

**THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
JAGEX LIMITED**

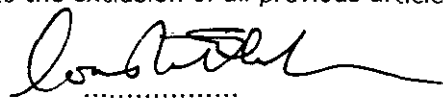
The following written resolutions were passed by the Company on 16 August 2005, of which resolutions 1 and 2 would otherwise be required to be passed as ordinary resolutions and resolution 3 would otherwise be required to be passed as a special resolution.

ORDINARY RESOLUTIONS

1. THAT the directors be and are hereby generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985, to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the said Act) up to an aggregate nominal amount of £9,900, this authority to expire on 31 August 2005.
2. THAT the directors be and are hereby authorised and directed:
 - (a) to appropriate £9,900 being part of the amount outstanding to the credit of the share premium account of the Company and to the holders of the ordinary shares of £1 each on the register of members at the close of business on 15 August 2005 in the proportion of £99 per ordinary share then held;
 - (b) to apply such sum on their behalf in paying up in full at par 9,900 ordinary shares of £1 each and to allot; and
 - (c) to allot distribute such shares to such holders on the basis of 99 new ordinary shares for every 1 existing ordinary share then held, such shares to rank for all purposes pari passu with the existing issued ordinary shares of £1 each.

SPECIAL RESOLUTION

3. THAT, conditional upon the bonus issue authorised pursuant to resolution 2 above being effected and the allotments of new shares thereby issued being registered in the register of members of the Company:
 - (a) each of the 10,000 then issued ordinary shares of £1 each in the capital of the Company be and is hereby subdivided into 10 ordinary shares of 10 pence each having the rights and being subject to the restrictions and obligations set out in the articles of association adopted by paragraph (c) below;
 - (b) the rights attaching to 35 out of every 100 ordinary shares of 10 pence each in the capital of the Company then held by each shareholder of the Company be and are hereby varied to the effect that each of such shares is converted into one participating convertible preferred share of 10 pence having the rights and being subject to the restrictions and obligations set out in the articles of association adopted by paragraph (c) below; and
 - (c) new articles of association in the form of the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.


.....
Director





No. 3982706

The Companies Acts 1985 to 1989

Articles of Association of Jagex Limited

(Adopted by special resolution on 16 August 2005)

1. DEFINITIONS, INTERPRETATION AND TABLE A

1.1 In these articles unless there is something in the subject or context inconsistent therewith:

"Acts" means the Companies Act 1985 and the Companies Act 1989 and (in either case) includes any statutory modification, amendment, variation or re-enactment thereof for the time being in force;

"acting in concert" has the meaning set out in the City Code on Takeovers and Mergers;

"Allocation Notice" has the meaning set out in article 14.5;

"articles" means the articles of association of the Company for the time being in force;

"Auditors" means the auditors of the Company from time to time;

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

"Called Shareholder" has the meaning set out in article 12.1;

"Calling Shareholder" has the meaning set out in article 12.1;

"connected" 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;

"corporation" means any body corporate or association of persons whether or not a company within the meaning of the Acts;

"Drag Along Notice" has the meaning set out in article 12.1;

"Group" means the Company and any company which is a subsidiary undertaking of the Company from time to time and references to **"Group Company"** and **"members of the Group"** shall be construed accordingly.

"holder" in relation to shares in the capital of the Company, means the person(s) entered in the register of members of the Company as the holder of the shares;

"Investor Director" means any director properly designated as such from time to time in accordance with article 7;

"Member Applicant" has the meaning set out in article 14.5;

"officer" means and includes a director, manager or the secretary of the Company;

"Ordinary Shares" means the ordinary shares of 10p each in the capital of the Company;

"Preferred Shares" means the participating convertible preferred shares of 10p each in the capital of the Company;

"Regulation" means a regulation in Table A;

"Sale Shares" has the meaning set out in article 14.3;

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

"Transfer Notice" has the meaning set out in article 14.1;

"Transfer Price" has the meaning set out in article 14.1(c); and

"Vendor" has the meaning set out in article 14.1.

1.2 Unless the context otherwise requires, words or expressions contained in these articles bear the same meanings as in the Acts as in force on the date of adoption of these articles.

1.3 In these articles:

- (a) headings are included for convenience only and shall not affect the construction of these articles;
- (b) words denoting the singular include the plural and vice versa;
- (c) words denoting one gender include each gender and all genders; and
- (d) references to persons are deemed to include references to natural persons, to firms, to partnerships, to companies, to corporations, to associations, to organisations and to trusts (in each case whether having separate legal personality).

- 1.4 Unless otherwise specifically provided, where any notice, resolution or document is required by these articles to be signed by any person, the reproduction of the signature of such person by means of facsimile shall suffice.
- 1.5 The regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified by these articles. In particular:
- (a) Regulations 24, 26, 40, 41, 54, 64, 73 to 80 (inclusive), the third and fifth sentence of Regulation 88, Regulation 89 and Regulations 94 to 96 (inclusive) shall not apply to the Company;
 - (b) Regulation 82 shall not apply to the Company and the remuneration of the directors of the Company shall be determined by the Board;
 - (c) Regulations 62(a) and 62(aa) relating to the depositing of proxies shall be amended by the deletion of the words "not less than 48 hours" and Regulation 62(b) relating to a poll shall be amended by the deletion of the words "not less than 24 hours";
 - (d) Regulation 65 of Table A shall be amended by the addition of the following words:

"No director of the Company shall require a resolution of the directors to the appointment by him of any person to be an alternate director in his place.";
 - (e) 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 thereof or shall be one of two or more joint holders; and
 - (f) Regulation 37 relating to requisition by members of an extraordinary general meeting shall be amended by replacing the words "eight weeks" with the words "28 days" or such earlier date as may be specified in the notice subject to obtaining any necessary consents to the meeting being held on short notice.

2. **AUTHORISED CAPITAL**

The authorised share capital of the Company at the date of the adoption of these articles is £10,000 divided into 35,000 participating preferred shares of 10p each and 65,000 ordinary shares of 10p each in each case having attached thereto the rights and being subject to the restrictions as set out in these articles.

3. **INCOME**

The Preferred Shares and the Ordinary Shares shall rank equally for any dividends or other distributions paid thereon, *pari passu* as if they were one class of shares.

4. **CAPITAL**

Unless otherwise agreed between the majority of the holders of Ordinary Shares and the majority of the holders of the Preferred Shares (voting as separate classes), on a return of capital, the capital being returned shall be distributed amongst the holders of the Preferred Shares and the Ordinary Shares, *pro rata* to the number of such shares held by them, *pari passu* as if they were one class of shares.

5. **VOTING**

Every member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall (except as otherwise provided in these articles) have one vote for every Preferred Share of which he is the holder and one vote

for every Ordinary Share of which he is the holder, in each case whether on a show of hands or on a poll.

6. CONVERSION

6.1 Each holder of the Preferred Shares may, by notice in writing to the Company, elect to convert all or any of the Preferred Shares held by him into Ordinary Shares, with effect from such date as may be specified in such notice, being not earlier than the date on which the notice is received by the Company.

6.2 The Preferred Shares shall, conditional upon the prior payment to the holders of the Preferred Shares of such amount as the holders of shares in the capital of the Company may have agreed is payable to such holders in the circumstances referred to below in this article 6.2, automatically convert into Ordinary Shares immediately prior to the first to occur of:

- (a) (i) together the admission of any part of the share capital of the Company to the Official List of the UK Listing Authority becoming effective in accordance with the Listing Rules and their admission to trading on the London Stock Exchange's market for listed securities becoming effective in accordance with the Admission and Disclosure Standards of the London Stock Exchange; or (ii) the grant of permission for dealings in any part of the share capital of the Company on AIM (a market of the London Stock Exchange); or (iii) the admission of any part of the share capital of the Company to listing on Nasdaq, the New York Stock Exchange or any other recognised investment exchange (as that term is used in section 285 of the Financial Services and Markets Act 2000) as any Investor Director shall agree; and
- (b) the transfer (including any transfer within the meaning of article 10.4) (whether through a single transaction or a series of transactions) of shares in the capital of 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 beneficial ownership of the whole of the issued share capital of the Company;

or, if earlier, on receipt by the Company of notice in writing, electing to so convert, signed by the holders of more than 50 per cent. of the Preferred Shares.

6.3 Each Preferred Share:

- (a) transferred by the holder thereof pursuant to an exercise by such holder of the tag along rights conferred upon it by article 11; or
- (b) transferred by the holder thereof in circumstances where such transfer gave rise to a right on the part of the other holder(s) of shares in the capital of the Company to exercise the tag along rights conferred upon it/them by article 11 (whether or not such other holder(s) (or any of them) exercise(s) such right)

shall, conditional upon the prior payment to the holder of the Preferred Share in question of such amount as the holders of shares in the capital of the Company may have agreed is payable to such holder in such circumstances, automatically convert into one Ordinary Share forthwith upon completion of the relevant transfer.

6.4 Any such conversion as is referred to above in this article 6 shall be effected by the variation of the rights attaching to the relevant Preferred Shares, to the effect that such *share rights shall, for all purposes (including dividends, voting and return of capital)*, be identical in all respects to, form one class with and rank *pari passu* (in light of liquidation or otherwise) with the other Ordinary Shares then in issue.

7. **INVESTOR DIRECTOR**

The holders of the Preferred Shares shall have the right (exercisable by notice in writing to the Company signed by the holders of more than 50 per cent. of the Preferred Shares then in issue) from time to time to designate up to two directors of the Company as **"Investor Directors"** (and by similar notice to revoke such designation and designate another director in his place).

8. **VARIATION OF RIGHTS**

Whenever the share capital of the Company is divided into different classes of shares, 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 (a) with the consent in writing of the holders of more than three-fourths in nominal value of the issued shares of that class; or (b) 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 his 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 (in person or by proxy or by duly authorised representative (if a corporation)) 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 him.

9. **FURTHER ISSUES OF SHARES**

9.1 Subject to any direction to the contrary which may be given by ordinary or other resolution of the Company and subject to any statutory provisions, the unissued shares in the capital of the Company (whether forming part of the present or any increased capital) shall be at the disposal of the Board.

9.2 All shares which the Company proposes to allot wholly for cash shall first be offered for subscription to the holders of Preferred Shares and to the holders of Ordinary Shares in the proportion that the aggregate nominal value of such shares for the time being held respectively by each such holder bears to the total number of Preferred Shares and Ordinary Shares in issue. Such offer shall be made by notice in writing specifying the number of shares to which the holder is entitled and limiting a time (being not less than 21 days) within which the offer, if not accepted, will be deemed to be declined. Shareholders who accept the offer shall be entitled to indicate that they would accept, on the same terms, shares (specifying a maximum number) that have not been accepted by other shareholders or where a shareholder has informed the Board that it is unwilling to participate in any such issue (**"Excess Shares"**) and any Excess Shares shall be allotted to shareholders who have indicated they would accept Excess Shares, pro rata to the aggregate number of Preferred Shares and/or Ordinary Shares held by shareholders accepting Excess Shares provided that no such shareholder shall be allotted more than the maximum number of Excess Shares such shareholder 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 may at any time within three calendar months thereafter dispose of any shares so offered and which are not required to be allotted in accordance with the foregoing provisions in such manner as the Board may think most beneficial to the Company at any price not less than the price at which (and on terms no less favourable than the terms on which) the shares were offered to the holders

of Preferred Shares and/or Ordinary Shares. If owing to the inequality in the number of new shares to be issued and the number of Preferred Shares and/or Ordinary Shares held by shareholders entitled to receive the offer of new shares any difficulty shall arise in the apportionment of any such new shares amongst the shareholders such difficulties shall in the absence of direction by the Company be determined in good faith by the Board.

- 9.3 The pre-emption provisions of section 89(1) of the Companies Act 1985 shall not apply to the Company.

10. TRANSFER OF SHARES

- 10.1 Except as provided in article 11, article 12, article 13 and article 14 and subject to the further provisions of this article 10, no shares in the capital of the Company shall be transferred (including any transmission of shares pursuant to Regulations 29, 30 and 31 of Table A). Any transfer in breach of these articles shall be void.
- 10.2 The Board shall decline to register any transfer not made in accordance with the provisions of these articles and may decline to register any transfer of shares which are not fully paid or on which the Company has a lien.
- 10.3 The Board shall not decline to register any transfer made pursuant to the provisions of article 13 nor, subject to the proviso to article 14.8, the provisions of article 14.
- 10.4 *For the purposes of these articles, a transfer of a share shall include the transfer of either or both of the legal and beneficial ownership in an issued share and/or the grant of an option to acquire either or both of the legal and beneficial ownership in such a share. In addition, the following shall be deemed (but without limitation) to be a transfer of shares:*
- (a) any direction (by way of renunciation or otherwise) by a person entitled to an allotment or transfer of any share in the capital of the Company that such share be allotted or issued or transferred to some person other than himself;
 - (b) any sale or any other disposition of any legal or equitable interest in a share in the capital of the Company (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; and
 - (c) any holder of shares in the capital of the Company who is a nominee for another person ceasing to hold the shares in the capital of the Company in question for that person.

For the avoidance of doubt, the creation of mortgage, charge or other security interest over or in respect of a share shall not constitute a transfer of that share for the purposes of these articles.

11. TAG ALONG

- 11.1 If the effect of any sale or other transfer or disposition of any shares in the capital of the Company would, if made, result in:
- (a) any holder of shares in the capital of the Company selling or otherwise transferring or disposing of more than 5 per cent of the issued share capital of the Company to any person or to any persons connected with each other or acting in concert with each other (other than as permitted pursuant to article 13), then the sale or other transfer or disposition shall not be made unless the proposed transferee has unconditionally offered to purchase such number of the shares in the capital of the Company held by each other member of the Company (other than any member who is connected with or acting in concert with the proposed transferee) (rounded up to the nearest whole number of shares) as is equal to the equivalent percentage

of the aggregate shareholding of such other member (and for this purpose, the **"equivalent percentage"** means that percentage which the number of shares in the capital of the Company proposed to be sold or otherwise transferred or disposed of by the proposed transferor is of the aggregate holding of shares in the capital of the Company of the proposed transferor); or

- (b) any person or persons connected with each other or acting in concert with each other (other than as permitted pursuant to article 13) acquiring shares in the capital of the Company conferring more than 50 per cent. of the voting rights normally exercisable at general meetings of the Company, then the sale or other transfer or disposition shall not be made unless the proposed transferee has unconditionally offered to purchase all of the other issued shares in the capital of the Company (other than shares in the capital of the Company held by any holder of shares in the capital of the Company who is connected with or acting in concert with the proposed transferee),

in either case on the same terms and conditions as have been agreed between the proposed transferor and the proposed transferee (and for this purpose the Preferred Shares and the Ordinary Shares shall be deemed to be of equal value as regards the transferee, without prejudice to any arrangements for payment allocation agreed amongst the transferors). Any offer pursuant to this article 11.1 shall remain open for acceptance for not less than 21 days. No offer shall be required pursuant to this article 11.1 if a Drag Along Notice has been served under article 12.1.

- 11.2 No holder of shares in the capital of the Company exercising the tag along right conferred by article 11.1 will be required to give any warranty or indemnity to any person in connection with the sale by him of his shares pursuant to an offer made as required pursuant to article 11.1 (other than warranties as to due authority, no conflict and title to the shares to be sold by him at that time).

12. **DRAG ALONG**

- 12.1 If the effect of any bona fide transfer of any shares in the capital of the Company would result in:

- (a) any person or persons connected with each other or acting in concert with each other (other than any person who at the date of adoption of these articles is a holder of shares in the capital of the Company) acquiring shares in the capital of the Company conferring 75 per cent. or more of the voting rights normally exercisable at general meetings of the Company; or
- (b) any person or persons connected with each other or acting in concert with each other (other than any person who at the date of adoption of these articles is a holder of shares in the capital of the Company) acquiring shares in the capital of the Company conferring 60 per cent. or more of the voting rights normally exercisable at general meetings of the Company and the price proposed to be paid to the prospective transferor(s) is an amount per share equal to at least £2,000.

then, provided that the prospective transferor(s) is/are transferring all of the shares in the capital of the Company held by it/them, the prospective transferor (or, if there is more than one, any of them) (the **"Calling Shareholders"**) shall have the right to require all (but not some only) of the other holders of shares in the capital of the Company (the **"Called Shareholders"**) to transfer within one business day of demand being made by the Calling Shareholders by notice in writing to the Called Shareholders all (but not some only) of their shares in the capital of the Company. The transfer shall be on the same terms and conditions as shall have been agreed between the Calling Shareholders and the proposed transferee (and for this purpose the Preferred Shares and the Ordinary Shares shall be deemed to be of equal value as regards the transferee, without prejudice to any

arrangements for payment allocation agreed amongst the transferors). The right of the Calling Shareholders shall be exercised by the Calling Shareholders giving written notice to the Called Shareholders to that effect (the "**Drag Along Notice**") accompanied by copies of all documents required to be executed by the Called Shareholders to give effect to the required transfer.

- 12.2 No Called Shareholder will be required to give any warranty or indemnity to any person in connection with the sale by him of his shares pursuant to article 12.1 (other than warranties as to due authority, no conflict and title to the shares to be sold by him at that time).
- 12.3 If a Called Shareholder makes default in transferring its shares pursuant to article 12.1, (the "**Relevant Securities**") then:
- (a) the Chairman for the time being of the Company, or failing him any other director of the Company, shall be deemed to be the duly appointed agent of the Called Shareholder with full power to execute, complete and deliver in the name and on behalf of the Called Shareholder all documents necessary to give effect to the transfer of the Relevant Securities to the transferee;
 - (b) the Company may receive and give a good discharge for the purchase money on behalf of the Called Shareholder and (subject to the transfer being duly stamped) enter the name of the transferee in the register of members as the holder by transfer of the Relevant Securities; and
 - (c) the Board shall forthwith pay the purchase money into a separate bank account in the Company's name and if and when the Called Shareholder shall deliver up his certificate or certificates for the Relevant Securities to the Company (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate) he shall thereupon be paid the purchase money, without interest and less any sums owed to the Company by the Called Shareholder pursuant to these articles or otherwise.

The appointment referred to in paragraph (a) above shall be irrevocable and is given by way of security for the performance of the obligations of the holders of shares in the capital of the Company under these articles.

13. **PERMITTED TRANSFERS**

- 13.1 Any holder of shares in the capital of the Company may transfer all or any of the shares in the capital of the Company held by it to a nominee or trustee for that holder and any nominee or trustee may transfer shares in the capital of the Company to any other nominee or trustee or to the beneficiary provided that no beneficial interest in the shares passes by reason of any such transfer.
- 13.2 Any holder of shares in the capital of the Company who is an individual may transfer all or any of the shares in the capital of the Company held by him:
- (a) to his parents, siblings, spouse or adult children (including adult step children); or
 - (b) to the trustee or trustees of a family trust set up wholly for the benefit of one or more of the transferor and his parents, siblings, spouse and children (including step children) and of which the said holder is the settlor;

provided that a person acquiring shares pursuant to this article 13.2 shall not have the like right unless the transfer is to the person from whom he took the shares in the first instance or, in the case of a transfer by trustees, to persons beneficially entitled under such trusts or is a transfer to new trustees of the same trust on a change of trustees and (provided that no change in beneficial ownership is thereby effected).

- 13.3 Any holder of shares in the capital of the Company that is an investment fund or a nominee or trustee or general or managing partner of an investment fund may transfer all or any of the shares in the capital of the Company held by it:
- (a) to any other investment fund managed or advised by the same manager or adviser as manages or advises the first mentioned investment fund; or
 - (b) to any body corporate that is wholly owned by one or more investment funds that are managed or advised by the same manager or adviser as manages or advises the first mentioned investment fund.
- 13.4 Any holder of shares in the capital of the Company that is a body corporate that is wholly owned by one or more investment funds may transfer all or any of the shares in the capital of the Company held by it:
- (a) to any investment fund managed or advised by the same manager or adviser as manages or advises the first mentioned investment funds; and
 - (b) to any other body corporate that is wholly owned by one or more investment funds that are managed or advised by the same manager or adviser as manages or advises the first mentioned investment funds.
- 13.5 Any holder of shares in the capital of the Company who is a trustee of trust established by any Group Company for the benefit of employees of the Group, former employees of the Group and/or any members of the families of any such employees or former employees (an "**Employee Trust**") may transfer all or any of the shares in the capital of the Company held by it:
- (a) to the new or remaining trustees of the Employee Trust upon any change of trustees; and
 - (b) to any beneficiary of the Employee Trust.
- 13.6 Any holder of shares in the capital of the Company that is a scheme under which certain officers, employees, partners or members of an investment fund or its adviser or manager are entitled or required (as individuals or through a body corporate or any other vehicle) to acquire shares in the capital of the Company (a "**Co-Investment Scheme**") may transfer all or any of the shares in the capital of the Company held by it to another body corporate or another vehicle which holds or is to hold shares for the Co-Investment Scheme.
- 13.7 Any holder of shares in the capital of the Company may transfer all or any of the shares in the capital of the Company held by it pursuant to the acceptance of an offer made as required pursuant to article 11 or pursuant to a Drag Along Notice.
- 13.8 Any holder of shares in the capital of the Company who holds shares in the capital of the Company as a result of a transfer made after the date of the adoption of these articles by a person in relation to whom such holder is a permitted transferee under the provisions of this article 13 may at any time transfer all or any of the shares in the capital of the Company held by it to the person who originally transferred such shares;
- 13.9 Any holder of shares in the capital of the Company may transfer all or any of the shares in the capital of the Company held by it to any person with the prior written consent of the holders of not less than 80 per cent. of the issued shares in the capital of the Company.

14. **RIGHTS OF FIRST REFUSAL**

14.1 Save as provided in article 14.2, any member holding shares in the capital of the Company who wishes to transfer such shares (the "**Vendor**") shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:

- (a) the number and class 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 (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 The provisions of article 14.1 shall not apply in circumstances where:

- (a) the Vendor transfers shares pursuant to an offer made as required pursuant to article 11;
- (b) the Vendor is a Calling Shareholder and issues a valid Drag Along Notice;
- (c) the Vendor transfers shares as required pursuant to a Drag Along Notice; or
- (d) the Vendor transfers shares in accordance with article 13.

14.3 Any Transfer Notice shall be in respect of one class only of shares and shall be irrevocable unless the holders of not less than 80 per cent. of the issued shares in the capital of the Company otherwise agree. The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the shares in the capital of the Company specified therein (the "**Sale Shares**") at the Transfer Price.

14.4 The Company shall, forthwith upon receipt of a Transfer Notice, give notice in writing to the holders of Ordinary Shares and to the holders of Preferred Shares (other than the Vendor) informing them that the Sale Shares are available and of the Transfer Price and shall invite each such holder to state in writing within 45 days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares.

14.5 After the expiry of the offers made pursuant to article 14.4 or sooner if all the Sale Shares offered have been accepted in the manner provided in article 14.4, the Board shall allocate the Sale Shares in the following manner:

- (a) if the total number of Sale Shares applied for by the holders of Ordinary Shares and the holders of Preferred Shares is equal to or less than the available number of Sales Shares, the Company shall allocate the Sale Shares in accordance with the applications; or
- (b) if the total number of Sale Shares applied for by the holders of Ordinary Shares and the holders of Preferred Shares is more than the available number of Sale Shares, the Company shall allocate the Sale Shares amongst the holders of Ordinary Shares and the holders of Preferred Shares, pro rata to their respective holdings of Ordinary Shares and Preferred Shares, taken together as if they were one class of shares, provided that no holder of Ordinary Shares or Preferred Shares shall be allocated more 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 Vendor 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 fourteen days after the date of the Allocation Notice) at which the sale and purchase of the Sale Shares shall be completed.

- 14.6 Subject to article 14.7, upon such allocations being made as aforesaid, the Vendor 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 Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and the Company may receive and give a good discharge for the purchase money on behalf of the Vendor 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 Vendor until he shall deliver up his certificate or certificates for the relevant shares to the Company when he shall thereupon be paid the purchase money.
- 14.7 If the Vendor 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 Vendor 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 not sold to any person or persons at any price not less than the Transfer Price (and on terms no less favourable than those contained in the Transfer Notice) provided that:
- (a) the Board shall be entitled to refuse registration of the proposed transferee if he is or is reasonably believed to be a nominee for:
 - (i) a person reasonably considered by the Board (with the agreement of an Investor Director, if any) to be a competitor or connected with a competitor of the business of the Company and its subsidiaries; or
 - (ii) any other person who does not meet the ethical standards set by the Board (with the agreement of an Investor Director, if any) or is otherwise considered by the Board (with the agreement of an Investor Director, if any) not to be an appropriate person to own shares in the capital of the Company;
 - (b) if the Vendor stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Vendor shall not be entitled to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons unless the holders of not less than 80 per cent. of the issued shares in the capital of the Company otherwise agree.

15. CHANGE OF CONTROL

15.1 In the event that a court of competent jurisdiction has judged that there has been an unapproved change of control of a holder of shares in the capital of the Company, which judgement has not been appealed or in respect of which any right of appeal has expired or does not exist, then the holder will be deemed to serve a Transfer Notice (or, where the holder holds more than one class of shares in the capital of the Company, Transfer Notices) in respect of all shares in the capital of the Company held by it upon written request so to do by any other holder of shares in the capital of the Company and the provisions of article 14 shall apply, mutatis mutandis save that:

- (a) the Transfer Price shall be deemed to be 75 per cent. of the fair value of the shares to be offered for sale as determined by the Auditors; and
- (b) the Transfer Notice shall be deemed not to be conditional upon all and not part only of the shares specified being sold

(and for this purpose, an **"unapproved"** change of control means a change of control that has not been approved by the holders of not less than 80 per cent. of the issued shares in the capital of the Company).

15.2 For the purposes of article 15.1:

- (a) a transfer by a participant in an investment fund which holds shares in the capital of the Company of its interest in that investment fund shall not constitute a change of control of that holder;
- (b) a transfer of shares or other interests in a direct or indirect holder of shares in the capital of the Company that would be permitted under article 13 were the first mentioned shares or other interests shares in the capital of the Company shall not constitute a change of control of that holder;
- (c) a change in the personnel at any general partner of any investment fund which holds shares in the capital of the Company shall not constitute a change of control of that holder; and
- (d) the appointment of a new manager or principal adviser of any investment fund which holds shares in the capital of the Company, other than a manager or principal adviser that is (i) affiliated with the replaced manager or principal adviser or (ii) the successor to all or substantially all of the business of the replaced manager or principal adviser, (but not a change in the personnel at the manager or principal adviser of any investment fund which holds shares in the capital of the Company) shall constitute a change of control of that holder.

16. APPOINTMENT AND REMOVAL OF DIRECTORS

16.1 The Company may by ordinary resolution appoint as a director any person who is willing to act as such.

16.2 The directors may appoint as a director any person who is willing to act as such.

16.3 A person willing to so act may be appointed as a director of the Company at any time by a notice (or notices) in writing to the Company (i) signed by or on behalf of holders accounting for more than 50 per cent. of the Preferred Shares and Ordinary Shares (as if they were one class of shares) in issue or (ii) signed by all the then directors of the Company and such appointment shall take effect upon the notice being received at the registered office of the Company or such later date as may be specified in the notice.

16.4 Regulation 81 shall be amended by the addition of the following events requiring the office of a director of the Company to be vacated:

- (a) he becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs and the other directors resolve that his office is vacated;
- (b) being a director of the Company, other than an Investor Director, he is removed by a notice in writing to the Company signed by or on behalf of holders accounting for more than 50 per cent. of the Preferred Shares and Ordinary Shares in issue and such removal shall take effect upon the notice being received at the registered office of the Company or such later date as may be specified in the notice.

17. PROCEEDINGS OF DIRECTORS

17.1 The number of directors shall not be less than two in number and no more than seven.

17.2 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Subject as provided in article 17.3, any three directors (of whom at least one shall, be an Investor Director, if an Investor Director is at that time appointed) present in person or by alternate shall constitute a quorum and a quorum of directors *must be present throughout all meetings of the Board*. The chairman of the meeting shall not have a second or casting vote in the case of an equality of votes.

17.3 If for any reason a meeting of the Board is, or becomes, inquorate by virtue of the fact that no Investor Director is present, such meeting shall be adjourned to a time and date that would give an Investor Director a reasonable opportunity to attend but, in any event, being no sooner than the same time on the third following business day (unless an Investor Director consents otherwise). At such adjourned meeting, the agenda of the business to be transacted at such meeting (together with all papers circulated or presented to the same) shall be the same as for the original meeting and, for the avoidance of doubt, the directors shall not be permitted to transact any business at the adjourned meeting that was not on the agenda for the original meeting. The quorum for the adjourned meeting shall be any two directors present in person or by alternate.

17.4 Any director shall have the right to call a meeting of the Board (or any committee thereof) by sending to each director reasonable advance notice of such meeting (such notice to be not less than five business days unless otherwise agreed by the majority of the directors (including an Investor Director, if appointed)) and an agenda of the business proposed to be transacted at such meeting.

17.5 Any director of the Company 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.

17.6 Provided that he has disclosed to the directors (in accordance with the Acts and Regulation 86) the nature and extent of any such interest, a director shall be entitled to vote (and to be counted in the quorum) in respect of any matter in which he is interested provided always that no director may vote if the decision under consideration is as to whether to commence enforcement action or other litigation against, or to terminate the service agreement of, that director.

18. PROCEEDINGS AT GENERAL MEETINGS

18.1 No business shall be transacted at any meeting unless a quorum is present. Subject as provided in article 18.2, two persons (which must include a holder of Preferred Shares and a holder of Ordinary Shares, in either case present in person (including, in the case of a

corporation, by duly authorised representative) or by proxy) entitled to vote upon the business to be transacted shall be a quorum.

18.2 If such quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such time and place as the directors may determine. At such adjourned meeting, the agenda of the business to be transacted (together with all papers circulated or presented to the same) shall be the same as for the original meeting and, for the avoidance of doubt, the shareholders shall not be permitted to transact any business at the adjourned meeting that was not on the agenda for the original meeting. The quorum for the adjourned meeting shall be any two members present in person (including, in the case of a corporation, by duly authorised representative) or by proxy and entitled to vote upon the business to be transacted.

18.3 Any member, or any member's proxy or duly authorised representative (being a corporation) and all other relevant officers of the Company entitled to attend such meetings may participate in a general meeting or a meeting of a class of members of the Company by means of audio visual conferencing equipment or similar communications system whereby all those participating in the meeting can see, hear and address each other. Such participation shall be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.

19. **INDEMNITY**

19.1 The Company shall indemnify, out of the assets of the Company, any director of the Company or of any subsidiary of the Company against all losses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto provided that this article 19.1 shall only have effect insofar as its provisions are not void under sections 309A or 309B of the Act.

19.2 Subject to sections 337(4) to (6) of the Act, the Company shall provide a director of the Company with funds to meet expenditure incurred or to be incurred by him in defending any civil or criminal proceedings brought or threatened against him in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or in connection with any application under sections 144(3) or (4) or section 727 of the Act, and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under section 330 of the Act to enable a director to avoid incurring such expenditure.

19.3 The Board shall have the power to purchase and maintain any director or other officer of the Company or of any subsidiary of the Company insurance against any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company or any such subsidiary.