i) "privileged relation" means and includes husband or wife or widower or widow and all lineal descendants and ascendants in direct line and brother and sisters (including the husband or wife or widower or widow of any of the above persons).
- (ii) where shares have been transferred under Article 16(a)(iii) to trustees, the relevant shares may on a change of trustees be transferred to the trustees for the time being of the trusts concerned and Article 16(a)(i) shall be deemed to permit transfers of any of the relevant shares to privileged relations of the member or former member concerned rather than to privileged relations of any such trustee. If and whenever any of the relevant shares come to be held otherwise than on family trusts (otherwise than in connection with a transfer by the trustees authorised under this Article) the trustees shall be bound to notify the Directors in writing forthwith that such event has occurred and, if and when required in writing by the Directors so to do, to give a Transfer Notice (as defined in Article 11) in respect of the shares concerned.
- (iii) "family settlement" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which no immediately beneficial interest in the shares in question is for the time being vested in any person other than a particular member or deceased or former member and his privileged relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees of the member concerned or a privileged relation of such member.
- (iv) "the relevant shares" means and includes, so far as the same remain for the time being held by the trustees, the shares originally transferred and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them or the membership thereby conferred.
- (v) Group means the transferor any subsidiary or holding company of the transferor (as defined in Sections 736 and 736A of the act) together with any subsidiary or any such holding company.

17. Notwithstanding anything contained in these Articles, there shall be no transfer of any Ordinary Share to the extent that (a) the Company has a lien over that Ordinary Share or (b) the intended transferee has not entered into an agreement to be bound by the Shareholders Agreement in the form required by that agreement.

Variation of Rights

18. The rights attached to the Ordinary Shares may, whether or not the Company is or is about to be wound up, be varied or abrogated with the prior consent in writing of the holders of eighty five per cent of the Ordinary Shares for the time being in issue or with the sanction of an Extraordinary Resolution passed at a general meeting of the holders of Ordinary Shares. To every such meeting the provisions of these Articles with respect to notice of and proceedings at general meeting shall mutatis mutandis apply.

Proceedings at General Meeting

19. No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two members personally present shall be a quorum for all purposes.
20. The Chairman at every general meeting of the Company shall be a Director and shall be appointed by the Directors. The Chairman shall not have a casting vote.

Directors

21. The Directors shall not be less than three in number.
22. The Company may by ordinary resolution and the Directors may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director. The holders of a majority of the Preference Shares may appoint and remove the Investor Director. Appointments and removals shall be made by notice served on the Company. Upon the initial appointment of the Investor Director being made, the number of directors shall at no time exceed nine (including the Investor Director). A person voting against a resolution under section 303 of the Act to remove the Investor Director is deemed, in respect of that resolution, to have five times the votes of a person voting in favour of the resolution and Article 54 of Table A in the Act is modified accordingly. All actions of the board shall require majority approval. The holder of a majority of the Preference Shares may appoint a person (or persons) to observe board meetings on behalf of the holders of Preference Shares ("**Observers**"). A single Observer may be appointed where there has been an appointment of the Investor Director, and two Observers may be appointed where there has been no appointment of an Investor Director. The Observer(s) shall have the right to receive all notices and information provided to directors together with prior written notices of any transaction being effected by written notice in lieu of a meeting. The holders of a majority of the Preference Shares shall have the right for an Observer to attend each of the Company's audit and compensation committees. All directors and Observers shall be reimbursed for all reasonable out-of-pocket expenses incurred in connection with attendance at Board meetings. The holders of the Preference Shares shall procure that an Observer shall enter into confidentiality obligations acceptable to the Board (acting reasonably) in respect of any information an Observer receives as a consequence of such role prior to an Observer undertaking such role.

23. A Director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any general meeting and at any separate general meeting of the holders of any class of shares in the capital of the Company.

Borrowing Powers

24. The Directors may exercise all powers of the Company to borrow or raise money or to guarantee and to mortgage or charge its undertaking property assets and rights and uncalled capital or any part thereof and, subject to the provisions of the Act, to create and issue debentures, debenture stock, mortgages, charges and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Powers and Duties of Directors

25. Subject to the provisions of the Act, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with the other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place or profit (other than the office of Auditors of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor.
26. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for a purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him.
27. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office with the Company or to his widow or dependants and make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

Disqualification of Directors

28. The office of a Director shall be vacated:
- (a) if by notice in writing to the Company he resigns the office of Director;
 - (b) if he shall for more than 6 months have been absent without permission of the Directors from meetings of the Directors held during that period, unless he

shall have appointed an alternate Director who has not been similarly absent during such period;

- (c) if he becomes bankrupt or enters into any arrangement with his creditors generally;
- (d) if he is prohibited from being a Director by an order made under any provision of the Act or any other Act of Parliament;
- (e) if he is removed from office under Section 303 of the Act.

Alternate Directors

- 29. Each Director shall have the power to nominate any other Director or any person approved for that purpose by Resolution of the Directors to act as alternate Director at meetings of the Directors in his place during his absence and, at his discretion, to revoke such nomination.
- 30. Any appointment or removal of an alternate Director shall be effected by an instrument in writing delivered at the registered office of the Company and signed by the appointor.
- 31. An alternate Director shall on the terms provided in Article 41 be entitled to receive notice of meetings of the Directors and to attend and vote at any such meeting and to perform thereat all the function of this appointor. An alternate Director shall have one vote for each Director he represents, in addition to his own vote if he is a Director, but he shall not be counted more than once in the quorum. If his appointor is for the time being absent from the United Kingdom or otherwise not available the appointee's signature to any resolution in writing for the Director's shall be as effective as the signature of his appointor. An alternate Director shall be deemed to be a Director for the purpose of signing instruments to which the seal is affixed and regulation 101 of Table A shall be modified accordingly. Save as aforesaid, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purpose of these Articles.
- 32. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company 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.
- 33. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director.

Proceedings of Directors

34. The Directors shall meet together for the dispatch of business at least once every 2 months and they shall adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. Four Directors shall be a quorum and not less than 7 days notice shall be given of any meeting of the Directors to all the Directors and the Observer (if appointed) save where a majority of the Directors (including the Investor Director (or if an Investor Director is not appointed) the Observer) agree otherwise.
35. The written resolution referred to in regulation 93 of Table A may consist of several documents in a like form each signed by one or more of the Directors.
36. The Directors shall not be liable to retire by rotation.
37. Any Director may participate in a meeting of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting in this manner shall be deemed to constitute presence in person at such meeting.
38. The continuing Directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies.

Managing or Executive Directors

39.
 - (a) The Directors may from time to time appoint one or more of their number to an executive office (including that of Managing Director, Manager or any other salaried office) for such period and upon such terms as shall be thought fit, and subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed as a Managing Director shall (without prejudice to any claim he may have for damage for breach of any contract of service between him and the Company) ipso facto cease to be Managing Director if he ceases from any cause to be a Director.
 - (b) The Managing Director, Manager or other executive officer as aforesaid shall receive such remuneration whether by way of salary, commission or participating in profits or otherwise (either in addition to or in lieu of his remuneration as a Director) as the Directors may determine.
 - (c) The Directors may entrust to and confer upon a Managing Director, Manager or other executive officer as aforesaid any of the powers exercisable by them upon such terms and conditions with such restrictions as they think fit and may from time to time withdraw, alter or vary all or any of such powers.

Capitalisation of Profits and Reserves

40. The Company in general meeting may on the recommendation of the Directors and subject to the proviso hereinafter contained resolve to capitalise any part of the amount

for the time being standing to the credit of any of the Company's reserve accounts or profit and loss or share premium account or any other amount which is available for distribution and it is not required for payment of dividends on any shares carrying a preferential right to dividend and to resolve that such sum be applied either in or towards paying up any amount for the time being unpaid on any shares held by the members of the Company who would have been entitled to such sum if distributed by way of dividend and in the same proportions or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

Provided that a share premium account or a capital redemption reserve and any reserve or profit and loss account which is not available for distribution may, for the purposes of this Article, only be applied in paying up in full unissued shares to be allotted to members of the Company as fully paid bonus shares.

Notices

41. It shall be necessary to give notice of any meeting of the Directors to all Directors and alternate Directors (and to the Observer(s), where appointed) except any absent for the time being from the United Kingdom who have either (a) (in the case of Directors) nominated a person resident in the United Kingdom as an alternate Director pursuant to these Articles or (b) failed to furnish the Company with an e-mail or facsimile address abroad to which such notices may be forwarded.

Indemnity

42. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the 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 727 of the Act in which relief is granted to him by the Court, and no 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 execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.