

THE COMPANIES ACTS 1985 TO 1989

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

VIELIFE HOLDINGS LIMITED

(the "Company")

Passed by Special Resolution dated 25 November 2002

1. PRELIMINARY

1.1 Definitions

In these Articles:

"Act" means the Companies Acts 1985 and 1989 (as at the date of the adoption of these Articles);

"Associate" means in relation to a corporate body, a subsidiary or holding company thereof or another subsidiary of any holding company thereof (and "subsidiary" and "holding company" shall have the meanings set out in Section 736 of the Act);

"Board" means the board of directors of the Company from time to time;

"Exit" means the occurrence of an event which the Board shall determine at its sole discretion, including, but not limited to matters involving:

- (a) the completion of any transaction or series of transactions which results in any person, whether an individual or a body corporate (together with any party(ies) acting in concert with such person) acquiring an interest in more than 50% of the Share capital of the Company or control of more than 50% of the total number of votes exercisable by all the Shareholders of the Company; or



- (b) the admission of all or any part of the share capital of the Company to the Official List of the UK Listing Authority; and to trading on the market for listed securities of the London Stock Exchange (or any successor body) or to trading on the Alternative Investment Market or the taking effect of any granting permission to deal in the same on any recognised investment exchange including any overseas investment exchange (as those terms are used in the Financial Services Act 1986);

**"Exiting Non-Voting Share"** means any Non-Voting Share which, immediately prior to the occurrence of an Exit the Board shall determine at its sole discretion, shall be converted into an Ordinary Share in accordance with Article 2.2.(c);

**"Fair Value"**: means in respect of each Share, the fair market value of such Share on the date of service of the Transfer Notice (or deemed date thereof) as determined by the Board (and communicated to the members in a written statement (the **"Fair Value Certificate"**)) on the basis of a sale thereof as between a willing vendor and a willing purchaser on the assumption that the Shares will be purchased in one lot by a purchaser contracting on arm's length terms, who has no other interest in the Company;

**"Non-Voting Shares"** means non-voting ordinary shares of £1 each in the capital of the Company having the rights and restrictions set out in Article 2.2 below;

**"Ordinary Shares"** means voting ordinary shares of £1 each in the capital of the Company;

**"Prescribed Price"** means:

- (a) in relation to a voluntary transfer of Shares in respect of which a Transfer Notice shall have been served pursuant to Article 4:
- (i) the price per Share offered by the Ordinary Proposed Transferee (as defined in Article 4.2(a) in respect of a transfer of Ordinary Shares) or the Non-Voting Proposed Transferee (as defined in Article 4.3(a) in respect of a Transfer of Non-Voting Shares) provided such price is in immediately available cash funds; or
  - (ii) where the consideration offered by the Ordinary Proposed Transferee or the Non-Voting Proposed Transferee (as the case may be) is not in immediately available cash funds, such equivalent price in immediately available cash funds as the Board shall reasonably determine as being the fair equivalent of the consideration so offered (taking into account all legal, commercial and financial terms of the offer, including, *inter alia*, whether the consideration for such offer is in kind, immediate, deferred or otherwise).
- (b) in relation to a transfer of Shares in respect of which a Transfer Notice shall be deemed to have been served pursuant to Article 4.4, such price per Share as the Board (whose determination shall be final and binding on the members):
- (i) shall determine to be in the case of Article 4.4(a)(i) and 4.4(a)(ii) the Fair Value; and
  - (ii) in the case of Article 4.4(a)(iii) the Fair Value less a discount of 20%;

**"Relevant Percentage"** means, in relation to an Other Ordinary Shareholder and/or Other Shareholder (as the case may be), the proportion which is, as nearly as practicable, equal to the proportion in nominal value held by such Other Ordinary Shareholder and/or Other Shareholder (as the case may be) of the aggregate of Ordinary Shares and Non-Voting Shares.

**"Shareholders' Agreement"** means the agreement between the Company and the members of the Company from time to time;

**"Share Option Scheme"** means the unapproved executive share option scheme of the Company as may be varied from time to time;

**"Shares"** means any share in the capital of the Company from time to time, including for the avoidance of doubt, Ordinary Shares and Non-Voting Shares and **"Shareholder"** shall be construed accordingly; and

**"Table A"** means Table A as prescribed in the Companies (Tables A to F) Regulations 1985 (as amended at the date hereof).

## **1.2 Interpretation**

When determining whether a transaction is or is not on *"more favourable terms"* than another given transaction, all legal, commercial and financial terms shall be taken into account including, *inter alia*, whether the consideration for such offer is in kind or in cash, immediate, deferred or otherwise.

## **1.3 Table A to apply as modified**

The regulations contained in Table A, save as excluded or varied by or inconsistent with these Articles, shall apply to the Company and together with these Articles shall constitute the regulations of the Company.

## **1.4 Shareholders' Agreement**

In the event of any ambiguity or conflict arising between the terms of these Articles and the Shareholders' Agreement, the terms of the Shareholders' Agreement shall prevail during its continuance as between the Shareholders provided that nothing contained therein shall require or permit the Shareholders to cause the Company to act *ultra vires*.

# **2. SHARE CAPITAL**

## **2.1 Authorised share capital**

The authorised share capital of the Company at the date of adoption of these Articles is £15,768,043 divided into 15,190,000 Ordinary Shares and 566,667 Non-Voting Shares.

## **2.2 Non-Voting Shares**

(a) Subject to Article 2.2(b) and (c), the Non-Voting Shares shall rank *pari passu* with

the Ordinary Shares and in particular, each Non-Voting Share:

- (i) entitles its holder on a return of assets on a liquidation or winding up or otherwise, after payment by the Company of its liabilities, to the repayment of the amount paid up or credited as paid up on the Non-Voting Shares *pari passu* with the payment in respect of each Ordinary Share of the capital paid up or credited as paid up on it;
  - (ii) entitles its holder on a return of assets on a liquidation or winding up or otherwise to participation in any surplus assets of the Company *pari passu* with the holders of Ordinary Shares after payment by the Company of (i) its liabilities and (ii) the amount paid up or credited as paid up on the Ordinary Shares and Non-Voting Shares pursuant to sub-clause (c) above; and
- (b) Each Non-Voting Share:
  - (i) does not entitle its holder to receive notice of nor attend nor vote at any general meeting of the Company;
  - (ii) does not entitle its holder to any rights in respect of dividends;
- (c) Each Exiting Non-Voting Share shall be converted into one Ordinary Share immediately prior to an Exit without further resolution or action by the members of the Company or at any time when the Board shall so determine. The Ordinary Share resulting from conversion shall rank *pari passu* with the existing Ordinary Shares save that it shall not carry the right to receive any dividends and other distributions to be declared, made or paid on the Ordinary Share capital. Following the conversion of such Exiting Non-Voting Shares into Ordinary Shares, the voting rights of each holder of Non-Voting Shares shall, in respect only of any shareholders meeting convened for the purposes of considering and approving the Exit or any matter connected therewith, be vested in the chairman of such meetings.

### **2.3 Directors' authorities to allot**

Subject to the terms of the Share Option Scheme and to Article 3, the directors are generally and unconditionally authorised during the period of five years from the date of adoption of these Articles to offer, allot, grant options over or otherwise dispose of relevant securities (as defined in Section 80(2) of the Act) of the Company up to the maximum nominal amount of the authorised but unissued Share capital of the Company at the date of these Articles to such persons at such times and on such terms and conditions as they think fit and to make any offer or agreement of the kind referred to in Section 80(7) of the Act.

### **2.4 Power to redeem and repurchase shares**

Subject to and in accordance with the provisions of the Act and otherwise on such terms as the Company may by special resolution determine:

- (a) any Share in the capital of the Company may be issued on terms that it is to be, or at the option of the Company or the holder thereof is liable to be, redeemed;

- (b) the Company may purchase any of its own Shares (including any redeemable shares); and
- (c) the Company may make a payment in respect of the redemption or purchase of any of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares;

and the directors shall be empowered respectively to redeem or purchase any such Shares on such terms as the Company may by special resolution determine.

## **2.5 Lien**

The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid Share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that Share and the Company shall also have a first and paramount lien on all Shares (whether or not they are fully paid Shares) standing registered in the name of any person indebted or under liability to the Company for all moneys presently payable by him or his estate to the Company (whether he shall be the sole registered holder thereof or shall be one of two or more joint holders).

Notwithstanding the provisions of paragraph above, the directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

The Company's lien, if any, on a Share shall extend to all dividends payable thereon. Regulation 8 of Table A shall not apply to the Company.

## **2.6 Execution of Transfer**

No instrument of transfer of a Share agreed to be taken by a subscriber to the memorandum of association of the Company need be executed by or on behalf of the transferee and Regulation 23 of Table A shall be modified accordingly.

## **3. ALLOTMENT OF SHARES**

### **3.1 Where the directors propose to allot Ordinary Shares to a person, they shall first:**

- (a) make an offer to each holder of Ordinary Shares to allot to him (upon the same or more favourable terms) a proportion of those Ordinary Shares which is as nearly as practicable equal to the proportion in nominal value held by him of the aggregate of Ordinary Shares; and
- (b) simultaneously, make an offer to each holder of Non-Voting Shares to allot to him upon the same or more favourable terms a number ("N") of Non-Voting Shares calculated as follows:

$$N = \frac{(B - A) \times C}{A}$$

where:

A = number of issued Ordinary Shares before the proposed allotment;

B = number of Ordinary Shares after the occurrence of the proposed allotment; and

C = number of Non-Voting Shares held by the relevant Shareholder before the proposed allotment;

3.2 The directors shall not allot any Ordinary nor Non-Voting Shares unless the period during which the offers may be accepted has expired or they have received notice of the acceptance or refusal in respect of such offers.

3.3 At the expiration of the time limited by such offers, the directors shall allocate:

- (i) Ordinary Shares to or amongst the Ordinary Shareholders who have served a counter-notice on the Company stating what amount, if any, (up to their maximum proportion entitlement) of the Ordinary Shares they wish to subscribe; and
- (ii) Non-Voting Shares to or amongst the Non-Voting Shareholders who have served a counter-notice on the Company stating what amount, if any, (up to their maximum number entitlement N) of the Non-Voting Shares they wish to subscribe,

it being understood that any Shareholder failing to serve such a counter-notice shall be deemed to have declined to subscribe any Share so offered.

3.4 Any Ordinary Shares not taken up under the provision of sub-paragraphs 3.3 (i) and 3.3 (ii) above shall be at the disposal of the directors who may or may not offer, allot or otherwise dispose of them (subject to Article 2.3) to such person and upon such terms and conditions as the directors may so determine.

3.5 Section 89(1) of the Act shall not apply to the allotment of any Shares by the Company.

#### 4. TRANSFER OF SHARES

4.1 Save for a transfer in accordance with Article 4.4 or a transfer of Non-Voting Shares pursuant to the exercise by an option holder of its option(s) in accordance with the Share Option Scheme, no Shares shall be transferred by any member or other person entitled thereto unless and until the rights of pre-emption and prior Board approval hereinafter set out shall have been exhausted.

##### 4.2 Pre-emption on the transfer of Ordinary Shares

- (a) Any member who wishes to sell its Ordinary Shares (an "**Ordinary Vendor**") shall give notice in writing to the Company and the other holders of Ordinary Shares (the "**Other Ordinary Shareholders**") of such wish (an "**Ordinary Transfer Notice**") identifying:
  - (i) the person, to whom it proposes to sell its Ordinary Shares (the "**Ordinary Proposed Transferee**");

- (ii) the name of the Ordinary Proposed Transferee's ultimate parent company and controlling shareholder(s), if any; and
- (iii) the Prescribed Price and other terms of the proposed sale.

The Ordinary Transfer Notice shall be accompanied by the Ordinary Vendor's share certificates and a duly executed transfer in blank in respect thereof and (save as hereinafter provided) may not be withdrawn.

- (b) Any such Ordinary Transfer Notice shall not be effective if it does not contain such information unless it is a deemed Transfer Notice pursuant to Article 4.4.

The Ordinary Transfer Notice shall automatically constitute the Company the Ordinary Vendor's agent for the sale of all, but not some only, of the Ordinary Shares held by the Ordinary Vendor (the "**Ordinary Sale Shares**") to such Other Ordinary Shareholders at the Prescribed Price.

- (c) Receipt by the Other Ordinary Shareholders of the Ordinary Transfer Notice (or in the case of a deemed Transfer Notice pursuant to Article 4.4, receipt of the relevant Fair Value Certificate), shall be deemed to constitute an offer of the Ordinary Sale Shares for sale to each Other Ordinary Shareholder of the Relevant Percentage at the Prescribed Price.

Each of such Other Ordinary Shareholders shall, within 7 days of receipt of the Ordinary Transfer Notice or the Fair Value Certificate serve a counter-notice on the Company and the Other Ordinary Shareholders stating what amount, if any, (up to its Relevant Percentage) of the Ordinary Sale Shares it wishes to purchase, it being understood that any Other Ordinary Shareholder failing to serve such a counter-notice shall be deemed to have declined to purchase any Ordinary Sale Shares so offered.

- (d) If any Ordinary Sale Shares remain unallocated following the return of (or the failure to return) the counter-notice provided for in sub-paragraph (c) above, the Board shall by written notice offer those remaining Ordinary Shares to the Other Ordinary Shareholders pro rata to the initial Relevant Percentage of such Other Ordinary Shareholders at the Prescribed Price.

Each of such Other Ordinary Shareholders shall, within 2 days of receipt of the above mentioned Board's written notice, accept such offer by serving a counter-notice, it being understood that any Other Ordinary Shareholder failing to serve such a counter-notice shall be deemed to have declined to purchase any Ordinary Sale Shares so offered.

- (e) Provided that all the Ordinary Sale Shares have been allocated pursuant to sub-paragraphs (c) and/or (d), any Other Shareholders who have served a counter-notice pursuant to sub-paragraphs (c) and/or (d) shall, within 10 days of such service, complete the purchase of the Ordinary Sale Shares specified therein (together with all rights attached thereto as at the date of the Ordinary Transfer Notice or deemed Transfer Notice, except the right to any dividend declared but not paid prior to the date of the relevant Ordinary Transfer Notice) from the Ordinary Vendor at the Prescribed Price.

The Ordinary Vendor shall be bound, on payment of the Prescribed Price within such 10 day period to transfer the Ordinary Sale Shares to the relevant Other Ordinary Shareholders, failing which the Board may:

- (i) receive and give a good discharge for the purchase money on behalf of the Ordinary Vendor;
- (ii) authorise some person to execute a transfer of the Ordinary Sale Shares in favour of such relevant Other Ordinary Shareholders; and
- (iii) enter their names in the register of members as the holders by transfer of the Ordinary Sale Shares so purchased by them.

If such purchase is not completed (for any reason other than the Ordinary Vendor's default) within such period of 10 days, then the certificates and duly completed transfers in respect of the Ordinary Sale Shares shall be returned to the Ordinary Vendor and the provisions of Clause 4.2(f) shall apply.

- (f) If any Ordinary Sale Shares remain unallocated after the procedures set out in sub-paragraphs (a) to (d) above, the counter-notices served pursuant to sub-paragraphs (c) and (d) shall be disregarded and the Ordinary Vendor shall, subject to Article 4.5 (*Prior Approval of the Board*), be at liberty to sell all the Ordinary Sale Shares at any time within 45 days from the expiry of the period referred to in sub-paragraph (d) above to the Ordinary Proposed Transferee at the Prescribed Price and otherwise upon no more favourable terms than those offered to the Other Ordinary Shareholders and as stated in the Transfer Notice.

#### 4.3 Pre-emption on the transfer of Non-Voting Shares

- (a) Any member who wishes to sell its Non-Voting Shares (a "**Non-Voting Vendor**") shall give notice in writing to the Company and the other holders of Ordinary and Non-Voting Shares (the "**Other Shareholders**") of such wish (a "**Non-Voting Transfer Notice**"), identifying:
  - (i) the person to whom it proposes to sell its Non-Voting Shares (the "**Non-Voting Proposed Transferee**");
  - (ii) the name of the Non-Voting Proposed Transferee's ultimate parent company and controlling shareholder(s), if any; and
  - (iii) the Prescribed Price and other terms of the proposed sale.

The Non-Voting Transfer Notice shall be accompanied by the Non-Voting Vendor's share certificates and a duly executed transfer in blank in respect thereof and (save as hereinafter provided) may not be withdrawn.

- (b) Any such Non-Voting Transfer Notice shall not be effective if it does not contain such information unless it is a deemed Transfer Notice pursuant to Article 4.4.

The Non-Voting Transfer Notice shall automatically constitute the Company the Non-Voting Vendor's agent for the sale of all, but not some only, of the Non-Voting



Shares held by the Non-Voting Vendor (the "**Non-Voting Sale Shares**") to such Other Shareholders at the Prescribed Price.

- (c) Receipt by the Other Shareholders of the Non-Voting Transfer Notice (or in the case of a deemed Transfer Notice pursuant to Article 4.4, receipt of the relevant Fair Value Certificate), shall be deemed to constitute an offer of the Non-Voting Sale Shares for sale to each Other Shareholder of the Relevant Percentage at the Prescribed Price.

Each of such Other Shareholders shall, within 7 days of receipt of the Non-Voting Transfer Notice or the Fair Value Certificate, serve a counter notice on the Company and the Other Shareholders stating what amount, if any, (up to its Relevant Percentage) of the Non-Voting Sale Shares it wishes to purchase, it being understood that any Other Shareholder failing to serve such a counter-notice shall be deemed to have declined to purchase any Non-Voting Sale Shares so offered.

- (d) If any Non-Voting Sale Shares remain unallocated following the return of (or failure to return) the counter-notice provided for in sub-paragraph (c) above, the Board shall by written notice offer those remaining Non-Voting Shares to the Other Shareholders pro rata to the initial Relevant Percentage of such Other Shareholders at the Prescribed Price.

Each of such Other Shareholders shall, within 2 days of receipt of the above mentioned Board's written notice, accept such offer by serving a counter-notice, it being understood that any Other Shareholder failing to serve such a counter-notice shall be deemed to have declined to purchase any Non-Voting Sale Shares so offered.

- (e) Provided that all the Non-Voting Sale Shares have been allocated pursuant to sub-paragraphs (c) and/or (d) above, any Other Shareholders who have served a counter-notice pursuant sub-paragraphs (c) and/or (d) shall, within 10 days of such service, complete the purchase of the Non-Voting Sale Shares specified therein (together with all rights attached thereto as at the date of the Non-Voting Transfer Notice or deemed Transfer Notice, except the right to any dividend declared but not paid prior to the date of the relevant Transfer Notice), from the Non-Voting Vendor at the Prescribed Price.

The Non-Voting Vendor shall be bound, on payment of the Prescribed Price within such 10 day period to transfer the Non-Voting Sale Shares to the relevant Other Shareholders, failing which the Board may:

- (i) receive and give a good discharge for the purchase money on behalf of the Non-Voting Vendor;
- (ii) authorise some person to execute a transfer of the Non-Voting Sale Shares in favour of such relevant Other Shareholders; and
- (iii) enter their names in the register of members as the holders by transfer of the Non-Voting Sale Shares so purchased by them.

If such purchase is not completed (for any reason other than the Non-Voting Vendor's default) within such period of 10 days, then the certificates and duly completed transfers in respect of the Non-Voting Sale Shares shall be returned to the Non-Voting Vendor and the provisions of Clause 4.3(f) shall apply.

- (f) If any Non-Voting Sale Shares remain unallocated after the procedures set out in sub-paragraphs (a) to (d) above, the counter-notices served pursuant to sub-paragraphs (c) and (d) shall be disregarded and the Non-Voting Vendor shall, subject to Article 4.5 (*Prior Approval of the Board*), be at liberty to sell all the Non-Voting Sale Shares at any time within 45 days from the expiry of the period referred to in sub-paragraph (d) above to the Non-Voting Proposed Transferee at the Prescribed Price and otherwise upon no more favourable terms than those offered to the Other Shareholders and as stated in the Non-Voting Transfer Notice.

#### 4.4 Deemed Transfer of Shares

- (a) If any member (the "**Defaulter**"):
  - (i) who is an individual, has a bankruptcy petition presented against him or her or presents his or her own bankruptcy petition or makes a proposal to his or her creditors for a voluntary arrangement as defined in Section 253 of the Insolvency Act 1986 or proposes to enter into a Deed of Arrangement or becomes unable to pay his debts within the meaning of Section 268 of the Insolvency Act 1986 or who is subject to any equivalent bankruptcy procedure in any foreign jurisdiction;
  - (ii) who is a corporate body, becomes unable to pay its debts within Section 123 of the Insolvency Act 1986 or makes a composition or arrangement with its creditors or puts a proposal to its creditors for a voluntary arrangement for a composition of its debts or a scheme of arrangement or on the presentation of a petition that it be put into liquidation or administration or passes a resolution putting it into voluntary liquidation (other than for the purposes of amalgamation or reconstruction) or who is subject to any equivalent insolvency or liquidation procedure in any foreign jurisdiction; or
  - (iii) commits a material breach of any provision of the Shareholders' Agreement remained unremedied, if capable of remedy, within 15 days after the date of a notice from any other member specifying the nature of the breach and requiring it to be remedied;

then in any such event (without prejudicing or in any way limiting its other rights) each of the other members (each a "**Non-Defaulter**") shall be entitled (by notice) in its entire discretion to treat the occurrence of any such event as the deemed service by the Defaulter of a "**Transfer Notice**", whether an Ordinary Transfer Notice pursuant to Article 4.2 (in respect of Ordinary Shares held by such Defaulter) or a Non-Voting Transfer Notice pursuant to Article 4.3 (in respect of Non-Voting Shares held by such Defaulter), the provisions of which shall accordingly apply *mutatis mutandis* save that:

- (a) there shall be no right to withdraw the Transfer Notice; and
- (b) the Prescribed Price shall:
  - (i) in the events referred to in Article 4.4(a)(i) and 4.4(a)(ii), be determined in accordance with paragraph (b)(i) of the definition of "**Prescribed Price**" in Article 1.1; and
  - (ii) in the events referred to in Article 4.4(a)(iii) be determined in accordance with paragraph (b)(ii) of the definition of "**Prescribed Price**" in Article 1.1.

To be effective, such notice shall be served on the Defaulter within 7 days of the relevant Non-Defaulter becoming aware of the occurrence of such event.

- (b) The provisions of Article 4.5(d) shall apply to any transfer pursuant to the provisions of this Article 4.4.
- (c) Any notice given by a Non-Defaulter pursuant to Article 4.4(a) shall have the effect that (notwithstanding any provision of the Articles) until further notice from such Non-Defaulter:
  - (i) any transfer by a Defaulter of its Shares (the "**relevant Shares**") (other than to the relevant Non-Defaulter) shall be void;
  - (ii) no voting rights shall be exercisable by the Defaulter in respect of its Shares;
  - (iii) no further Shares shall be issued or need be offered to the Defaulter;
  - (iv) except in a liquidation, no interest, dividend or other payment shall be made of any sums due from the Company on the Shares of the Defaulter (whether in respect of capital or otherwise) to the Defaulter;
  - (v) the Defaulter or its nominee (as appropriate) shall not be required to be present to make a quorum for general meetings of the Company or meetings of the Board.

#### **4.5 Prior Approval of the Board**

- (a) Notwithstanding the provisions of Articles 4.2 and 4.3 (*pre-emption rights*), no transfer of any Shares may be made or registered without the prior written approval of the Board in accordance with this Article 4.5.
- (b) Any member who wishes to transfer any of its Shares to any third party shall give notice in writing to the Board of such wish identifying:
  - (i) the Ordinary Proposed Transferee or the Non-Voting Proposed Transferee, as the case may be;

- (ii) the name of the Ordinary Proposed Transferee's or Non-Voting Proposed Transferee's (as the case may be) ultimate parent company and controlling shareholder(s), if any; and
- (iii) the number of Shares it proposes to sell and the Prescribed Price and other terms of the proposed sale.

For the avoidance of doubt, the service of an Ordinary Transfer Notice pursuant to Article 4.2(a) or a Non-Voting Transfer Notice pursuant to Article 4.3(a) shall be deemed to be a written request for approval of the Board.

- (c) Within 15 days from the date of receipt of such request, the Board shall notify the transferor in writing of their consent to or rejection of the transfer request. In the event that no such notice is served on the transferor within 15 days then the Board shall be deemed to have approved the proposed transfer. The Board shall not be required to provide reasons for its decision.

If approval is given or deemed to have been given, the transferor shall be at liberty to transfer the Shares to the relevant third party, subject to Article 4 (*Transfer of Shares*).

In the event that the transfer request is not approved, the transferor shall within 10 days of such notice of refusal notify the Board as to whether or not he wishes to proceed with the transfer of the Shares. If the transferor wishes to transfer the Shares, the Board shall within 30 days of the date of notice to proceed with the transfer, procure that the Shares are acquired either by one or more persons (whether members of the Company or not) nominated by it or by the Company by way of a reduction in share capital. The proposed price and other terms of the proposed sale shall be upon no more favourable terms than those initially offered by the transferor. Failure to transfer the Shares within such 30 day period shall be deemed to be approval of the transferor's original request.

- (d) The Board shall refuse to register any transfer of any Share other than a transfer permitted by or under and made in accordance with Article 4, which transfer the Board shall register.

## **5. GENERAL MEETINGS**

### **5.1 Meetings on members' requisition**

The following words shall be substituted for Regulation 37 of Table A:

"The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act (notably on the requisition of any one or more members holding at the date of deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carries the right to vote at general meetings of the Company) shall forthwith proceed to convene an extraordinary general meeting for a date not later than 6 8 weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting or if the directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, any director or any such member of the Company may call a general meeting."

### **5.2 Quorum**

If, and for so long as, the Company has only one member, or if the Company has two members and one such member is a Defaulter (as defined above), that member (who is not a Defaulter) or the proxy for that member, or where that member is a corporation, its duly authorised representative, shall be a quorum at any general meeting of the Company or of the holders of any class of Shares of the Company. Regulation 40 of Table A shall be modified accordingly.

At the end of the first sentence of Regulation 40 of Table A the following words shall be added: "at the time when the meeting proceeds to business".

### **5.3 Proxies voting**

Regulation 54 of Table A shall be amended by the addition of the words "or by proxy" after the words "in person".

## **6. DIRECTORS**

### **6.1 Number of directors**

Unless and until the Company in General Meeting shall otherwise determine, the number of directors shall be not less than one. Regulation 64 of Table A shall not apply to the Company. If and so long as there is one director, such director may act alone in exercising all the powers and authorities vested in the directors and Regulations 89 and 90 of Table A shall be modified accordingly.

### **6.2 Special remuneration**

Any director who by request performs special services or goes or resides abroad for any purposes of the Company may receive such remuneration (in addition to that otherwise

provided for) by way of salary, commission, percentage of profits or otherwise as the directors may determine.

**6.3 Sanction under section 719 of the Act**

The directors are authorised to sanction the exercise of the power conferred on the Company by Section 719(1) of the Act and to exercise that power.

**6.4 Alternate directors**

Regulation 65 of Table A shall not apply to the Company.

**6.5 Members' directions to directors by ordinary resolution**

In Regulation 70 of Table A the words "ordinary resolution" shall be substituted for the words "special resolution".

**6.6 Delegation of powers**

The words "or such person or persons as the directors may think fit" shall be added at the end of the first sentence of Regulation 72 of Table A.

**6.7 Appointment and removal of directors**

6.7.1 For the purposes of this Article 6.7, "**share capital**" shall exceptionally be calculated as the aggregate of all share capital held in the Company and all debt owed by the Company to the relevant member, each £1 of debt being deemed, solely for the purposes of such calculation, to represent £1 of share capital.

6.7.2 At any time and from time to time the holder or holders of a majority in nominal value of such part of the issued share capital of the Company as confers the right for the time being to attend and vote at General Meetings of the Company may by memorandum in writing signed by or on behalf of him or them and left at or sent to the registered office of the Company appoint any person to be a director or remove a director from office.

**6.8 Casual vacancies**

The directors shall have power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed shall (subject to the other provisions of these Articles) hold office until he is removed pursuant to this Article.

**6.9 Directors not subject to retirement by rotation**

Regulations 73 to 80 (inclusive) and the last sentence of Regulation 84 of Table A shall not apply to the Company.

## **6.10 No age limit for directors**

- 6.10.1 No director shall vacate or be required to vacate his office as a director on or by reason of his attaining or having attained the age of 70 or any other age and any director or any person may be re-appointed or appointed, as the case may be, as a director notwithstanding that he had then attained the age of 70.
- 6.10.2 No special notice need be given of any resolution for the re-appointment or appointment or approval of the appointment of a director at any age and it shall not be necessary to give the members of the Company notice of the age of any director or person proposed to be so re-appointed or appointed.

## **6.11 Compulsory vacation of office**

Regulation 81 of Table A shall be amended as follows:

- (a) the words "he is, or may be, in the opinion of the other directors, of unsound mind or suffering from mental disorder" shall be substituted for paragraph (c); and
- (b) the whole of paragraph (e) shall be deleted

## **7. EXECUTIVE DIRECTORS**

- 7.1 The directors may from time to time appoint one or more of their body to executive office (including but without limitation that of Managing Director, Manager or any other salaried office) for such period and on such terms as they shall think fit, and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.
- 7.2 The appointment of a director so appointed shall (subject to the terms of any such agreement as aforesaid) be automatically determined ipso facto if he ceases from any cause to be a director.
- 7.3 A Managing Director, Manager or other executive officer as aforesaid shall receive such remuneration, (by way of salary, commission, participation in profits or otherwise howsoever) as the directors may determine.

Regulation 84 of Table A shall not apply to the Company.

## **8. GRATUITIES AND PENSIONS**

The directors may provide benefits whether by payment of gratuities or pensions or by insurance or otherwise, to, or to any person in respect of, any director or employee or former director or employee who may hold or may have held any executive or other office or employment under:

- (i) the Company;

- (ii) any body corporate which is or has been a subsidiary or holding company of the Company;
- (iii) any other subsidiary of a holding company of the Company; or
- (iv) a predecessor in business of the Company or of any such other company,

and for the purpose of providing any such benefits may contribute to any scheme or fund and may make payments towards insurances or trusts for the purchase or provision of any such benefit in respect of such persons. Regulation 87 of Table A shall not apply to the Company

## **9. PROCEEDINGS OF DIRECTORS**

### **9.1 Notices to directors**

Any director for the time being absent from the United Kingdom may supply to the Company an address and/or facsimile transmission number whether or not within the United Kingdom to which notices of meetings of the directors may be sent and shall then be entitled to receive at such address or number notice of such meetings. Regulation 88 of Table A shall be modified accordingly.

### **9.2 Telephone meetings**

A meeting of the directors may be validly held notwithstanding that all of the directors are not present at the same place and at the same time provided that:

- (a) a quorum of the directors at the time of the meeting are in direct communication with each other whether by way of telephone or audio-visual link; and
- (b) a quorum of the directors entitled to attend a meeting of the directors agree to the holding of the meeting in the manner described herein.

## **10. DIRECTORS' INTERESTS**

10.1 A director may vote in regard to any contract or arrangement in which he is interested or upon any matter arising thereout and if he shall so vote his vote shall be counted and he shall be reckoned in ascertaining whether there is present a quorum at any meeting at which any such contract or arrangement is considered.

10.2 A director may act by himself or his firm in any professional capacity for the Company and he or his firm may be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Company.

Regulations 94 to 98 (inclusive) of Table A shall not apply to the Company.



## **11. SEAL**

### **11.1 Official seal**

The Company may have for use in any territory, district or place elsewhere than in the United Kingdom an official seal which shall in all respects comply with the requirements of Section 39(1) of the Act. References in these Articles and Table A to the seal of the Company shall include references to such official seal and any official seal adopted by the Company under Section 40 of the Act.

### **11.2 Execution of deeds**

At the end of Regulation 101 of Table A shall be added the words:

- “(a) Any instrument signed by one director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal.
- (b) No instrument shall be signed pursuant to Regulation 101(a) which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf.”

## **12. NOTICES**

### **12.1 Manner of giving notice of general meetings**

Notice of every General Meeting of the Company shall be given by letter or facsimile transmission. Regulation 112 of Table A shall be modified accordingly.

### **12.2 Deemed service of notice**

There shall be substituted for the last sentence of Regulation 115 of Table A, the words "A notice shall be deemed to be given, if posted by pre-paid first-class mail, when the envelope containing the same is posted, if posted by any other class of pre-paid mail, at the expiration of 48 hours from such time and if sent by facsimile transmission, when despatched."

## **13. BORROWING POWERS**

The directors may exercise all the powers of the Company to borrow or raise money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Act, 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 (including any member).

#### 14. INDEMNITY INSURANCE

Without prejudice to the provisions of Regulation 118 of Table A the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, or employees or auditors of:

- (i) the Company;
- (ii) any other company which is its holding company or parent undertaking or in which the Company or such holding company or parent undertaking or any of the predecessors of the Company or of such holding company or parent undertaking has any interest whether direct or indirect;
- (iii) which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company; or
- (iv) who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested,

including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

For the purposes of this Regulation "**holding company**" "**parent undertaking**" and "**subsidiary undertaking**" shall have the same meanings as in the Companies Acts 1985 to 1989.