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Company Number ~~26993331~~

THE COMPANIES ACTS 1985 AND 1989
PRIVATE COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

of

DARCHEM HOLDINGS LIMITED

(as adopted by Special Resolution
dated 21 December 2000)



1 DEFINITIONS AND INTERPRETATION

- 1.1 In these articles the following words have the meanings set out below unless the context requires otherwise.
- 1.1.1 "Accounting Period" means each period ending on an accounting reference date of the Company for which the Company is required to produce audited financial statements pursuant to the Act.
- 1.1.2 "Act" means the Companies Act 1985 as amended by the Companies Act 1989.
- 1.1.3 "Auditors" means the auditors from time to time appointed by the Company with the consent of the Investors.
- 1.1.4 "Bad Leaver" means an Employee Member who ceases to be a director or employee of the Group other than a Good Leaver.
- 1.1.5 "Board" means the directors of the Company present at a meeting of the board of directors or a committee of directors duly convened and held.
- 1.1.6 "Change of Control" has the meaning given to it in section 840 Income and Corporation Taxes Act 1988.
- 1.1.7 "connected party" has the meaning given to it in section 839 Income and Corporation Taxes Act 1988.

- 1.1.8 "Deferred Shares" means deferred shares of £1 each in the capital of the Company.
- 1.1.9 "Drag Along Option" means the option granted to the Investors pursuant to article 14.1.
- 1.1.10 "Dividend Date" means the date upon which a dividend first becomes due for payment pursuant to article 5.1.
- 1.1.11 "Employee Member" means a Member who is also a director or employee of the Group.
- 1.1.12 "Expert" means an independent firm of chartered accountants appointed pursuant to article 11.6.3.
- 1.1.12A *"Equity Shares" means the Deferred Shares and the Ordinary Shares*
- 1.1.13 "Facilities Agreement" means (i) the Facility Agreement dated on or about the date of this agreement made between Darchem Holdings Limited (as Borrower) (1), Darchem Holdings Limited and Darchem Engineering Limited as working capital borrowers (2), the Banks (as defined therein) (3), The Governor and Company of the Bank of Scotland as for Arranger (4), The Governor and Company of the Bank of Scotland as Agent (5), The Governor and Company of the Bank of Scotland as Security Agent (6) and The Governor and Company of the Bank of Scotland as Working Capital Bank (7) and (ii) a Working Capital Facility Letter dated on or about the date of this Agreement addressed by The Governor and Company of the Bank of Scotland to Darchem Holdings Limited and Darchem Engineering Limited.
- 1.1.14 "Good Leaver" means an Employee Member who ceases to be a director or employee of the Group as a result of:
- 1.1.14.1 death;
- 1.1.14.2 retirement on attainment of the age of 62 years;
- 1.1.14.3 retirement on grounds of disability or ill-health approved by the Board with the consent of the Investor Director;
- 1.1.14.4 termination as a result of redundancy where such redundancy has been approved by the Board with the prior consent of the Investor Director.
- 1.1.14.5 termination in other circumstances where the Board and the Investors so designate in writing the relevant leaver as a Good Leaver.

- 1.1.15 "Group" means the Company and any company which is for the time being its subsidiary or holding company or a subsidiary of its holding company from time to time pursuant to section 736 of the Act.
- 1.1.16 "Investment Agreement" means an investment agreement of the same date as the adoption of these articles and made between the Company (1), J W Menzies & Others (2) and Royal Bank Investment Limited and others (3).
- 1.1.17 "Investors" means all or any (as the context requires) of Royal Bank Investment Limited, RBDC Parallel Ventures Limited Partnership, RBDC Parallel Nominees Limited and RBDC Administrator Limited and their respective transferees, successors and assigns.
- 1.1.18 "Investor Director" means one of the directors appointed pursuant to article 24.5 and designated as such by the Investors.
- 1.1.19 "Loan Stock" means £11,032,000 10% loan stock ~~2004~~ created pursuant to an instrument of the same date as the date of adoption of these articles.
- 1.1.20 "Member" means a holder of shares.
- 1.1.21 "Offer Notice" means a notice offering shares for sale to the Members pursuant to article 11.6.4.
- 1.1.22 "Ordinary Shares" means ordinary shares of £1 each in the share capital of the Company.
- 1.1.23 "Preferred Shares" means preferred ordinary shares of £0.01 each in the share capital of the Company.
- 1.1.24 "Prescribed Price" means the price per share specified in the Transfer Notice for the shares to be sold or (if no price is specified or a transfer is made pursuant to articles 12 or 13) certified by the Expert pursuant to article 11.6.3.
- 1.1.25 "Privileged Relation" means the spouse and every child stepchild adopted child or other lineal descendant or ancestor (in each case over the age of 18 years) of a person who is a Member immediately following the date of the adoption of these articles.
- 1.1.26 "Proposing Transferor" means a Member proposing to dispose of Shares.
- 1.1.27 "Purchaser" means a Member willing to purchase Shares comprised in a Transfer Notice.

- 1.1.28 "Shares" means any beneficial interest in shares in the issued share capital of the Company.
- 1.1.29 "Specified Price" means a price per Share equivalent to the highest price paid or payable by the third party or its connected party, within the last twelve months or payable pursuant to the transaction which triggers the Drag Along Option or Tag Along Option, whether in cash or otherwise, which can reasonably be regarded as the price paid or payable for such Shares triggering the Drag Along Option or Tag Along Option, or if higher, the price credited as paid (including any premium) for the Shares held by any Shareholder which are being dragged along pursuant to article 14.1 together with any arrears or accruals of dividends and interest thereon grossed up to include withholding tax.
- 1.1.30 "Table A" means the regulations contained in Table A of the Companies (Tables A-F) Regulations 1985 as amended by the Companies (Tables A-F) (Amendment) Regulations 1985.
- 1.1.31 "Tag Along Option" means the option granted pursuant to article 15.
- 1.1.32 "Transfer" means a transfer of any Shares, the renunciation of any allotment of Shares or any rights to subscribe for or receive an allotment of Shares.
- 1.1.33 "Transferring Shares" means Shares mentioned in the relevant Transfer Notice.
- 1.1.34 "Transfer Notice" means a written notice served pursuant to article 11.6.1.
- 1.1.35 "Working Day" means a day (excluding Saturday and Sunday) on which clearing banks are generally open for business.
- 1.2 Words and phrases defined in the Act will have the same meanings in these articles.
- 1.3 Where reference is made to a statutory provision this includes all prior and subsequent enactments, amendments and modifications of that provision and any regulations made under it.
- 1.4 References to the masculine gender include the feminine and neuter and vice versa. Similarly, references to the singular will include the plural and vice versa.
- 1.5 The headings and index in these articles are inserted for convenience only and will not affect the construction or interpretation of any of the provisions contained in them.

- 1.6 References to writing will include handwriting typewriting printing lithography photography telex and facsimile messages and any other method of producing words in a legible and permanent manner.

2 TABLE A

- 2.1 Except as provided in these articles, Table A will apply to the Company.

3 PRELIMINARY

- 3.1 The Board may at any time require any Member to furnish them with such information as they may consider necessary to determine whether or not the Company is a close company within the meaning of the Income and Corporation Taxes Act 1988 together with such evidence as they may reasonably require for that purpose.
- 3.2 If a Member does not comply with such requirements the Board may withhold any dividends on Shares registered in the name of that Member (whether solely or jointly with some other person or persons).

4 SHARE CAPITAL

- 4.1 The share capital of the Company is £205,142.86 divided into:
- 4.1.1 200,000 Ordinary Shares; and
- 4.1.2 514,286 Preferred Shares.

5 INCOME

- 5.1 The profits of the Company which are available for lawful distribution in respect of each Accounting Period will be applied (to the extent that the profits of the Company available for lawful distribution in any Accounting Period are resolved with the consent of the Investors to be distributed and provided that all Loan Stock has been redeemed in accordance with its terms) in paying such of the balance as the Investors consent to, to the holders of the Preferred Shares and the Ordinary Shares to be distributed *pari passu* as if they constituted one class of share.
- 5.2 No dividend will be declared or paid in respect of any Accounting Period of the Company unless and until any arrears, deficiencies or accruals of any amounts due under the Loan Stock ~~ok~~ have been paid in full in respect of that and all preceding Accounting Periods of the Company.

- 5.3 The Deferred Shares shall not be entitled to any participation in the profits of the Company.

6 CAPITAL

- 6.1 On a return of assets of the Company upon a liquidation or otherwise the surplus assets of the Company remaining after the payment of its liabilities will be applied as follows:

6.1.1 first, in paying to the holders of the Preferred Shares an amount equal to the amount paid or credited as paid up on them (including any premium);

6.1.2 secondly, in paying to the holders of the Ordinary Shares and the Deferred Shares an aggregate amount paid or credited as paid up on them (including any premium);

6.1.3 thirdly, in paying the balance of such assets to the holders of the Preferred Shares and the Ordinary Shares *pari passu* as if they constituted one class of share.

- 6.2 In the event of a Sale (as defined in the Investment Agreement), then at the option of the Investor Director and notwithstanding any other terms in relation to such Sale, the Members selling shares immediately prior to such Sale shall procure that the consideration for such Sale (whether received before, on or after such Sale) shall be held on trust and be distributed amongst such Members selling shares in such amount and in such order or priority as would be applicable on a return of assets pursuant to this Article 6.

7 CONVERSION

- 7.1 All ~~of any~~ ^(but not partly) of the Preferred Shares then in issue will if so required by Members holding not less than 50.01% (fifty point zero one percent) in nominal value of such shares by notice in writing served upon the Company convert into Ordinary Shares on the basis of one Ordinary Share for every 100 Preferred Share. Each such conversion will take effect on the later of the day following receipt of notice from such Members or such other date (whether conditionally or unconditionally) as the notice may specify.

- 7.2 On any conversion of Preferred Ordinary Shares in accordance with Article 7.1, ninety-nine out of every One Hundred Ordinary Shares in issue immediately prior to conversion shall convert into Deferred Shares. ~~for every one hundred Preferred Ordinary Shares converted into one Ordinary Share.~~

7.3 On any such conversion pursuant to 7.1 or 7.2 the holders of any converted shares shall deliver to the Company at its registered office for the time being their respective share certificates and on receipt the Company shall issue new certificates to reflect the relevant conversion.

7.4 Any conversion pursuant to Article 7.2 shall take effect pro-rata amongst the holders of Ordinary Shares in proportion to their respective holdings of Ordinary Shares, provided that where such conversion would result into a conversion otherwise than into a whole number such number shall be rounded up or down as the Board may determine.

8 ALLOTMENT OF SHARES

8.1 Subject to the provisions of articles 8.3 and 8.4, and in accordance with Section 80 of the Act, the Board is unconditionally authorised at any time or times during the period expiring on the day prior to the fifth anniversary of the date of the adoption of these articles:

8.1.1 to allot relevant securities of the Company (as defined in Section 80 of the Act) up to the amount of the authorised but unissued share capital of the Company at the date of such allotment; and

8.1.2 to make or enter into any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority.

8.2 Subject to Section 80 of the Act, the authority given in article 8.1 may be renewed, revoked or varied by the Company at any time by ordinary resolution. Unless renewed, revoked or varied, such authority shall expire at the end of the period referred to in article 8.1.

8.3 Subject to the provisions of article 8.4, and without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, all Shares will be issued to such persons, upon such terms and conditions and with such rights, priorities, privileges or restrictions as the resolution creating or issuing them or effecting the increase in the authorised share capital of the Company directs. In the absence of any direction all Shares (whether forming part of the existing or any increased capital) will be at the disposal of the Board. Subject to Section 80 of the Act, the Board may issue them to such persons, at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit. Accordingly, Sections 89(1) and 90(1) to (6) (inclusive) of the Act will not apply to the Company.

8.4 Unless the Company by special resolution otherwise directs, any Shares which are proposed to be issued will be offered first to the Members in proportion as

nearly as possible to the number of votes entitled to be cast on a poll in respect of equity shares held by each of them respectively. The offer will be made by notice specifying the number of Shares offered and limiting a period (being not less than twenty-one days) within which the offer if not accepted will be deemed to be declined. After the expiration of that period any Shares not accepted will be offered, in the same proportions, to the Members who have accepted all Shares initially offered to them. This further offer will be made in the same manner as the original offer but will be limited to a period of seven days. Any Shares not accepted pursuant to either the original offer or any further offer, or which are not capable (in the sole opinion of the Board) of being offered except by way of fractions, will be at the disposal of the Board, who may issue, grant options over or otherwise dispose of them to such persons and on such terms as they think fit. However, Shares are not to be disposed of on terms which are more favourable than the terms on which they were offered to the Members.

- 8.5 No Shares will be issued to any minor, infant, bankrupt or person of unsound mind.

9 VARIATION OF RIGHTS

- 9.1 If the share capital of the Company is divided into different classes then the rights attaching to a class of Shares may be modified varied extended abrogated or surrendered only with the prior consent of the holders of not less than 50.01% in nominal value of the issued Shares of that class.
- 9.2 For the purposes of these articles the consent of the holders of a class of Shares may be given by:
- 9.2.1 a resolution passed at a general meeting of the holders of the Shares of that class to which the provisions of these articles relating to general meetings as varied by article 9.4 will apply as if it were a general meeting; or
 - 9.2.2 a written resolution in any form signed by or on behalf of all of the persons registered as holders of Shares of that class.
- 9.3 Without prejudice to the generality of any other provision of these articles:
- 9.3.1 if any class of Shares (other than Ordinary Shares) has preferential rights to receive a dividend or distribution of capital on a winding up or other return of capital then the conferring otherwise than pursuant to these articles upon other Shares of rights to receive either dividends or a return of capital ranking pari passu with or in priority to the rights attaching to those Shares will be deemed to be a variation of the rights of the holders of Shares of that class; and

- 9.3.2 in respect of the Preferred Shares the following matters will constitute a variation in the rights of the holders of Shares of those classes:
- 9.3.2.1 the convening of a meeting to consider the passing of any resolution for the reduction in the share capital of the Company;
 - 9.3.2.2 the convening of a meeting to consider the passing of any resolution to change the status of the Company as a private company limited by shares;
 - 9.3.2.3 the convening of a meeting to consider the passing of any alteration to the Memorandum or Articles of Association of the Company;
 - 9.3.2.4 the convening of a meeting to consider the passing of any resolution to wind up the Company or any of its subsidiaries;
 - 9.3.2.5 the payment of any distribution of income other than the payment of a dividend payable pursuant to these articles;
 - 9.3.2.6 the distribution of capital;
 - 9.3.2.7 the removal of the Auditors or the appointment of new auditors of the Company;
 - 9.3.2.8 the change in the accounting reference date of the Company;
 - 9.3.2.9 the removal of a director appointed pursuant to article 24.5 otherwise than in accordance with the procedure set out in that article;
 - 9.3.2.10 the breach by the Company of any of the provisions of these articles or of the Investment Agreement.

9.4 For the purposes of these articles the following provisions will apply to any general meeting of the holders of any class of Shares:

- 9.4.1 the necessary quorum will be two persons at least holding or representing by proxy not less than one-third of the nominal value of the Shares of that class;
- 9.4.2 if any meeting is adjourned because no quorum is present then the quorum at the re-convened meeting will be one person holding or representing by proxy Shares of that class;

- 9.4.3 any holder of or person representing by proxy Shares of that class may demand a poll;
- 9.4.4 on a poll every holder of Shares of that class present in person or by proxy will have one vote for each Share of which he is registered as the holder.

10 LIENS

- 10.1 The Company has a first and paramount lien on every Share (whether fully paid or not) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that Share.
- 10.2 The Company also has a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person indebted or under a liability to the Company. This lien will apply to any Share of which such person is the sole registered holder or one of several joint holders and will be a first and paramount lien for all monies and liabilities whether presently due and payable or not.
- 10.3 The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this article.
- 10.4 The Company's lien (if any) on a Share will extend to any amount payable in respect of it.
- 10.5 Regulation 8 of Table A will not apply to the Company.
- 10.6 The purchaser of any Shares sold pursuant to Regulation 9 of Table A will not be bound to see to the application of the purchase money. Regulation 10 of Table A will be modified accordingly.

11 TRANSFER OF SHARES

- 11.1 The Board may in its absolute discretion and without giving any reason decline to register any transfer of any Share (whether or not it is a fully paid Share) unless:
- 11.1.1 it is lodged at the registered office of the Company or such place as the Board may appoint;
- 11.1.2 it is accompanied by the certificate for the Shares it represents or an indemnity in respect of a lost certificate in a form reasonably satisfactory to the Board and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

- 11.1.3 it is in respect of only one class of Shares;
 - 11.1.4 it is in favour of not more than four transferees; and
 - 11.1.5 it is a transfer made pursuant to or in accordance with the provisions of articles 11 to 13 (inclusive).
- 11.2 Regulation 24 of Table A will not apply to the Company.
- 11.3 A Member (and any such person as is referred to in this article) may at any time with the prior written consent of the Investors transfer any Shares held by him/it:
- 11.3.1 to another Member;
 - 11.3.2 to a Privileged Relation;
 - 11.3.3 to any other company which is from time to time a member of the same group of companies as it;
 - 11.3.4 where Shares are held by an Investor as a manager, trustee or investment adviser of any unit trust, pension or other fund to any other person who is for the time being a replacement or co-manager trustee or investment adviser of such unit trust, pension or other fund or to a beneficial owner of all or any part of that unit trust, pension or fund to any other fund of which he/it is a nominee, manager, trustee or investment adviser or to the holder of units or members of such fund;
 - 11.3.5 where Shares are held by an Investor to any other entity or fund established by an Investor for the purpose of any co-investment or incentive scheme or plan, to the participants, beneficiaries or members of such scheme or plan or their legal personal representatives;
 - 11.3.6 where Shares are held by an Investor by or on behalf of or as nominee for a limited partnership, to partners in the limited partnership or to any general partner of the limited partnership (or by such general partner to a successor general partner);
 - 11.3.7 to Royal Bank Private Equity Limited or as it may direct; or
 - 11.3.8 to employees of the Company.
- 11.4 If any company to which any Shares have been transferred pursuant to article 11.3.3 (whether directly or by a series of transfers) for whatever reason ceases to be a company to which the transferor of such Shares (or the original transferor in a series of transfers) would be entitled to transfer shares pursuant to article 11.3.3, then the Board may require that company to transfer the Shares transferred to it to the transferor or (as the case may be) the original transferor of

those Shares, at the Prescribed Price (to be calculated in accordance with article 11.6.3).

11.5 If any person to whom any Shares have been transferred pursuant to articles 11.3.2, (whether directly or by a series of transfers) for whatever reason ceases to be a person to whom the transferor of such Shares (or the original transferor in a series of transfers) would be entitled to transfer Shares pursuant to such articles, then the Board may require that person to transfer the Shares transferred to it to the transferor or (as the case may be) the original transferor of those Shares at the Prescribed Price (to be calculated in accordance with article 11.6.3).

11.6 Except as provided in articles 11.3 to 11.5 (inclusive) the right to transfer Shares is subject to the following restrictions:

11.6.1 before transferring any Shares the Proposing Transferor must serve a Transfer Notice on the Company. The Transfer Notice will constitute the Company his agent for the sale of the Transferring Shares to any Member or Members or other relevant party. Subject to article 11.6.8, a Transfer Notice once given or deemed to be given will not be revocable except with the consent of the Board;

11.6.2 the consideration for the sale of the Transferring Shares is the Prescribed Price;

11.6.3 on receipt of any Transfer Notice which does not specify a price per Transferring Share, or transfers pursuant to articles 12 or 13, the Company will request the Expert appointed pursuant to article 16.6 (acting as expert and not as arbitrator) to certify the Prescribed Price. In determining the Prescribed Price the Expert will subject as noted below:

11.6.3.1 determine the sum which a willing purchaser would offer to a willing vendor for the entire issued ~~Equity~~ Share capital of the Company as at the date of the relevant Transfer Notice (or deemed Transfer Notice);

11.6.3.2 divide the sum by the number of ~~Equity~~ Shares in issue (treating the Ordinary Shares and the Preferred Shares as one class for the purpose of this article).

in determining the Prescribed Price account will be taken of any premium or discount arising in relation to the size of the holding of the Transferring Shares and no account will be taken of any premium or discount in relation to any restrictions on the transferability of the Transferring Shares (whether contained in these articles or elsewhere).

The Prescribed Price in relation to the Deferred Shares shall be 0.01 pence per share in all circumstances;

- 11.6.4 save as provided for in article 13.2 all the Transferring Shares will, within fourteen days of receipt of the Transfer Notice, or in a case falling within article 11.6.3 receipt of the Expert's certificate as to the Prescribed Price, or in a case falling within article 13.2 receipt of notice from the holders of Preferred Shares that they have decided not to warehouse the Transferring Shares, be offered by the Company to all Members (other than the Proposing Transferor) holding Shares of the same class as the Transferring Shares for purchase at the Prescribed Price. All offers will be made by notice and will specify a time (not being less than thirty days from the date of the notice) within which the offer must be accepted or, in default, will be deemed to have been declined;
- 11.6.5 if the Members to whom Transferring Shares are offered pursuant to article 11.6.4, within the period specified in the Offer Notice, apply for all or any of the Transferring Shares, the Company will allocate them (or so many of them as shall be applied for) amongst the Purchasers. In the case of competition the Transferring Shares will be allocated pro rata according to the number of Shares in the Company of the same class as the Transferring Shares in respect of which each of the Purchasers are registered or unconditionally entitled to be registered as holders. No Purchaser will be obliged to take more than the maximum number of Shares specified by him in his acceptance;
- 11.6.6 if the Company, after making offers in accordance with article 11.6.5, finds a Purchaser or Purchasers willing to purchase some only of the Transferring Shares it will, within fourteen days of the closing date of the Offer Notice, offer the balance of the Transferring Shares to the Members of the Company holding equity Shares of a different class (excluding the Deferred Shares). Such offers will be made in the same manner and on the same terms as offers made pursuant to article 11.6.5. The provisions of article 11.6.5 will apply mutatis mutandis to the extent that any Members to whom the Transferring Shares are offered pursuant to this article 11.6.6 apply for more than the number of Transferring Shares offered pursuant to this article provided that if the Board and the Investors agree the Company may, subject to compliance with relevant legislation, buy back the balance of the Transferring Shares prior to offering to Members holding equity shares of a different class;
- 11.6.7 if the Company, after making offers in accordance with articles 11.6.6, find a Purchaser or Purchasers willing to purchase some only of the Transferring Shares the Company will give notice of that fact to the

Proposing Transferor. The notice will be given within seven days of the last date for acceptances under article 11.6.6;

- 11.6.8 the Proposing Transferor will then be entitled to revoke his Transfer Notice by notice to the Company within a further fourteen days of receipt of notice from the Company;
- 11.6.9 if the Company finds a Purchaser or Purchasers willing to purchase the Transferring Shares (or any of them) it will (following the expiry of the fourteen day period contained in article 11.6.7 if applicable) give notice to the Proposing Transferor and he will be bound upon payment of the Prescribed Price to transfer such of the Transferring Shares referred to in such notice to the respective Purchasers. Every such notice must state the name and address of each Purchaser and the number of Transferring Shares agreed to be purchased by him. The purchase will be completed at a place and time to be appointed by the Board;
- 11.6.10 during the three months following the expiry of the period specified in the Offer Notice and subject to compliance with the procedures set out above, the Proposing Transferor will be at liberty to transfer to any persons and at any price (not being less than the Prescribed Price) any Transferring Share for which the Company has not found a Purchaser or Purchasers (as evidenced by notices served by the Company pursuant to article 11.6.7). However, if the Proposing Transferor has revoked his Transfer Notice in pursuance of article 11.6.8 he will not be entitled to sell under this article 11.6.10 some only of the Transferring Shares. The Board may require to be satisfied that any Transferring Shares transferred under the provisions of this article 11.6.10 are being transferred in pursuance of a bona fide sale at arms length for the consideration stated in the instrument of transfer, without any deduction, rebate or allowance whatsoever to the purchaser, whether direct or indirect.

12 DEATH BANKRUPTCY OR DEFAULT

- 12.1 A person entitled to a Share in consequence of the death, bankruptcy, receivership or liquidation of a Member, or any person or company in default of an obligation to transfer shares pursuant to articles 11.4 and/or 11.5 for more than one month, will be bound at any time, if and when called on in writing by the Board to do so, to give a Transfer Notice (without specifying a price per Share) in respect of all the Shares then registered in the name of the deceased, insolvent or defaulting Member (as appropriate). This requirement will not apply if such person is, or within ninety days of becoming so entitled transfers the Shares held by him to a person who is, a person to whom such Shares may be transferred

pursuant to article 11.3. Regulations 30 and 31 of Table A are to take effect accordingly.

13 EMPLOYEE MEMBERS

13.1 Any Employee Member holding Ordinary Shares (and/or Deferred Shares) who ceases for whatever reason to be a director or employee of the Group, and any Member holding shares as a result of a transfer by such Employee Member pursuant to article 11.3, will be bound at any time if and when called upon in writing by the Board (with the agreement of the holders of the Preferred Shares) or by the holders of the Preferred Shares to give a Transfer Notice in respect of all of the Shares then registered in the name of the Employee Member (or in the name of the Member holding Shares as a result of transfer pursuant to article 11.3 by such Employee Member) and in the event of such a Transfer Notice the price for those Shares shall be:

13.1.1 the lower of the amount paid or credited as paid on the relevant Shares or the Prescribed Price if such Employee Member is a Bad Leaver; or

13.1.2 the Prescribed Price if the Employee Member is a Good Leaver.

13.2 If any Shares included in a Transfer Notice are registered in the name of an Employee Member (or have been transferred to the Proposing Transferor by an Employee Member), then before the provisions of article 11.6.4 are applied, the Board or holders of Preferred Shares (as the Investor Director may direct) must first be given the option of warehousing those Shares, as follows:

13.2.1 with the consent or by the direction of the Investors within 28 days whether or not to warehouse Shares for the benefit of existing or future employees of the Group;

13.2.2 if the Investors decide not to warehouse the Shares, the provisions of article 11.6.4 will apply;

13.2.3 if Shares are warehoused but are not transferred to an Employee Member within 24 months they shall be offered for sale in accordance with the provisions of article 11.6.4;

13.2.4 if shares are warehoused, the price payable for them will be the amount paid or payable to the relevant transferor valued in accordance with the general provisions of article 11.6; and

13.2.5 for the purposes of this article, "warehouse/warehousing" shall mean the transfer of Shares to an individual or organisation, nominated by the Investors within a period of 36 months from receipt of the Transfer

Notice from the Employee Member (or a person entity to whom an Employee Member's shares have been transferred pursuant to article 11.3).

14 DRAG ALONG OPTION

- 14.1 If any one of the Investors wish to transfer any of their interest in Shares to a third party, where that transfer would result in a Change of Control, the Investors shall have the right to require all other Shareholders to transfer their Shares to such third party at the Specified Price.
- 14.2 The Drag Along Option shall be exercised by the Investors in writing to all other Shareholders specifying the Specified Price and the proposed transfer date.

15 TAG ALONG OPTION

- 15.1 In the event that any Shareholder(s) wish(es) to transfer his/their Shares to any buyer (other than in accordance with Articles 11), where the transfer would result in a Change of Control to a person who is not an Investor, the Board shall refuse to register such transfer(s) unless the relevant buyer has made an offer to purchase the Shares held by all other Shareholders at the Specified Price, as if there had been a sale of all Shares in accordance with its terms, which offer shall remain open for a period of 14 days.

16 MISCELLANEOUS PROVISIONS ON TRANSFERS

- 16.1 For the purpose of ensuring that a transfer of Shares is duly authorised, or that no circumstances have arisen where a Transfer Notice is required to be given, the Board may from time to time require any Member or past Member or the legal personal representatives or trustee in bankruptcy, receiver or liquidator of any Member, or any person named as transferee in any instrument of transfer lodged for registration, to furnish to the Company such information as they may reasonably think fit regarding any matter which they may deem relevant to such purpose.
- 16.2 If such information or evidence is not furnished to the reasonable satisfaction of the Board within a reasonable time after request, they will be entitled to refuse to register the transfer in question or (where no transfer is in question) to require by notice that a Transfer Notice be given in respect of the Shares concerned.

- 16.3 If such information or evidence discloses that in the reasonable opinion of the Board a Transfer Notice ought to have been given in respect of any Shares the Board may by notice require that a Transfer Notice be given in respect of the Shares concerned.
- 16.4 In any case where under the provisions of these articles the Board may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given it will be deemed to have been given at the expiry of a period of two weeks from the date of the demand. In any such case all the provisions of these articles will take effect, except that no right of revocation as contained in article 11.6.8 will apply.
- 16.5 The restrictions on transfer contained in these articles will not apply to any transfer approved in writing by all the Members for the time being.
- 16.6 The Expert will be selected either:
- 16.6.1 by the Company and (where an appointment is for purposes of determining the Prescribed Price) the Proposing Transferor or (for any other purpose) the Members jointly; or
 - 16.6.2 if the Company and the Proposing Transferor or the Members (as appropriate) cannot agree as to an appointee within seven days of a request served by any one party on the others so to do, by the President for the time being of the Institute of Chartered Accountants for England and Wales.
- 16.7 The costs of the Expert will be borne by the Proposing Transferor and the Company equally or (where there is no Proposing Transferor) the Company.
- 16.8 In default of compliance with articles 11, 12, 13, 14 or 17 the Board and/or a majority in nominal value or the holders of the Preferred Shares may appoint some person to execute any necessary instruments of transfer or other documents on behalf of and as attorney for the defaulting Member. After the name of the Purchaser has been entered in the register of Members in purported exercise of the powers contained in this article the validity of the proceedings will not be questioned by any person. The Board may receive the purchase money and will cause the name of the Purchaser to be entered in the Register of Members as the holder of the relevant Shares. The purchase money will be held by the Company on trust for the defaulting member. The receipt of the Company for the purchase money will be a good discharge to the Purchaser who will not be bound to see to its application.
- 16.9 Other than pursuant to these Articles no Deferred Shares may be transferred without the consent of the Investor Director.

17 TRANSMISSION OF SHARES

- 17.1 Subject to article 12, a person entitled to a Share in consequence of a death, bankruptcy, receivership or liquidation of Member will be bound at any time if and when called upon in writing by the Board to do so, to elect either to be registered himself or to transfer the Shares. If such notice is not complied with the Board may withhold all payments in respect of the Shares until such time as it is.

18 NOTICES

- 18.1 Any notice required to be given under these articles will be in writing and signed by (or by some person duly authorised by) the person giving it. The notice may be served by leaving it at or sending it by recorded delivery or registered post to (in the case of the Company) its registered office for the time being or (in the case of a Member) his registered address within the United Kingdom.

- 18.2 Any notice so served will be deemed to have been received:

18.2.1 in the case of a personal service, upon delivery;

18.2.2 in the case of recorded delivery or registered post, forty eight hours from the date of posting,

except that where under the provisions of clauses a notice would be deemed to be received on a day which is not a Working Day, the notice shall instead be deemed to be received at 9.00am on the next Working Day.

- 18.3 In the case of notices sent by registered post it will be sufficient in proving service to establish that the envelope containing it was properly addressed stamped and posted.

19 VOTING

- 19.1 Subject to any special rights restrictions or prohibitions from time to time attached to any class of Shares, the holders of all Shares (other than Deferred Shares) will be entitled to receive notice of and to attend and speak at general meetings of the Members.

- 19.2 On a show of hands a Member will have one vote for all Shares (other than Deferred Shares) held by him which carry the right to vote on a poll at that Meeting. On a poll:

19.2.1 subject to article 19.2.2 the holders of the Preferred Shares, and the Ordinary Shares will be entitled to one vote for each Share held by them;

19.2.2 the holders of the Preferred Shares shall have ten votes for each Preferred Share held by them if:

19.2.2.1 a Default has occurred (as such term is defined in the Facilities Agreement);

19.2.2.2 the class rights of the Preferred Shares have been varied provided that this shall only apply to voting in relation to any resolution covering the matters listed in article 9.3.2;

19.2.2.3 the Company is in excess of 28 days in arrears in the payment of any interest payments on, or redemptions due in respect of, the Loan Stock.

until such time as the Company is no longer in default of such relevant obligations.

19.3 The Deferred Shares will not entitle the holders of any thereof to receive notice of or to attend or vote at any General Meeting of the Company by virtue of or irrespective of their holdings of any such Deferred Shares.

20 INVESTORS CONSENT

20.1 For the purposes of the giving of Investors consent, or where these articles refer to a decision of the Investors, such consent or decision will be deemed to have been validly given/made (as appropriate) if 50.01% of the holders of the Preferred Shares so direct.

21 GENERAL MEETINGS

21.1 The Board may convene general meetings.

21.2 On the requisition of Members pursuant to the provisions of the Act the Board will immediately proceed to convene an extraordinary general meeting for a date not later than two weeks after receipt of the requisition. If there are not for a consecutive period of one week or more sufficient directors in the United Kingdom to convene a general meeting any director may do so. If there are no directors of the Company at any time, any member may convene a general meeting.

21.3 Regulation 37 of Table A will not apply to the Company.

22 PROCEEDINGS AT GENERAL MEETINGS

- 22.1 For a general meeting of the Company to be quorate, a duly authorised representative of the Investors must be present, and Regulation 40 of Table A shall be amended accordingly.
- 22.2 A poll may be demanded at any general meeting by any Member present in person or by proxy and entitled to vote. Regulation 46 of Table A will be modified accordingly.
- 22.3 An instrument executed for the purposes of Regulation 53 will be deemed to be duly executed if it is sent to or received by the Company in writing over the name of the Member or his attorney or proxy.

23 ALTERNATE DIRECTORS

- 23.1 An alternate director's appointment will determine if by writing under his hand left at or sent to the registered office of the Company he resigns.
- 23.2 An alternate director will be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a director.

24 APPOINTMENT AND RETIREMENT OF DIRECTORS

- 24.1 The directors will not retire by rotation. Regulations 73 to 75 (inclusive) and Regulations 80 of Table A will not apply to the Company.
- 24.2 Regulations 76 and 77 of Table A will be amended by omitting the words "other than a director retiring by rotation".
- 24.3 Regulation 78 of Table A will be amended by omitting the words "and may also determine the rotation in which any additional directors are to retire".
- 24.4 Regulation 79 of Table A will be amended by omitting the words "and shall not be taken into account in determining the directors who are to retire by rotation at the meeting".
- 24.5 The holders of the majority of the Preferred Shares from time to time will be entitled to appoint 3 directors to the Board, one of whom may be nominated to act as the chairman of the Company. The appointment or removal of any such director will be by notice in writing lodged at the registered office of the Company and will take effect immediately upon such notice being lodged at the registered office.

25 DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 25.1 In addition to the provisions of Regulation 81 of Table A, the office of a director will be vacated if (in the opinion of the Board) a director is incapable by reason of mental disorder not falling within paragraph (c) of Regulation 81 of Table A or illness or injury or otherwise or managing or administering his affairs and the Board resolve his office be vacated. Regulation 81 of Table A shall be modified accordingly.

26 DIRECTORS' APPOINTMENT AND INTERESTS

- 26.1 The Board may at any time (but without prejudice to any claim for damages which a director may have for breach of any service contract) remove or dismiss a director appointed to any office or terminate any agreement or arrangement made with any director pursuant to Regulation 84 of Table A. Regulation 84 of Table A will be modified accordingly.
- 26.2 The last sentence of Regulation 84 of Table A will not apply to the Company.
- 26.3 A managing director or other executive director will (without prejudice to any claim for damages they may have for breach of any service contract) be subject to the same provisions as to removal and vacation of office as the other directors of the Company. If he ceases to hold the office of director for any reason, he will immediately cease to be managing director or executive director.
- 26.4 A managing or executive director holding office for a fixed period will not be entitled to resign as a director of the Company before the expiry of that fixed period. Regulation 81 of Table A will be read and construed accordingly.
- 26.5 Regulations 85 and 86 of Table A will be amended by omitting the words "and extent" wherever they appear.

27 DIRECTORS' GRATUITIES AND PENSIONS

- 27.1 Regulation 87 of Table A will be amended by adding the words "or associated company" after the word "subsidiary" wherever it appears in the Regulation.

28 PROCEEDINGS OF DIRECTORS

- 28.1 For a meeting of the Board to be quorate, a director appointed pursuant to article 24.5 or his alternate must be present at the meeting (or if no such director has been appointed, a duly authorised appointee of the Investors) for such meeting to be quorate and Regulation 89 of Table A shall be modified accordingly.

- 28.2 It will be necessary to give notice of a meeting to a director who is absent from the United Kingdom if such director has notified the Secretary in writing of a method by which he can be contacted for the purpose of serving such a notice. Regulation 88 shall be modified accordingly.
- 28.3 Subject to the requirements of the Act no director or alternate director may as a director vote at any meeting of the Board in respect of any contract or arrangement in which he or any Member by whom he is nominated is interested unless such interest is previously disclosed to the Board. If it is so disclosed, his vote will be counted and he will be reckoned in the quorum present at the meeting. Regulations 94 and 98 (inclusive) of Table A will not apply to the Company.
- 28.4 Any director may participate in a meeting of directors by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. Any director participating in a meeting in this manner shall be deemed to be present in person at such meeting. The meeting shall be deemed to take place where the majority of directors are situated, or in the case of equality of numbers, where the Chairman of the meeting is situate.

29 INDEMNITY

- 29.1 Every director, alternate director, secretary or other officer of the Company will 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. This indemnity includes any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in 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. No director, alternate director, secretary or other officer will 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. However, this article will only have effect insofar as its provisions are not avoided by the provisions of the Act.