

Company Number: 3900345

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
SPECIAL RESOLUTION
of
FREEDOM FINANCE HOLDINGS LIMITED
(Passed on 7th December 2006)

At the extraordinary general meeting of the Company duly convened and held at Freedom House on 7th December 2006 the following resolutions were passed as an ordinary resolution and a special resolution respectively:

ORDINARY RESOLUTIONS

1. The authorised share capital of the capital of the Company be increased from £10,700 to £10,800 by the creation of 1000 D4 ordinary shares of £0.10 each all having the rights and being subject to the restrictions attached to them by the new articles of association adopted below;
2. The Board is generally and unconditionally authorised (for the purposes of section 80 of the Companies Act 1985) to allot relevant securities PROVIDED THAT the authority hereby granted to the Board shall not permit the Board to allot relevant securities in an amount which is in excess of the unissued share capital of the Company and that this authority shall, unless renewed, expire on the date five years from the date hereof.

SPECIAL RESOLUTIONS

3. The Board is hereby authorised to allot the relevant securities pursuant to the general authority conferred by Resolution 2 above as if Section 89(1) of the Act did not apply to any such allotment.
4. That the new articles of association of the Company produced to the meeting and for the purposes of identification initialled by the Chairman be and they are hereby adopted as the new articles of association of the Company in place of and to the exclusion of the existing articles of association of the Company.

.....
Chairman



Company number: 3900345

Julian. A. J.

THE COMPANIES ACTS 1985 TO 1989
PRIVATE COMPANY HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
OF
FREEDOM FINANCE HOLDINGS LIMITED

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Halliwells

(Company number: 3900345)

THE COMPANIES ACTS 1985 to 1989
PRIVATE COMPANY HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
(adopted by special resolution passed on 20 March 2000
and amended by special resolution passed on 7TH DECEMBER 2004)*
of
FREEDOM FINANCE HOLDINGS LIMITED

PRELIMINARY

1 Definitions and Interpretation

- 1.1 In the interpretation, of these articles, the headings shall not affect the construction and, unless the context otherwise requires, the following words and expressions shall bear the following meanings:

"Accumulated EBITDA"

means the accumulated EBITDA as shown by the consolidated audited accounts for the 3 Financial Years ending 30 April 2003;

"acting in concert"

shall have the meaning set out in the City Code on Takeovers and Mergers;

"the Acts"

means the Companies Act 1985 (including amendments made thereto by the Companies Act 1989), the Companies Act 1989, and in either case any statutory modification, amendment, variation or re-enactment thereof for the time being in force;

"Agreement"

means a subscription and shareholders' agreement dated 21 March 2000 made between (1) the Company, (2) the Managers (as therein defined), (3) Rupert Webb (4) JZI Finance Limited, as the same may be supplemented, varied or amended hereafter;

"Acquisition Agreement"

means the agreement entered into (or to be entered into) today between (1) the Sellers (as defined therein) and (2) the Company relating to the acquisition by the Company of Wilmslow Financial Services Limited together with any agreements to be entered into pursuant to it;

"Board"

means the board of directors of the Company from time to time or, as the context may require, any duly authorised committee thereof;

"Change of Control"

means the transfer (within the meaning of article 12.2) of shares in the Company as a result of which any person (or persons connected with each other, or persons acting in concert with each other) would obtain Control over or increase Control beyond that number of shares in the Company which in aggregate confers 20 per cent. or more of the voting rights normally exercisable at general

* The articles of association were also previously amended by special resolution on 16 January 2004.

meetings of the Company (**PROVIDED THAT** there shall be no Change of Control resulting from any transfer pursuant to article 13 or any transfer to any Subscriber (as defined in the Agreement) or the nominee for any such Subscriber or to any person who controls any such Subscriber from time to time);

"connected"

means in the context of determining whether one person is connected with another, shall be determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988;

"Control"

means the right, by virtue of holding shares in, or the possession of voting power in or in relation to, the Company or any other body corporate, to exercise or procure the exercise of the voting rights attached to the relevant shares;

"Credit Agreement"

means a credit facility of up to £8,500,000 between the Company as borrower and JZI Finance Limited as lender dated on or about the date of the original adoption of these articles;

"Deferred Shares"

means the Deferred Shares of £0.10 each in the capital of the Company, having the rights and being subject to the restrictions set out in article 6;

"Directors"

means the directors for the time being of the Company;

"EBITDA" has the meaning given to it in the Credit Agreement;

"Employee Trust"

means any trust established by the Company for the benefit of employees of the Company and/or any of its subsidiaries;

"Financial Year"

means an accounting period of 12 months (save for the first) in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Acts;

"Group"

means the Company and any company which is a subsidiary of the Company, a holding company of the Company or a subsidiary of such holding company;

"holder"

means, in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share;

"JZI"

means JZI Finance Limited;

"JZ Group"

means JZ International, its subsidiaries and any other entity or venture capital funds of which the shareholders of JZ International either manage, control, advise or own over 25%;

"JZ International"

means JZ International, LLC;

"Issue Price"

means, in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value thereof and any share premium thereon;

"Listing"

means the date of admission of any part of the share capital of the Company to the Official List of the London Stock Exchange or to trading on the Alternative Investment Market of the London Stock Exchange;

"London Stock Exchange"

means London Stock Exchange Limited;

"A Ordinary Shares"

means the A Ordinary Shares of £0.10 each in the capital of the Company;

"B Ordinary Shares"

means the B Ordinary Shares of £0.10 each in the capital of the Company;

"C Ordinary Shares"

means the C Ordinary Shares of £0.10 each in the capital of the Company;

"D Ordinary Shares"

means the D1 Ordinary Shares, the D2 Ordinary Shares, the D3 Ordinary Shares and the D4 Ordinary Shares;

"D1 Ordinary Shares"

means the D1 Ordinary Shares of £0.10 each in the capital of the Company;

"D2 Ordinary Shares"

means the D2 Ordinary Shares of £0.10 each in the capital of the Company;

"D3 Ordinary Shares"

means the D3 Ordinary Shares of £0.10 each in the capital of the Company;

"D4 Ordinary Shares"

means the D4 Ordinary Shares of £0.10 each in the capital of the Company;

"Ordinary Shares"

means the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares;

"Sale"

means the transfer (including any transfer within the meaning of article 12.2) (whether through a single transaction or a series of transactions) of shares in the Company as a result of which any person (or persons connected with each other, or persons acting in concert with each other) would have the legal or beneficial ownership over that number of shares in the capital of the Company which in aggregate would confer more than 50 per cent. or more of the voting rights normally exercisable at general meetings of the Company **PROVIDED THAT** there shall be no Sale as a result of any transfer pursuant to article 13 or to an Original Subscriber or to any person to whom an Original Subscriber could make a permitted transfer pursuant to article 13;

"Relevant Called Shareholder"

for the purposes of article 15.2, a Called Shareholder holding not less than 5% of the Ordinary Shares; and

"Table A"

means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052).

- 1.2 Words and expressions defined in or having a meaning provided by the Acts (but excluding any statutory modification not in force on the date of adoption of these articles) shall, unless the context otherwise requires, have the same meanings when used in these articles.

2 Table A

- 2.1 The regulations contained in Table A, save in so far as they are expressly excluded or varied by these articles, and the regulations contained in these articles shall together constitute the regulations of the Company.
- 2.2 The regulations of Table A numbered 24, 40, 73 to 77 (inclusive), 80, 96, 101 and 118 shall not apply to the Company.

SHARE RIGHTS

3 Authorised Share Capital

The authorised share capital of the Company at the date of adoption of these articles is £10,800, divided into:

- (a) 55,000 A Ordinary Shares;
- (b) 41,500 B Ordinary Shares;
- (c) 5,500 C Ordinary Shares;
- (d) 3,250 D1 Ordinary Shares;
- (e) 750 D2 Ordinary Shares;
- (f) 1,000 D3 Ordinary Shares; and
- (g) 1,000 D4 Ordinary Shares.

4 Capital

In the event of a winding up of the Company or other return of capital, the assets of the Company available for distribution to holders remaining after payment of all other debts and liabilities of the Company (and of the costs, charges and expenses of any such winding up) shall be distributed amongst the holders of the Ordinary Shares but not amongst the holders of the D Ordinary Shares who for the avoidance of doubt shall have no entitlement in this regard (in proportion to the numbers of Ordinary Shares held by them and for this purpose the proportion of the Ordinary Shares attributable to the D Ordinary Shares shall be ignored).

5 Conversion

- 5.1 (a) As soon as practicable following the audited accounts for the Financial Year ending 30 April 2003 having been finalised (the "Conversion Date") such number of A Ordinary Shares shall convert into the same number of Deferred Shares such that, immediately following conversion, (but prior to the Conversion Date) the A Ordinary Shares represent N per cent. (or as near thereto as shall avoid the creation of a fraction of an Ordinary Share)

of the ordinary share capital in issue immediately following conversion but prior to the Conversion Date.

- (b) The ordinary share capital in issue immediately following conversion shall, for the purpose of this article 5, be deemed to include any Ordinary Shares which may be issued after a Conversion Date pursuant to options, warrants or any other conversion or subscription rights issued or granted prior to the Conversion Date.

- 5.2 N shall be calculated by reference to the accumulated EBITDA in accordance with this article 5.2 and shall be determined by reference to the following table:

N	Accumulated EBITDA on Conversion Date (£)
50	27,000,000
51	24,300,000
52	21,600,000
53	18,900,000
54	16,200,000
55	13,500,000

If the Accumulated EBITDA falls between two figures in the above table the exact value of N shall be extrapolated on a straight line basis between those two figures.

- 5.3 Any conversion pursuant to the rights granted by this article 5 shall be made on the following terms:-

- (a) conversion shall take effect immediately on a Conversion Date at no cost to the relevant holders and the shares to be converted shall be apportioned rateably (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the holders of shares of that class;
- (b) forthwith after the Conversion Date the Company shall issue to the persons entitled thereto certificates for the Deferred Shares (as the case may be) resulting from the conversion and the certificates for the shares falling to be converted shall be deemed invalid for all purposes and the relevant holders shall be bound to deliver the same to the Company for cancellation; and
- (c) where any A Ordinary Shares are converted in accordance with article 5.1 the relevant holders shall be bound to deliver the certificates therefor to the Company for cancellation.

6 Deferred Shares and D Ordinary Shares

- 6.1 The rights attached to and imposed on the Deferred Shares are as follows:-

- (a) **Income and Capital**

The Deferred Shares shall not confer on the holders thereof any entitlement to any participation in the profits or the assets of the Company.

(b) **Voting**

The Deferred Shares shall not confer on the holders thereof any entitlement to receive notice of or to attend or vote at any general meeting of the Company.

6.2 Conversion of A Ordinary Shares in accordance with article 5 shall be deemed to confer an irrevocable authority on the Company, at any time thereafter:-

- (a) to appoint any person to execute (on behalf of the holders of the Deferred Shares) a transfer thereof and/or an agreement to transfer the same for no consideration to such person or persons as the Company may determine as custodian thereof; and/or
- (b) to purchase the same (in accordance with the provisions of the Acts) for not more than an aggregate sum (for all the Deferred Shares) of 1p, without any requirement to obtain the consent or sanction of the holders and, for the purposes of such purchase, to appoint a person to execute (on behalf of the holders of the Deferred Shares) a contract for the sale to the Company of any Deferred Shares held by any such holders; and/or
- (c) pending such transfer and/or purchase, to retain the certificates for such Deferred Shares.

6.3 The rights attached to and imposed on the D Ordinary Shares are as follows:

(a) **Income and Capital**

The D Ordinary Shares shall not confer on the holders thereof any entitlement to any participation in the profits or the assets of the Company. For the avoidance of doubt, the holders of the D Ordinary Shares shall not at any time be entitled to any dividend declared by the Company and no dividend shall be declared in their favour. In the event of any reduction or return of capital or purchase of own shares involving the Ordinary Shares, the holders of D Ordinary Shares shall, if required by the Company, also participate pro-rata but shall only be entitled to receive nominal consideration.

(b) **Voting**

The D Ordinary Shares shall not confer on the holders thereof any entitlement to receive notice of or to attend or vote at any general meeting of the Company.

7 **Sale of the share capital of the Company**

In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale (unless all the selling holders immediately prior to such Sale have agreed to the contrary for the purposes of this article 7) the selling holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst the holders of the Ordinary Shares in proportion to the numbers of Ordinary Shares held by them.

8 **Special directors and Rupert Webb directors**

- 8.1 For so long as any member of the JZ Group holds any shares it shall, and thereafter the holders of the A Ordinary Shares (acting by simple majority in nominal value of such shares) (subject to the approval of Rupert Webb to the identity of the persons, such approval not to be unreasonably withheld or delayed), have the right from time to time to appoint up to 3 persons to be non-executive directors of the Company (each, a "**Special Director**") and to remove from office any persons so appointed and to appoint another person in his place. Any Special Director shall have the right to be appointed as a non-executive director of each subsidiary of the Company and to be appointed to (i) any committee or sub-committee of or established by the Board (or any committee thereof) and (ii) any committee or sub-committee of or established by the board of directors of any subsidiary.
- 8.2 For so long as Rupert Webb holds any B Ordinary shares he shall (subject to the approval of the Special Directors to the identity of the persons, such approval not to be unreasonably withheld or delayed), have the right from time to time to appoint up to 3 persons to be directors of the Company (each a "**Webb Director**") and to remove from office any persons so appointed and to appoint another person in his place. Any such director shall have the right to be appointed as a director of each subsidiary of the Company and to be appointed to (i) any committee or sub-committee of or established by the Board (or any committee thereof) and (ii) any committee or sub-committee of or established by the board of directors of any subsidiary.
- 8.3 On any resolution to remove a director appointed pursuant to this article 8, or to amend or alter this article 8 (or to alter its effect), shares held by the relevant appointor(s) shall together carry at least one vote in excess of 75 per cent, of the votes exercisable at the general meeting at which such resolution is to be proposed (and such votes shall be apportioned amongst the appointers in the proportion in which they hold shares conferring the right to appoint such directors).
- 8.4 Any appointment or removal pursuant to article 8.1 or 8.2 shall be in writing served on the Company and signed by the relevant holder(s). Such appointment or removal (which may consist of several documents) may be signed by or on behalf of any such holder by any director or the secretary of such holder (if a corporation), by its duly appointed attorney or by its duly authorised representative (if a corporation).
- 8.5 For so long as any member of the JZ Group holds any shares it shall, and thereafter the holders of the A Ordinary Shares (acting by simple majority in nominal value of such shares) shall (subject to the approval of Rupert Webb to the identity of that person, such approval not to be unreasonably withheld or delayed), have the right from time to time to appoint one of the Special Directors to be the chairman (who shall have a casting vote in all proceedings of the Board) of the Company and to remove from office any person so appointed and to appoint another person in his place. Any director appointed pursuant to this article 8.5 shall have the right to be appointed as chairman of each subsidiary of the Company and to be appointed to (i) any committee or sub-committee of or established by the Board (or any committee thereof) and (ii) any committee or sub-committee of or established by the board of directors of any subsidiary.

Variation of rights

Whenever the share capital of the Company is divided into different classes of share, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up), either (i) with the consent in writing of the holders of more than three-fourths of the issued shares of that class, or (ii) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall, mutatis mutandis, apply except that (i) the necessary quorum shall be two persons, present in person or by proxy or by duly authorised representative (if a corporation), who together hold or represent at least one-third in nominal value of the issued shares of the relevant class (unless all the shares of that class are registered in the name of a single holder, in which case the quorum shall be that holder, his proxy or duly authorised representative (if a corporation)), but so that if, at any adjourned meeting of such holders, such a quorum is not present, then those holders who are present shall be a quorum, (ii) any holder of shares of the relevant class present in person or by proxy or by duly authorised representative (if a corporation) may demand a poll, and (iii) the holders of shares of the relevant class shall, on a poll, have one vote in respect of every share of that class held by each of them.

Subscription Rights

10.1 Notwithstanding any other provision of these articles, and subject to any direction or authority contained in any resolution of the Company, the Board is generally and unconditionally authorised (for the purposes of section 80 of the Companies Act 1985) to allot relevant securities **PROVIDED THAT** the authority hereby granted to the Board shall not permit the Board to allot relevant securities in an amount which is in excess of the unissued share capital of the Company immediately following the date of adoption of these articles.

10.2 Save in respect of any rights granted or to be granted over, or any allotment of, Ordinary Shares pursuant to the Agreement or any allotment of the D Ordinary Shares, all shares which the Company proposes to allot wholly for cash shall first be offered for subscription to the holders of the Ordinary Shares in the proportion that the aggregate nominal value of such shares for the time being held by each such holder bears to the total number of such shares in issue. Such offer shall be made by notice in writing specifying the number of shares to which the relevant holder is entitled and limiting a time (being not less than four weeks) within which the offer (if not accepted) will be deemed to have been declined. Holders who accept the offer shall be entitled to indicate that they would accept, on the same terms, shares (specifying a maximum number) which have not been accepted by other holders ("**Excess Shares**"). Any Excess Shares shall be allotted to holders who have indicated they would accept Excess Shares. Excess Shares shall be allotted pro rata to the aggregate number of Ordinary Shares held by holders accepting Excess Shares (provided that no such holder shall be allotted more than the maximum number of Excess Shares such holder has indicated he is willing to accept). After the expiration of such time, or upon receipt by the Company of an acceptance or refusal of every offer so made, the Board shall be entitled to dispose of any shares so offered, and which are not required to be allotted in accordance with this article 10.2, in such manner as the Board may think most beneficial to the Company. If, owing to the inequality of the number of new shares to be issued and the number of shares held by holders entitled to receive the offer of new shares, any difficulties shall arise in the

apportionment of any such new shares amongst the holders such difficulties shall (in the absence of direction by the Company) be determined by the Board. The provisions of section 89(1) and section 90(1) to (6) (inclusive) of the Companies Act 1985 shall not apply to the Company.

11 Voting rights

- 11.1 Regulation 54 of Table A shall be modified in accordance with the following provisions, of this article 11.
- 11.2 A proxy shall be entitled to vote on a show of hands.
- 11.3 Without prejudice to article 8, on a poll every holder (save for a holder of D Ordinary Shares) shall have one vote for every Ordinary Share of which he is the registered holder and which is fully paid.

TRANSFER OF SHARES

12 General

- 12.1 No transfer of any share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these articles and the transferee has, if so required by the terms of the Agreement or otherwise, first entered into an appropriate supplemental agreement (by way of deed) pursuant to the Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of shares on which the Company has a lien or (ii) the Board is otherwise entitled to refuse to register such transfer pursuant to these articles.
- 12.2 For the purposes of these articles the following shall be deemed (but without limitation) to be a transfer by a holder of shares in the Company:-
 - (a) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
 - (b) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing.

13 Permitted Transfers

- 13.1 Any holder being a body corporate shall be entitled to transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "**Group Company**") but if a Group Company whilst it is a holder of shares in the Company shall cease to be a Group Company in relation to the body first holding the relevant shares following their allotment or following a transfer made in accordance with this article 13 (otherwise than pursuant to this article 13.1) it shall, within 21 days of so ceasing, transfer the shares held by it to such body or any Group Company of such body and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to articles 14 and 16.
- 13.2 Subject as herein provided any holder who is an individual (the "**Original Member**") may transfer all or any of his shares or any beneficial interest therein

for whatever consideration to his or her spouse or adult children or adult step children or to the trustee or trustees (the "**Trustees**") of a family trust set up wholly for the benefit of one or more of the transferor his or her spouse, children or step children and of which the said holder is the settlor (each a "**Permitted Transferee**") and a Permitted Transferee may transfer to another Permitted Transferee.

- 13.3 Trustees may (i) transfer all or any of their shares to a company which is their wholly owned subsidiary and which is controlled by them **PROVIDED THAT** if any such company, while it is a member of the Company, shall cease to be such a wholly-owned subsidiary and/or so controlled it shall, within 21 days of so ceasing, transfer the shares held by it back to the Trustees or to a company which is such a wholly-owned subsidiary and so controlled failing which it or the relevant holder (if different) shall be deemed to have given a Transfer Notice pursuant to articles 14 and 16 or (ii) transfer all or any of their shares to the Original Member or other beneficiaries of the family trust of which they are the trustees; **PROVIDED THAT**, in any such case, a member acquiring shares pursuant to this article 13.3 shall not have the like right unless the transfer is to a person to whom such Trustees or the Original Member could have made a transfer pursuant to this article 13.3 and **PROVIDED FURTHER THAT**, in the event that the Original Member ceases to be a director or employee of the Company or a director or employee of any subsidiary of the Company, such shares held by such person, company, beneficiary, Trustee and/or trustee shall be subject to the provisions of articles 14 and 16 as if they still constituted part of the Original Member's holding.
- 13.4 Any person holding shares transferred to him pursuant to article 13.2 or 13.3 shall be deemed to have irrevocably appointed the Original Member as his proxy in respect of such shares and no instrument of appointment shall be necessary to be deposited with the Company or any subsidiary of the Company.
- 13.5 Any holder may at any time transfer any shares in accordance with the provisions of the Acts to the Company.
- 13.6 Any holder may at any time transfer all or any of his shares to any other person with the prior written consent of 75% of the other holders of the Company for the time being and such consent shall be deemed to have been given in respect of any transfer of shares by the Subscribers (as defined in the Agreement) permitted by the Agreement.
- 13.7 Any share held by or on behalf of an investment trust company (as defined for the purposes of the rules of the London Stock Exchange) whose shares are listed on the London Stock Exchange may be transferred to another such investment trust company (a "**transferee**"):-
- (a) whose shares are so listed; and
 - (b) which is managed by the same management company as the transferor or by a holding company of such management company or any subsidiary company of such holding company;

PROVIDED ALWAYS THAT if the above requirements cease to be satisfied in relation to the transferee it shall, within 21 days of so ceasing, transfer the shares previously transferred to it pursuant to this article 13.7 to the first mentioned investment trust company or such other company which, in relation to the first mentioned investment trust company, shall satisfy the requirements of articles 13.7(a) and (b) above, and, failing any such transfer, the transferee shall

be deemed to have given a Transfer Notice in respect of such shares pursuant to articles 14 and 16.

- 13.8 Any shares which are held by or on behalf of any collective investment scheme (within the meaning of section 75 of the Financial Services Act 1986, as the same may be amended, modified or replaced from time to time) may be transferred to participants (within the meaning of the said section, as the same may be amended, modified or replaced from time to time) in the scheme in question.
- 13.9 Any holder may transfer shares to a nominee or trustee for that holder alone and any such nominee or trustee of any person or persons may at any time transfer any shares to that person or persons or to another, nominee or trustee for that person or persons **PROVIDED THAT** no beneficial interest in such shares passes by reason of such transfer.
- 13.10 Any shares may be transferred pursuant to a Come Along Notice.

14 **Pre-emption**

- 14.1 Any holder (save for any holder of the D Ordinary Shares to whom the provisions of this article 14 shall not apply, except in the event of the operation of the provisions contained in article 15 or article 16) who wishes to transfer shares (the "**Seller**") otherwise than in accordance with article 13 shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:
- (a) the number and class(es) of shares which he wishes to transfer;
 - (b) the name of any third party to whom he proposes to sell or transfer the shares;
 - (c) the price at which he wishes to transfer the shares (which shall be deemed to be fair value as determined by the Independent Bank pursuant to article 17 if no price is specified) (the "**Transfer Price**"); and
 - (d) whether or not the Transfer Notice is conditional upon all, and not part only, of the shares so specified being sold pursuant to the offer hereinafter mentioned and, in the absence of such stipulation, it shall be deemed not to be so conditional.
- 14.2 Where any Transfer Notice is deemed to have been given in accordance with these articles, the deemed Transfer Notice shall be treated as having specified:-
- (a) that all the shares registered in the name of the Seller shall be included for transfer;
 - (b) that (subject to article 16) the price for the shares shall be as agreed between the Board (with the agreement of the remuneration committee of the Board) and the Seller or, failing agreement, shall be fair value as determined by the Independent Bank pursuant to article 17; and
 - (c) that no condition as referred to in article 14.1(d) shall apply.
- 14.3 The Transfer Notice shall constitute the Company the agent of the Seller for the sale of the shares specified therein (the "**Sale Shares**") at the Transfer Price.
- 14.4 (a) If any of the Sale Shares are Ordinary Shares, the Board with the approval of the Special Directors shall be entitled to invite any of the following to

acquire any of the Sale Shares which are Ordinary Shares at the Transfer Price:

- (i) the Company; or
 - (ii) any full-time employee of the Group or any person who is, or is to be, offered such employment (in which latter case, the acceptance of any such invitation shall be conditional on him becoming an employee); or
 - (iii) the Employee Trust.
- (b) Any such invitation under article 14.4(a) shall be on the basis that:
- (i) it must be made within 14 days of the date of the Transfer Notice and must be accepted or rejected (and, if not accepted, it will be deemed to have been rejected) within a further period of 14 days; and
 - (ii) if the invitation is not made or accepted in respect of all of the Sale Shares, and the Transfer Notice was subject to the condition referred to in article 14.1(d), then any acceptance shall be conditional on the balance of the Sale Shares being sold pursuant to the pre-emption provisions contained in the following provisions of this article 14.

- 14.5 (a) The Company shall as soon as practicable following receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price or, where later, but only in the case of a deemed transfer pursuant to article 16, upon the reason for the director or employee becoming a Departing Employee having been agreed or finally determined, give notice in writing to each of the holders of the Company informing them that the Sale Shares are available and of the Transfer Price. Such notice shall invite each holder to state, in writing within 42 days from the date of such notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares. Sale Shares of a particular class specified in column (1) below shall be treated as offered in the first instance to all other persons (other than the Seller) in the category of persons set out in the corresponding line of column (2) below in priority to all other classes of holder and, in so far as such offer shall not be accepted by such persons, shall be treated as having been offered to all of the holders of the classes of shares shown in column (3) below in that order of priority as regards acceptances:-

(1) Sale Shares	(2) Offered First to	(3) Offered Secondly to	(4) Offered Thirdly to
A Ordinary Shares	A Ordinary Shares	B Ordinary Shares	Employees and/or Employee Trust
B Ordinary Shares	B Ordinary Shares	A Ordinary Shares	Employees and/or Employee Trust
C Ordinary Shares	B Ordinary Shares	A Ordinary Shares	Employees and/or Employee Trust
D Ordinary Shares	A and B Ordinary Shares	C and D Ordinary Shares	Employees and/or Employee Trust

"Employees" means, for the purposes of this article 14.5, full time employees of the Company or any of its subsidiaries or a person (not being a full time employee) who is offered or is to be offered such employment.

Any offer to Employees or an Employee Trust shall only be made if so resolved by the Board and shall be for such number of Sale Shares as the Board may determine.

- (b) The Sale Shares shall be offered to each class of holder on terms that, in the event of competition, the Sale Shares offered shall be sold to the holders accepting the offer in proportion (as nearly as may be) to their existing holdings of shares of the class or classes to which the offer is made (the **"Proportionate Entitlement"**). It shall be open to each such holder to specify he is willing to purchase shares in excess of his Proportionate Entitlement (**"Excess Shares"**) and, if the holder does so specify he shall state the number of Excess Shares.
- (c) After the expiry of the offers to be made pursuant to article 14.5(a) (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in article 14.5(a)), the Board shall, in respect of each offer made to the categories of persons referred to in Columns (2), (3) and (4) in article 14.5(a), allocate the Sale Shares in the following manner:-
 - (i) if the total number of shares applied for is equal to or less than the available number of Sale Shares, the Company shall allocate the number applied for in accordance with the applications; or
 - (ii) if the total number of shares applied for is more than the available number of Sale Shares, each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied); applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which shares of the relevant class held by such holder bears to the total number of shares of that class held by all such holders applying for Excess Shares **PROVIDED THAT** such holder shall not be allocated more Excess Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an **"Allocation Notice"**) to the Seller and each of the persons to whom Sale Shares have been allocated (a **"Member Applicant"**) and shall specify in the Allocation Notice the place and time (being not later than 14 days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

- 14.6 Subject to article 14.7, upon such allocations being made as aforesaid, the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified. If he makes default in so doing the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller a transfer of the relevant Sale Shares to the Member Applicant and any Director

may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.

14.7 If the Seller shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold none shall be sold and if the total number of shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 28 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this article 14 shall be conditional upon such provision as aforesaid being complied with in full.

14.8 In the event of all the Sale Shares not being sold under the preceding paragraphs of this article 14 the Seller may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares (which have not been sold) to any person or persons at any price not less than the Transfer Price

PROVIDED THAT:-

- (a) the Board shall be entitled to refuse registration of the proposed transferee if (i) he is or is believed to be a nominee for a person reasonably considered by the Board to be a competitor or connected with a competitor of the business of the Company and/or its subsidiaries and (ii) if such transfer was registered any of the ordinary share capital of the Company would be held by or by nominees for competitors or persons connected with competitors of the business of the Company and its subsidiaries **PROVIDED THAT** the Board shall not be so entitled if the transfer is made pursuant to a Come Along Notice;
- (b) if the Seller stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Seller shall not be entitled, save with the written consent of all the other holders of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;
- (c) any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the buyer and, if not so satisfied, may refuse to register the instrument of transfer.

15 Transfer of control and come along option

15.1 If the effect of any bona fide transfer of any Ordinary Shares made between a willing buyer and a willing seller on arms length terms for cash or cash equivalent shall, if made and registered, result in there being a Change of Control, the holder(s) thereof (the "**Relevant Transferor(s)**") shall procure before the transfer is made and lodged for registration that the proposed transferee has unconditionally offered to the other holders to purchase all of the other issued Ordinary Shares (other than Ordinary Shares held by any holder who is

connected with or acting in concert with the proposed transferee) of the same class as those that the Relevant Transferor(s) has agreed to sell to the proposed transferee (and for this purpose the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares (but not the D Ordinary Shares) shall be treated as a single class) on the same terms and conditions as shall have been agreed between the Relevant Transferor and the proposed transferee and in respect of the D Ordinary Shares such other terms and conditions as are agreed between the Relevant Transferor and the proposed transferee. The offer shall remain open for acceptance for not less than 21 business days. No offer shall be required pursuant to this article 15.1 if a Come Along Notice has been served under article 15.2.

- 15.2 If the effect of any bona fide transfer of any Ordinary Shares made between a willing buyer and a willing seller on arms length terms for cash or cash equivalent would be that, if made and registered would result in a Sale, then the Relevant Transferor, or if more than one, any one of them shall have the right to require all the other holders of Ordinary Shares in the Company (other than any holder who is connected with or acting in concert with the proposed transferee(s) of the Ordinary Shares) (the **"Called Shareholders"**) to transfer within ten business days of demand being made by the Relevant Transferor by notice in writing to the Called Shareholders all (but not some only) of their Ordinary Shares of the same class as the Relevant Transferor(s) propose to transfer to the proposed transferee (and for this purpose A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares shall be treated as a single class) (**"Come Along Notice"**), such transfer to be at the same price and on the same terms and conditions as shall have been agreed between the Relevant Transferor(s) and the proposed transferee **PROVIDED THAT** if any of the Called Shareholders being a Relevant Called Shareholder serve notice in writing on the Relevant Transferor(s) within 20 business days of the Come Along Notice that he/they wish to purchase all the shares which the Relevant Transferor(s) is proposing to sell together with all of the Ordinary Shares held by the other Called Shareholders (the **"Remaining Called Shareholders"**) at the price and on the same terms and conditions as shall have been agreed between the Relevant Transferor(s) and the proposed transferee and together with such notice provide evidence of availability of funding in respect of such notice as the Relevant Transferor(s) may reasonably request within the same 20 business days which could then be completed within 3 months of the Come Along Notice (**"Relevant Called Shareholder Proposal"**), then that Called Shareholder shall not be required to transfer its Ordinary Shares to the proposed transferee and the Relevant Transferor(s) and the Remaining Called Shareholders shall transfer their Ordinary Shares to the Relevant Called Shareholder, such transfer to be at the price and on the same terms and conditions as shall have been agreed between the Relevant Transferor and the proposed transferee. If no Relevant Called Shareholder provides a Relevant Called Shareholder Proposal within 20 business days from the date of the Come Along Notice or they indicate within the same 20 business days that they will not be putting forward a Relevant Called Shareholder Proposal or pursuant to the Relevant Called Shareholder Proposal being accepted by the Relevant Transferor(s) an agreement for the sale of all the Ordinary Shares held by the Relevant Transferor(s) and the Remaining Called Shareholder(s) is not completed before the expiry of three months from the date of the Come Along Notice, the Relevant Transferor(s) shall be free to pursue the offer from the proposed transferee and require within ten business days of a further demand being made by notice in writing to the Called Shareholders all (but not some only) of their Ordinary Shares of the same class as the Relevant Transferor(s) propose to transfer to the proposed transferee (and for this purpose A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares shall be treated as a single class), such transfer to be at the same price and on the same terms and

conditions as shall have been agreed between the Relevant Transferor(s) and the proposed transferee. The right of the Relevant Transferor(s) to serve a Come Along Notice shall be exercised accompanied by copies of all documents reasonably required by the Called Shareholder to enable proper consideration and valuation of the price and the terms and conditions agreed between the Relevant Transferor and the proposed transferee and those documents required to be executed by the Called Shareholders to give effect to the required transfer.

- 15.3 If the Called Shareholders (or any of them) make default in transferring their shares pursuant to article 15.2, the provisions of article 14.5 (references therein to the Seller, Sale Shares, Allocation Notice and Member Applicant being read as references to the holder making such default, the shares in respect of which such default is made, the Come Along Notice and the proposed transferee respectively) shall apply to the transfer of such shares *mutatis mutandis* but the Transfer Price shall be the price offered for such shares as set out in article 15.2 and the provisions of article 14.6 shall not apply.
- 15.4 Immediately prior to any event giving rise to a Sale, the person(s) in favour of whom the Relevant Transferor(s) (and if applicable the Called Shareholders or the Remaining Called Shareholders, where such persons are not the holders of C Ordinary Shares or D Ordinary Shares) propose to transfer their respective shares shall be obliged to make a bona fide offer to purchase from the holders of the C Ordinary Shares and D Ordinary Shares those C Ordinary Shares and D Ordinary Shares held by each of them ("**Tag Along Offer**") and the Relevant Transferor(s) shall be obliged to procure this.
- 15.5 A Tag Along Offer shall be in writing, shall specify the price at which the C Ordinary Shares and D Ordinary Shares may be transferred (such transfer to be at the same price and on the same terms and conditions as shall have been agreed between the Relevant Transferor(s) and the proposed transferee as referred to in article 15.2), shall be open for acceptance for at least 21 days and shall be deemed to be rejected by any holder who has not accepted it in accordance with its terms within the time period prescribed for acceptance. The consideration payable pursuant to a Tag Along Offer shall be settled in full on completion of the sale and purchase of the relevant C Ordinary Shares and D Ordinary Shares and within 30 days of the date of the offer.
- 15.6 Following the acceptance of a Tag Along Offer by a holder of any of the C Ordinary Shares and D Ordinary Shares that holder shall be obliged to sell those shares held by it at the price specified in the Tag Along Offer and completion of this sale and purchase shall take place on the same date as the date of completion of the sale of the shares referred to in article 15.2.

16 **Compulsory Transfers**

- 16.1 Whenever any employee or director of the Company or any subsidiary of the Company or any individual who is otherwise having his services provided to the Company (the "Departing Employee") shall, for any reason, cease to be a director or employee of the Company or any subsidiary of the Company, or shall cease to have his services provided to the Company, or upon the business of the company of which he is a director or employee being sold by the Company or such subsidiary, or upon the subsidiary of which he is a director or employee being sold by the Company and, in either such case, he ceases to be a Director or employee of either the Company or any of its then remaining subsidiaries then (other than in the case of Rupert George Webb, if the reason for the person having become a Departing Employee is alleged to fall within any of paragraphs (i) to (vii) of article 16.3(a) and, in the case of Rupert George Webb, if the reason

for him becoming a Departing Employee is alleged to fall within either paragraph (i) or (ii) of article 16.3(b)) forthwith upon it having been agreed or established whether the circumstances which apply are as set out in any of either paragraphs (i) to (vii) of article 16.3(a) or, in the case of Rupert George Webb either paragraph (i) or (ii) of article 16.3(b) or not, or, (if the reason for the person having become a Departing Employee is not alleged to fall within any of paragraphs (i) to (vii) article 16.3 (a) or, in the case of Rupert George Webb either paragraph (i) or (ii) of article 16.3(b) forthwith upon the date of such cessation:-

- (a) such Departing Employee, in respect of all shares of whatever class then held by him;
- (b) any person or persons (or their nominees) to, whom shares formerly held by such Departing Employee have been transferred (whether or not by such Departing Employee) pursuant to article 13 (other than article 13.10), in respect of all shares so transferred;
- (c) any person or persons who, in relation to the Departing Employee, is or are a Trustee or Trustees (as defined in article 13.2) (or their nominees), in respect of all shares of whatever class then held by such Trustees; and
- (d) any person or persons (or their nominees) to whom shares formerly held by such Trustee(s) (or their nominees) have been transferred pursuant to article 13 (other than article 13.10) (whether or not by such Trustee(s) or their nominee(s)), in respect of all shares so transferred,

(all of such persons, inclusive of the Departing Employee, being the "**Retiring Members**") shall each give, or shall each be deemed to have given, a Transfer Notice to the Company indicating that he desires and/or they desire (as the case may be) to transfer all of his and/or their (as the case may be) share in the Company (the "**Transfer Shares**").

16.2 The price at which such shares may be required to be transferred pursuant to article 16.2 shall be no lower than as provided in this article 16.2 (but may be higher):

- (a) if the Departing Employee is not Rupert George Webb then:
 - (i) if the reason the Departing Employee becomes a Departing Employee is for one of the reasons set out in article 16.3(a)(i) to (vii), the price shall be the higher of the Issue Price and fair value at the date of cessation;
 - (ii) if the reason the Departing Employee becomes a Departing Employee is for any reason other than one of the reasons set out in article 16.3(a)(i) to (vii), the price shall be the lower of the Issue Price and fair value at the date of cessation; and
- (b) if the Departing Employee is Rupert George Webb then:
 - (i) if the date of cessation is before the third anniversary of the original date of adoption of these articles (being, for the avoidance of doubt, 20 March 2000) and the reason he becomes a Departing Employee is for one of the reasons set out in article 16.3(b), the price shall be £1,000,000;

- (ii) if the date of cessation is before the third anniversary of the original date of adoption of these articles (being, for the avoidance of doubt, 20 March 2000) and the reason he becomes a Departing Employee is for any reason other than one of the reasons set out in articles 16.3(b) the price shall be fair value; and
- (iii) if the date of cessation is after the third anniversary of the original date of adoption of these articles (being, for the avoidance of doubt, 20 March 2000) the price shall be fair value.

16.3 (a) The reasons mentioned in article 16.2(a) are:-

- (i) his death; or
- (ii) his ill health or permanent disability; or
- (iii) his retirement on reaching the later of age 60 and normal retirement age under the Departing Employee's service contract or other arrangements pursuant to which his services are provided; or
- (iv) his dismissal on the grounds of redundancy; or
- (v) his dismissal in circumstances which do not justify the summary dismissal or summary termination of the Departing Employee;
- (vi) his resignation after the third anniversary of the date of his service contract (or the commencement of other arrangements pursuant to which his services are provided to the Company and/or any subsidiary of the Company) (the "**Relevant Date**") except in the case of a holder of D1 Ordinary Shares the Relevant Date in respect of those shares shall be 30 September 2008, in the case of a holder of D2 Ordinary Shares the Relevant Date in respect of those shares shall be 30 September 2007, in the case of a holder of D3 Ordinary Shares the Relevant Date in respect of those shares shall be 1 January 2008 and in the case of a holder of D4 Ordinary Shares the Relevant Date in respect of those shares shall be 1 May 2010;
- (vii) the Board (with the consent of the Special Directors) so determines.

(b) The reasons mentioned in article 16.2(b) are:

- (i) material breach of any term of his service agreement directly or indirectly by reason of the voluntary act or omission of Rupert George Webb the consequences of which he is aware (or ought reasonably to have been aware) at the time of such act or omission would result in such breach and which, in the case of a breach capable of remedy, is not so remedied within 30 days of a written notice from the Board so to remedy;
- (ii) gross or persistent misconduct or serious misconduct likely to bring himself or the Group into disrepute;
- (iii) conviction of criminal offence involving fraud, theft or breach of trust; and
- (iv) his voluntary resignation.

16.4 For the purposes of this article 16,

"fair value" will be:

- (i) the amount, if any, proposed by the Board (with the prior consent of the Special Directors) if accepted by the Departing Employee; or
- (ii) if no value is proposed by the Board, or if the value proposed by the Board is not accepted by the Departing Employee, the fair value of the Transfer Shares as determined by an independent investment bank appointed by the Board (with the consent of the Special Directors) (the "**Independent Bank**") pursuant to article 17.

16.5 As from the date a Transfer Notice is deemed to have been given pursuant to and in accordance with article 16.1 until such time as the provisions of article 14 have been complied with in relation to the Transfer Shares comprised in the Transfer Notice the shares in respect of which such notice is given shall cease to entitle the holder thereof (or any proxy) to any voting rights (whether on a show of hands or on a poll) otherwise attaching to such shares or to the voting rights (whether on a show of hands or on a poll) otherwise attaching to any further shares issued in right of such shares or in pursuance of any offer made to the holder thereof whether such rights would otherwise have been exercisable at a general meeting of the Company or any separate meeting of the class in question.

16.6 The requirements of this article 16 may be waived in respect of any Retiring Member in whole or in part, and whether with or without any conditions, by the Board (with the prior consent of the Special Directors) **PROVIDED THAT** in relation to any such waiver made after 5 August 2003 then following such waiver any shares which continue to be held by a Retiring Member shall as from the date of such waiver cease to entitle the holder thereof (or any proxy) to any voting rights (whether on a show of hands or on a poll) otherwise attaching to such shares or to the voting rights (whether on a show of hands or on a poll) otherwise attaching to any further shares issued in right of such shares or in pursuance of any offer made to the holders thereof whether such rights would otherwise have been exercisable at a general meeting of the company or any separate meeting of the class in question.

16.7 The provisions of this article 16 shall not apply to any Ordinary Shares allotted and issued as a result of the exercise of an option under any share option scheme approved by the Inland Revenue pursuant to Schedule 9 of the Income and Corporation Taxes Act 1988 (as modified, amended, varied or re-enacted).

17 **Valuation of shares**

17.1 In the event that the Independent Bank is required to determine the price at which shares are to be transferred pursuant to these articles, such price shall be the amount the Independent Bank shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this article 17 is required), certify in writing to be the price which, in its opinion, represents a fair value for such shares as between a willing seller and a willing buyer as at the date the Transfer Notice or deemed Transfer Notice is given. In making such determination, the Independent Bank shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company.

17.2 In so certifying, the Independent Bank shall act as an expert and not as arbitrator and its decision shall be conclusive and binding on the Company and upon all of its holders for the purposes of these articles.

- 17.3 The costs of the Independent Bank shall be borne by the Company unless, in the case of a determination required pursuant to the provisions of article 16.4, the amount determined by the Independent Bank is less than that suggested by the Board in which event the costs of the Independent Bank shall be borne by the Seller.

18 **Compliance and disenfranchisement**

- 18.1 For the purpose of ensuring (i) that a transfer of shares is duly authorised under these articles or that (ii) no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these articles, the Board may require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board or any such holder may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares, from time to time registered in the holder's name.
- 18.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice is required to be or ought to have been given, or that as a result of such information and evidence the Board is reasonably satisfied that such Transfer Notice is required to be or ought to have been given where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the holder of the relevant shares in respect of such shares.

GENERAL

19 **General meetings**

- 19.1 No business shall be transacted at any general meeting unless a quorum of holders is present at the time when the meeting proceeds to business and for its duration. Two persons, being holders present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting. If a meeting is adjourned under regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for that adjourned meeting, the holders then present shall form a quorum, and regulation 41 of Table A shall be modified accordingly.
- 19.2 A poll may be demanded at a general meeting either by the chairman of the meeting or by an holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 46 of Table A shall be modified accordingly.
- 19.3 Notice of any general meeting need not be given to the holder of any shares which have ceased, in accordance with either Article 16.5 or 16.6, to entitle the holder thereof to any voting rights in respect of such shares. Regulation 38 of Table A shall be modified accordingly.

20 **Written resolutions**

In the case of a corporation which holds a share or shares in the capital of the Company, the signature of any director or the secretary of such corporation shall

be sufficient for the purposes of any resolution in writing as is referred to in regulation 53 of Table A and regulation 53 of Table A shall be modified accordingly.

21 **Accounts and annual general meetings**

Every Financial Year of the Company shall commence on 1 May and end on 30 April (the "**Accounts Date**") in the following year (save that the first Financial Year shall commence on 29 December 1999 and end on 30 April 2001). The Board shall cause to be prepared, in accordance with the provisions of the Acts, a consolidated balance sheet of the Company and its subsidiary undertakings as at the end of each Financial Year and a consolidated profit and loss account of the Company and its subsidiary undertakings for each Financial Year (the "**Accounts**").

22 **Retirement of directors**

The Directors shall not be liable to retire by rotation and, accordingly, the second and third sentences of regulation 79 of Table A shall not apply to the Company; in regulation 78 of Table A, the words "Subject as aforesaid" and the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted; and the last sentence of regulation 78 shall be deleted.

23 **Removal of directors**

The office of any Director shall be vacated if:

- 23.1 (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company; or
- 23.2 (other than in the case of a Special Director) all the other Directors request his resignation in writing; or
- 23.3 (in the case of a Special Director only) notice of his removal shall be served in accordance with article 8;

and the provisions of regulation 81 of Table A shall be extended accordingly.

24 **Alternate directors**

- 24.1 The appointment by any Special Director of an alternate director shall not be subject to approval by a resolution of the Board and regulation 65 of Table A shall be modified accordingly. In regulation 67 of Table A the words "but, if" and the words following them (to the end of that regulation) shall be deleted.
- 24.2 An alternate director shall not be entitled (as such) to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company from time to time, direct, and the first sentence of regulation 66 of Table A shall be modified accordingly.
- 24.3 A Director, or any such other person as is mentioned in regulation 65 of Table A, may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Board (or of any committee of the Board) to one vote for every Director whom he represents (in addition to his own vote (if any) as a Director), but he shall count as only one for

the purpose of determining whether a quorum is present at (and during) any such meeting.

25 Proceedings of directors

- 25.1 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 25.2 Except with the prior written consent of the Special Directors (or, in the event that there are no Special Directors, the prior written consent of the holders of a majority in nominal value of the A Ordinary Shares), a Director shall not vote on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever, save in respect of the matters specified in paragraphs (a) to (d) (inclusive) of regulation 94 of Table A which shall be modified accordingly. Reference in regulation 98 to the "Chairman" shall be construed as a reference to the "Special Directors" for so long as any are appointed.
- 25.3 Regulation 88 of Table A shall be modified by the deletion of the third sentence and the substitution for it of the following sentences: "Every Special Director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. It shall not be necessary to give notice of a meeting to a director (other than a Special Director) who is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively."
- 25.4 In relation to the minimum number of directors, regulation 64 in Table A shall not apply to the Company and the minimum number of directors shall be one. Whenever the minimum number of directors is one, a sole director shall have the authority to exercise all the powers and discretions by Table A and by the Articles expressed to be vested in the directors generally, and regulation 89 in Table A shall be modified accordingly.

26 Lien

The lien conferred by regulation 8 of Table A shall attach also to fully paid up shares and to all shares registered in the name of any person indebted or under liability to the Company (whether he shall be the sole registered holder of such share(s) or shall be one of two or more joint holders).

27 The Seal

- 27.1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall be signed by a Director and by the secretary or a second Director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.
- 27.2 The Company may exercise the powers conferred by section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

28 **Indemnity**

- 28.1 For the purposes of this Article the following words and phrases shall have the meaning set out below:

"Group Company"

in relation to the Company means a subsidiary or holding company of it or another subsidiary of such holding company and "subsidiary" and "holding company" shall have the meanings respectively ascribed to them in section 736 of the Act;

"Liability"

in respect of any person is a Liability in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

- 28.2 The Company may purchase and maintain for any Director, secretary of the Company or other officer of the Company insurance against any Liability which by virtue of any rule of law would otherwise attach to him.
- 28.3 The Company may indemnify any of the Directors against each loss, liability and cost which he may incur in connection with any Liability provided that the Liability is incurred by him in connection with the performance of his duties, obligations or role as a Director of the Company or any Group Company, subject to the following restrictions:
- 28.3.1 the Company shall not indemnify him to the extent the Liability is incurred by him to the Company or a Group Company; and
- 28.3.2 the Company shall not indemnify him to the extent the Liability is for him to pay:
- (a) a fine imposed in criminal proceedings; or
 - (b) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); and
- 28.3.3 the Company shall not indemnify him to the extent the Liability is incurred by him:
- (a) in defending any criminal proceedings in which he is convicted, or
 - (b) in defending any civil proceedings brought by the Company or a Group Company, in which judgment is given against him, or
 - (c) in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely:
 - (i) section 144(3) or (4) of the Act (acquisition of shares by innocent nominee); or
 - (ii) section 727 of the Act (general power to grant relief in case of honest and reasonable conduct); and
- 28.3.4 the Company shall not indemnify him other than to the extent it is lawful to do so under sections 309A and 309B of the Act.

28.4 In Article 28.3.3 the reference to a conviction, judgment or refusal of relief is a reference to one that has become final. A conviction, judgment or refusal of relief becomes final:-

28.4.1 if not appealed against, at the end of the period for bringing an appeal; or

28.4.2 if appealed against, at the time when the appeal (or any further appeal) is disposed of.

An appeal is disposed of:-

28.4.3 if it is determined and the period for bringing any further appeal has ended;

28.4.4 if it is abandoned or otherwise ceases to have effect.

28.5 The Company may provide a director of the Company with funds to meet expenditure incurred or to be incurred by him in connection with the performance of his duties, obligations or role as a director of the Company or any Group Company which result in him:

28.5.1 defending any criminal or civil proceedings; or

28.5.2 in connection with any application made by him under section 144(3) and (4) of the Act (acquisition of shares by innocent nominee) or section 727 of the Act (general power to grant relief in case of honest and reasonable conduct),

and the Company may do anything to enable a director of the Company to avoid incurring such expenditure.

28.6 Article 28.5 only applies to a loan or other thing done as mentioned in Article 28.5 if the terms on which it is made or done will result in the loan falling to be repaid or any liability of the Company under any transaction connected with the thing in question falling to be discharged not later than:-

28.6.1 in the event of the director being convicted in the proceedings, the date when the conviction becomes final;

28.6.2 in the event of judgment being given against him in the proceedings, the date when the judgment becomes final; or

28.6.3 in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final

and for the purposes of this Article, a conviction, judgment or refusal of relief becomes final in the manner described in Article 28.4.

28.7 The Company may exempt the company secretary from any Liability which by virtue of any rule of law would otherwise attach to him in his capacity as company secretary.

28.8 Regulation 118 shall not apply.

29 **Borrowing Powers**

Subject as hereinafter provided, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Acts, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

30 **Relationship to financing documents**

The rights of the Company to pay any sums in respect of its shares are subject to the terms of the Financing Documents (as defined in the Agreement).

31 **Purchase of Own Shares**

Subject to any contrary provisions contained in these articles, and in accordance with, the provisions of the Companies Act 1985 as amended (the Act), the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether above or below the nominal value of the shares), and make a payment in respect of such redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares within such limits as may be specified by the Company in general meeting in compliance with the provisions of the Act and may enter into or vary any contract for such purchase. Any shares to be so purchased may be selected in any manner whatsoever. Every such purchase or contract providing for the purchase by the Company of shares in the Company shall be authorised by such resolution or resolutions of the Company as may be required by the Act. All shares so purchased shall be cancelled immediately upon completion of the purchase. Notwithstanding anything to the contrary contained in these Articles the rights and privileges attaching to any class of shares shall be deemed not to be modified or abrogated by anything done by the Company in pursuance to this Article.