

PRINT OF RESOLUTIONS

Company Number: 4075079

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ORDINARY/SPECIAL RESOLUTIONS
of
ESPRESSO BROADBAND LIMITED
(the "Company")

(Passed 24 February 2005)



At an Extraordinary General Meeting of the Company duly convened and held at 90 Fetter Lane, London EC4A 1JP on 24 February 2005 at 11.50 a.m. the following resolutions were duly passed as an ordinary resolution with regard to each of resolutions one and two and as a special resolution with regard to each of resolutions three and four.

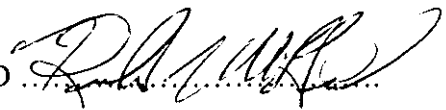
ORDINARY RESOLUTIONS

1. THAT the authorised share capital of the Company be increased from £2,806,217.22 to £2,933,551.186 by the creation of 1,256,180 A ordinary shares of £0.10 each and 17,159,660 B ordinary shares of £0.0001 each, with the rights and being subject to the restrictions attaching to such classes of shares set out in the Company's new Articles of Association referred to in Resolution 4 below.
2. THAT the directors of the Company be and are generally and unconditionally authorised, pursuant to and in accordance with section 80 of the Companies Act 1985 (the "Act"), to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount equal to the authorised but unissued share capital of the Company (as amended by resolution 1 above), for a period expiring 5 years from the date of these resolutions, in each case on terms that during such period, the directors of the Company may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority (and the directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired). This authority shall be in substitution for all previous authorities granted

not expired). This authority shall be in substitution for all previous authorities granted under section 80 of the Act, which are hereby revoked without prejudice to any allotment made or agreed to be made under them.

SPECIAL RESOLUTIONS

3. THAT the directors of the Company shall have a general power to allot shares in the capital of the Company pursuant to and during the period of authority contained in resolution 2 above as if section 89(1) of the Companies Act 1985 did not apply to any such allotment.
4. THAT the Company adopt new articles of association (in the form of the draft produced to the meeting and signed by the chairman for the purposes of identification) in substitution for, and to the exclusion of, the existing articles of association.

SIGNED 
CHAIRMAN OF THE MEETING

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
ESPRESSO BROADBAND LIMITED
adopted on 24 February 2005

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Company No: 4075079

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ESPRESSO BROADBAND LIMITED

adopted on 24 February 2005

1. INTERPRETATION

06/03/05

1.1 In these Articles, the following terms have the following meanings:

"A' Ordinary Shares"

'A' ordinary shares of 10p each in the capital of the Company;

"A' Ordinary Shareholders"

holders for the time being of 'A' Ordinary Shares;

"the Act"

the Companies Act 1985 including any statutory modification or re-enactment thereof and every statutory instrument relevant therefor or derived therefrom for the time being in force;

"Anti-dilution Warrant Instrument"

a deed of the Company dated 24 February 2005 constituting warrants to subscribe for up to 21,229,655 'B' Ordinary Shares;

"Anti-dilution Warrant"

a right to subscribe for 'B' Ordinary Shares pursuant to the terms of the Anti-dilution Warrant Instrument;

"Beringea Director"

means the director appointed as such under Article 15.4;

"Beringea"

Beringea Limited;

"'B' Ordinary Shares"

'B' ordinary shares of 0.01p each in the capital of the Company;

"Board"

the board of directors of the Company or any duly authorised committee of it;

"'B' Ordinary Shareholders"

holders for the time being of 'B' Ordinary Shares;

"Company Option Scheme"

any option scheme of the Company approved by Investor Approval;

"Compulsory Sellers"

any person falling within the definition of Compulsory Seller in Article 12.2 or Article 13.2 (as relevant);

"Connected Person"

means, in relation to any person or entity:

- (i) being a corporation, any direct or indirect subsidiary or holding company of that corporation and any direct or indirect subsidiary of such holding company for the time being; or
- (ii) any entity in which that person (together with its Connected Persons) directly or indirectly has a beneficial interest in voting rights carrying more than 20 per cent (20%) of the voting rights in that entity; or
- (iii) any person or entity acting in his capacity as trustee of any trust (apart from an employee's share scheme or pension scheme) the beneficiaries of which include that person or a Privileged Relation of that person; or

(iv) any business partner of that person or other person mentioned in this definition, acting in their capacity as such; or

(v) a Privileged Relation of that person;

"Controlling Interest"

the meaning ascribed thereto in Article 9.1;

"Fair Value"

has the meaning given in Article 12.7;

"Family Trusts"

as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Group"

the Company and each Group Company;

"Group Company"

a Member of the same Group as the Company;

"Intermediate Leaver"

Lewis Bronze, Richard McGrath or any Relevant Member who holds employee share options at the date of adoption of these Articles, if any of them cease to be an employee of the Company or any subsidiary of the Company by reason of his voluntary resignation in accordance with the terms of their employment agreement;

"Investment Fund"

any person, company, trust, limited partnership or fund holding shares for investment purposes;

"Investor Approval"

the prior consent or approval in writing of the holders of not less than 70% of the 'A' Ordinary Shares;

"Investor Director"

a Director appointed under Article 15.3;

"Investors"

each of Guinness Flight Venture Capital Trust PLC, ProVen Venture Capital Trust plc, ProVen Media Venture Capital Trust PLC, MeCom UK Management Company Limited, the Existing Shareholders (as defined in the Shareholders' Agreement) and ITN;

"Investor Shareholder"

means an Investor who, together with its Connected Persons, owns a Relevant Percentage of shares provided that (i) a Shareholder and its Connected Persons shall only be treated as having one shareholding of a Relevant Percentage and may not exercise any rights deriving therefrom independently of one another and (ii) Shareholders who are not Connected Persons within the definition given in these Articles shall be treated as if they were Connected Persons (for the purpose of this definition only) if they have notified the Directors in writing on or before 31 March 2002 of their wish to be so treated. No such notice may be withdrawn without the written consent of the Directors;

"ITN"

Independent Television News Limited;

"ITN Director"

a Director appointed by ITN under Article 15.5;

"Listing"

the listing of all or any of the Company's, or any holding company's issued share capital on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000);

"Loan Notes"

means:

- (a) £1,086,425 nominal amount of secured loan stock of the Company constituted by the terms of a loan stock instrument dated 10 September 2001;
- (b) £163,871 nominal amount of secured loan stock of the Company constituted by the terms of a loan stock instrument dated 12 March 2002;

(c) £1,233,129 nominal amount of secured loan stock of the Company constituted by the terms of a loan stock instrument dated 21 October 2002;

"a Member of the same Group"

as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;

"Offer Period"

means the period during which any Offer or Matching Offer is open for acceptance by Shareholders pursuant to Article 9;

"Ordinary Shares"

ordinary shares of 10p each in the capital of the Company;

"Ordinary Share Capital"

collectively, the issued Ordinary Shares, the issued 'A' Ordinary Shares and the issued 'B' Ordinary Shares from time to time;

"Ordinary Shareholders"

the holders for the time being of Ordinary Shares;

"Permitted Shares"

(a) B Ordinary Shares issued under a share option scheme for employees (which has received Investor Approval);

(b) shares issued under the Warrant Instrument up to a maximum number of 50,604,275 B Ordinary Shares;

(c) shares issued under the Anti-dilution Warrant Instrument up to a maximum number of 21,229,655 B Ordinary Shares;

(d) shares issued to ITN pursuant to Article 5.6;

"Permitted Transfer"

a transfer of shares authorised by Article 7;

"Permitted Transferee"

a person, firm or unincorporated association to whom or which shares have been, or may be, transferred pursuant to a Permitted Transfer;

"Prescribed Price"

the price calculated pursuant to Articles 12.4 or 12.5 (as relevant);

"Privileged Relation"

in relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants in direct line of such member and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant;

"Relevant Executive"

a director or employee of, or a consultant to, the Company or any subsidiary of the Company;

"Relevant Member"

a member who is a Relevant Executive, or a member who shall have acquired shares directly or indirectly from a Relevant Executive pursuant to one or more Permitted Transfers under Articles 7.1.7 or 7.1.8 (including where such shares were subscribed by such member and that member would have been entitled to receive a Permitted Transfer from the Relevant Executive under Articles 7.1.7 or 7.1.8);

"Relevant Percentage of Shares"

such number of shares as shall be equal to ten per cent (10%) of the issued share capital of the Company from time to time;

"Relevant Shares"

(so far as the same remain for the time being held by the trustees of any Family Trusts or by any Transferee Company) the shares originally acquired by such trustees or Transferee Company and any additional shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred;

"Sale"

the sale of any part of the Ordinary Share Capital to any person resulting in that person together with (i) any person who in relation to him is a connected person (as defined in Section 839 of the Income and Corporation Taxes Act 1988) and/or (ii) any person with whom such person is acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) holding more than 50% of the Ordinary Share Capital and for the purposes of these Articles, the persons who are holders of the 'A' Ordinary Shares at or immediately following the date of adoption of these Articles shall not be deemed to be acting in concert with each other;

"Sale Notice"

a notice in accordance with Article 8 that a member desires to transfer his shares;

"shares"

the 'A' Ordinary Shares, Ordinary Shares and 'B' Ordinary Shares together and "share" shall mean any one of them;

"Shareholders"

'A' Ordinary Shareholders and/or Ordinary Shareholders and/or 'B' Ordinary Shareholders;

"Shareholders' Agreement" the agreement between, amongst others, the Investors and the Company dated 10 September 2001 as amended and restated on or about the date of adoption of these Articles;

"Transferor Company"

a company (other than a Transferee Company) which has transferred or proposes to transfer shares to a Member of the same Group;

"Transferee Company"

a company for the time being holding shares in consequence, directly or indirectly, of a transfer or series of transfers of shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series);

"Warrant"

means a right to subscribe for 'B' Ordinary Shares pursuant to the terms of the Warrant Instrument;

"Warrant Instrument"

a deed of the Company dated 21 October 2002 constituting warrants to subscribe for up to 50,604,275 'B' Ordinary Shares.

- 1.2 Words and expressions which are defined in Table A and expressions defined in the Act have the same meanings in these Articles, unless inconsistent with the context.
- 1.3 The renunciation of a right to be allotted shares shall be treated as if it were a transfer of those shares and therefore shall be governed by Articles 6 to 14.
- 1.4 Where pursuant to any provision of these Articles any notice, appointment of proxy or other document contained in an electronic communication is required to be signed or executed by or on behalf of any person, that signature or execution shall include the affixation by or on behalf of that person of an electronic signature (as defined in the Electronic Communication Act 2000) in such form as the directors may approve.

2. TABLE A

- 2.1 The regulations contained in Table A in the Schedule to the Companies (Tables A-F) Regulations 1985, as amended ("**Table A**"), apply to the Company except to the extent that they are excluded by or inconsistent with these Articles.
- 2.2 The first sentence of regulation 24 and regulations 8, 9, 64, 73 to 78, 80, 81, 90, 94, 95, 115 and 118 of Table A do not apply.

3. SHARE CAPITAL

- 3.1 The share capital of the Company at the date of adoption of these Articles is £2,933,551.186 divided into 11,256,180 'A' Ordinary Shares, 18,002,000 Ordinary Shares and 77,331,660 'B' Ordinary Shares.
- 3.2 The 'A' Ordinary Shares, the 'B' Ordinary Shares and the Ordinary Shares shall entitle the holders thereof to the following rights:

3.2.1 as regards dividend:

the Company shall apply any profits which the Directors resolve thereafter to distribute in any such year in paying any such profits to the Shareholders in respect of their holdings of such shares *pari passu* and *pro rata* to the number of such shares held by each of them;

3.2.2 as regards capital:

on a return of assets on a liquidation, reduction of capital, winding-up of the Company or otherwise or on a Sale, the surplus assets of the Company remaining after payment of its liabilities shall be paid to the Shareholders in proportion to the number of such shares held by each of them as if they together constituted one class (save that in the case of a Sale, where the surplus assets shall only be distributed to Shareholders selling or transferring shares in connection with the Sale);

3.2.3 as regards voting in general meetings:

each Shareholder shall be entitled to receive notice of, and to attend, speak and vote at general meetings of the Company save in the event (and for so long as) any such Shareholder shall be a Compulsory Seller (as hereinafter defined) in which case such shares shall be deemed to be non-voting for all purposes under these Articles; on a show of hands every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every Shareholder so present shall have one vote for each share held by him.

- 3.3 Subject to the Act, and provided it is a private company, the Company shall be authorised to 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.

4. CLASS RIGHTS

- 4.1 The rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of 70% of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class (in each case excluding holders of 'B' Ordinary Shares who have ceased to be Relevant Members), but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply mutatis mutandis except that:-
- 4.1.1 the necessary quorum shall be one or more persons holding or representing by proxy one third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum; and
 - 4.1.2 the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively; and
 - 4.1.3 any resolution shall only be passed if not less than 70% of the members entitled to vote at such meeting vote in favour of the Extraordinary Resolution.
- 4.2 Without prejudice to the generality of this Article, it is a term of issue of the 'A' Ordinary Shares and the 'B' Ordinary Shares that the rights attached to such shares shall be deemed to be varied by the occurrence of any of the following events:-
- 4.2.1 the creation or issue of any further shares in the capital of the Company or any Group Company, other than Permitted Shares; or
 - 4.2.2 the creation or issue or granting of any options or other rights over, or of securities convertible into, any of the shares (other than Permitted Shares) for the time being in the capital of the Company or any Group Company; or
 - 4.2.3 any increase in or alteration or variation or reduction of the authorised or issued capital of the Company or any Group Company (other than Permitted Shares) or any alteration or variation of any of the rights attached to or any redemption or purchase by the Company or any Group Company of any of the shares for the time being in the capital of the Company or any Group Company; or
 - 4.2.4 any resolution to reduce, or any reduction in, the issued share capital of the Company or any Group Company, or any uncalled liability in respect thereof, or the amount (if any) standing to the credit of the share premium account or capital redemption reserve of the Company or any Group Company; or
 - 4.2.5 any resolution to purchase, or any purchase of, the Company's own shares by the Company or any Group Company; or
 - 4.2.6 any resolution (whether pursuant to Part II of the Act or otherwise) to change the classification or status of the Company or any Group Company; or

- 4.2.7 any alteration to the Memorandum of Association or Articles of Association of the Company or any Group Company; or
 - 4.2.8 any resolution to wind up the Company or any Group Company; or
 - 4.2.9 any sale, transfer or other disposal by the Company or any Group Company of the whole or a substantial part of its undertaking, business or assets; or
 - 4.2.10 the transfer by the Company or any Group Company of any profits to reserves or the taking of any other action (excluding the lawful payment of dividends) which will or may reduce the amount of its profits available for distribution; or
 - 4.2.11 the capitalisation by the Company or any Group Company of any profits (whether or not available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve; or
 - 4.2.12 any suspension or relaxation by the Company or any Group Company of any provision of its articles of association which prohibits a director from voting at a meeting of the directors or of a committee of the directors in certain circumstances; or
 - 4.2.13 any sale, transfer or other disposal by the Company or any Group Company of all or any part of, or any interest in, the shares of any Group Company by the Company or any other Group Company; or
 - 4.2.14 the giving, variation, revocation or renewal of an authority for allotment under section 80 of the Act.
- 4.3 It is a term of issue of the Ordinary Shares that none of the matters set out in Article 4.2 shall be treated as a variation or abrogation of any of the rights attached to such shares.

5. ISSUES OF SHARES AND LIEN

- 5.1 Subject to the provisions of the Act and Article 5.2, all unissued shares shall be at the disposal of the Directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.
- 5.2 Save in relation to the Permitted Shares, any unissued shares or other equity securities or shares to be issued which are subject to the provisions of Sections 89 to 95 (inclusive) of the Act ("**New Shares**") shall not be allotted to any person unless the Company has, in the first instance, offered such New Shares to all Shareholders on a pro rata basis on the terms that in case of competition, the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings. Such offer:

- 5.2.1 shall stipulate a time not exceeding 14 days within which it must be accepted or in default will lapse; and
- 5.2.2 may stipulate that any class members who desire to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess New Shares they wish to subscribe for and any shares not accepted by other members shall be used for satisfying the request for excess New Shares pro rata to the existing shares as the New Shares respectively held by such members making such requests and thereafter, such New Shares shall be offered to any other person at the same price and on the same terms as the offer to members.
- 5.3 In accordance with Section 91(1) of the Act, Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- 5.4 The Company shall have a first and paramount lien on every share (whether or not fully paid) for all and any indebtedness of any holder thereof to the Company (whether a sole holder or one of two or more joint holders), whether or not such indebtedness or liability is in respect of the shares concerned and whether or not it is presently payable.
- 5.5 For so long as ITN holds either (i) shares issued to it on or about the date of adoption of these Articles or (ii) not less than 5% of the Ordinary Share Capital, no resolution shall be proposed or passed to waive or suspend the provisions of Article 5.2 without the prior written consent of ITN (and any resolution that is passed shall have no effect).
- 5.6 The Company shall not, without the prior written approval of ITN, issue any shares ("**Capitalisation Shares**") in respect of the capitalisation of any amounts owing by the Company pursuant to the Loan Notes at less than the Fair Value or which have any rights of preference over, or constitute a variation of right of, any of the shares. Without prejudice to the foregoing, if the Company proposes to issue any Capitalisation Shares, the Company shall provide to ITN not less than 30 days' written notice of such proposal and ITN shall be entitled to subscribe at the Fair Value for such number of shares of the same class or classes as the Capitalisation Shares as shall cause the percentage shareholding of ITN after the issue of the Capitalisation Shares to be the same as immediately prior to such issue. For these purposes, the Fair Value shall have the same meaning as in Article 12.7, except that references to "Compulsory Seller" shall be deemed to be references to ITN, the "Auditors" shall be independent of the Company and its Shareholders and the "Notice Date" shall be the date on which the Board gives written notice to ITN of its proposals relating to the capitalisation of amounts in respect of the Loan Notes pursuant to this Article 5.6.

6. **PROVISIONS APPLYING ON EVERY TRANSFER OF SHARES**

Shareholders are not entitled to transfer and the Directors may not register a transfer of shares unless:

- 6.1 it is expressly permitted by Article 7 or has been made in accordance with Articles 8, 9, 10, 11, 12, 13 or 14 (as appropriate); and

6.2 in relation to a transfer of a share, the transferor thereof is a party to the Shareholders' Agreement or in the event of a transfer of a share or an allotment of a new share to a person who is not a Shareholder then the Directors may or, if a Beringea Director and/or an ITN Director so requires, shall:

- (a) require the transferee or allottee of such share (as the case may be) to enter into a deed of adherence to the Shareholders' Agreement agreeing to be bound (to the same extent as the transferor or to such other extent as the Directors, a Beringea Director and/or an ITN Director may reasonably stipulate); and
- (b) decline to register the transfer or allotment of such share unless and until the transferee has entered into such deed of adherence.

In the event of an infringement of this Article, the relevant shareholder shall be bound to give a Sale Notice in accordance with Article 8 in respect of all the shares in which he is interested.

6.3 For the purpose of ensuring that a transfer of shares is permitted under these Articles or that there has been no breach of these Articles, the Directors (acting by a majority) may from time to time require any member or the legal personal representative of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled to refuse to register the transfer in question or, in case no other transfer is in question, to require by notice in writing that a Sale Notice be given in respect of the shares concerned. If such information or evidence discloses that a Sale Notice ought to have been given in respect of any shares, the Directors may by notice in writing require that a Sale Notice be given in respect of the shares concerned.

6.4 In any case where the Directors have duly required a Sale Notice to be given in respect of any shares and such Sale Notice is not duly given within a period of 14 days, or such longer period as the Directors may allow for the purpose, such Sale Notice shall (except and to the extent that a transfer permitted under these Articles of any such shares shall have been lodged) be deemed to have been given on the date after the expiration of the said period as the Directors may by resolution determine and the provisions of Article 8 relating to Sale Notices shall take effect accordingly, save that the Asking Price shall be calculated as provided in Article 12.4.

6.5 From (and including) the date on which the Directors have duly required a Sale Notice(s), all holders of shares the subject of such Sale Notice(s) shall not transfer or encumber any of their shares or any interest in their shares (other than pursuant to such Sale Notice(s)) until all proceedings pursuant to such Sale Notice(s) have been finalised in accordance with these Articles.

6.6 If any 'B' Ordinary Shares which have been issued pursuant to an option scheme of the Company or any of its subsidiaries are subsequently transferred to any person, such 'B' Ordinary Shares shall immediately prior to the transfer being approved by the Board be automatically redesignated as Ordinary Shares.

7. PERMITTED TRANSFERS

- 7.1 Subject to the provisions of regulation 24 of Table A, any shares (other than any shares in respect of which the holder shall have been required by the Directors under these Articles to give a Sale Notice or shall have been deemed to have given a Sale Notice) may at any time be transferred:
- 7.1.1 to any person with the prior consent in writing of holders of shares entitled to cast 90% of the votes exercisable on a poll at a general meeting of the Company (which consent may be granted unconditionally or subject to terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer);
 - 7.1.2 by any member being a company to a Member of the same Group as the Transferor Company;
 - 7.1.3 by any person entitled to shares in consequence of the death or bankruptcy of an individual member to any person or trustee to whom such individual member, if not dead or bankrupt, would be permitted hereunder to transfer the same;
 - 7.1.4 by any 'A' Ordinary Shareholder or 'B' Ordinary Shareholder to any person pursuant to an option granted by it PROVIDED THAT such option is only exercised immediately prior to a Sale or Listing;
 - 7.1.5 by a holder which is an Investment Fund or by its trustee, custodian or nominee:
 - 7.1.5.1 to any trustee, nominee or custodian for such fund and vice versa;
 - 7.1.5.2 to any unitholder, shareholder, partner, participant, manager or investment adviser (or an employee of such manager or adviser) in any such fund;
 - 7.1.5.3 to any other Investment Fund, or its trustee, nominee or custodian, managed or advised by the same manager or adviser as any such fund;
 - 7.1.6 to a trustee nominee, custodian or to a Member of the same Group of any of the persons referred to in Articles 7.1.5.1, 7.1.5.2 or 7.1.5.3;
 - 7.1.7 by any individual member to a Privileged Relation of such member;
 - 7.1.8 by any individual member to trustees to be held upon Family Trusts related to such individual member.
- 7.2 Where shares have been issued to trustees of Family Trusts or transferred under Article 7.1 or under Articles 7.2.1 or 7.2.2 to trustees of Family Trusts, the trustees and their successors in office may transfer all or any of the Relevant Shares:

- 7.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees;
- 7.2.2 to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
- 7.2.3 to the Relevant Member or former member or any Privileged Relation of the Relevant Member or deceased or former member who has thereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.
- 7.3 If and whenever any Relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 7.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the Directors so to do, to give a Sale Notice in respect of the shares concerned.
- 7.4 If a person to whom shares have been transferred pursuant to Article 7.1.7 shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the Directors so to do, to give a Sale Notice in respect of the shares concerned.
- 7.5 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 7.1.2) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound, if and when required in writing by the Directors so to do, to give a Sale Notice in respect of the Relevant Shares.
- 7.6 No Permitted Transfer as is referred to in Articles 7.1.3, 7.1.7, 7.1.8 or 7.2 may be made in respect of or in relation to any share which for the relevant time being is the subject of any Sale Notice or transfer in accordance with Articles 12 or 13.

8. PRE-EMPTION RIGHTS

- 8.1 Except in respect of a Permitted Transfer, a Shareholder ("**Selling Shareholder**") who wishes to transfer shares or any beneficial interest therein to a person to whom Article 7 does not apply shall serve notice on the Company ("**Sale Notice**") stating the number of shares he wishes to transfer ("**Sale Shares**") and his asking price for each share ("**Asking Price**") and the third party (if any) to whom he is proposing to transfer the Sale Shares ("**Third Party**").

- 8.2 Except in the case of a Compulsory Seller (as defined in Article 12), the Selling Shareholder may state in the Sale Notice that he is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them.
- 8.3 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares. Within seven days of receiving the Sale Notice the Board shall give notice ("**Offer Notice**") to all the Shareholders (except those who are Compulsory Sellers for the purposes of Articles 12 and 13) ("**Relevant Shareholder**"). The Offer Notice shall offer Sale Shares to the Relevant Shareholders in the following order:
- 8.3.1 first, to the holders of the shares of the same class as the Sale Shares;
- 8.3.2 second, to the holders of any other shares.
- The Directors shall offer the Sale Shares concurrently to the groups listed above (each a "**Ranking Group**").
- 8.4 The Offer Notice shall state:
- 8.4.1 the number and description of the Sale Shares;
- 8.4.2 the Asking Price and the name of the Third Party (if any);
- 8.4.3 that the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;
- 8.4.4 any additional terms pursuant to Article 8.2.
- 8.5 The Offer Notice shall invite each of the Relevant Shareholders to state in writing to the Company within 21 days (the "**Acceptance Period**") whether he is willing to purchase any, and if so what maximum number ("**Maximum**"), of the Sale Shares. On expiry of the Acceptance Period (the "**Closing Date**"):
- 8.5.1 the Sale Notice shall become irrevocable;
- 8.5.2 a Shareholder who has not responded to the offer in writing shall be deemed to have declined it; and
- 8.5.3 each offer ("**Acceptance**") made by a Shareholder ("**Purchaser**") to acquire Sale Shares shall become irrevocable.
- 8.6 On the expiration of the Acceptance Period, the Board shall by a notice in writing ("**Allocation Notice**"), allocate such Sale Shares for which Acceptances are received to or amongst the Purchasers in the following manner, subject always to their respective Maximums:
- 8.6.1 if the total number of Sale Shares in respect of which Acceptances are received is equal to or less than the number of Sale Shares, the Sale

Shares shall, subject to the provisions of Article 8.2, be allocated in accordance with the Acceptances;

- 8.6.2 if the total number of Sale Shares in respect of which Acceptances are received is more than the number of Sale Shares, the Sale Shares shall be allocated amongst the Ranking Groups in accordance with the order of priority set out in Article 8.3 and, as between each member of a Ranking Group, each such member shall be allocated his proportionate entitlement of the Sale Shares (being in proportion as nearly as may be to the number of shares in the Ranking Group held by that member) up to the Maximum specified by that member and so on for each successive Ranking Group until all the Sale Shares have been allocated.
- 8.7 Within seven days after the Closing Date, the Company shall notify the Selling Shareholder and the Purchasers of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer:
- 8.7.1 the Company shall notify the Selling Shareholder of the names and addresses of the Purchasers who are to buy Sale Shares and the number to be bought by each;
- 8.7.2 the Company shall notify each Purchaser of the number of Sale Shares he is to buy; and
- 8.7.3 the Company's notice shall state a place and time, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed.
- 8.8 If the Selling Shareholder does not transfer Sale Shares in accordance with Article 8.7, the Directors may authorise any Director to transfer the Sale Shares on the Selling Shareholder's behalf to the Purchasers concerned against receipt by the Company of the Asking Price per share. The Company shall hold the Asking Price in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the Asking Price shall be a good discharge to the Purchaser. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate (or an indemnity in respect thereof reasonably satisfactory to the Company) for the Sale Shares to the Company. On surrender, he shall be entitled to the Asking Price for the Sale Shares.
- 8.9 If, the Sale Notice contains a condition that all the Sale Shares must be transferred and by the Closing Date, the Company has not received Acceptances for all the Sale Shares, the Selling Shareholder shall be permitted to sell all (but not some only) of the Sale Shares PROVIDED THAT the sale takes place not more than 3 months after the service of the Sale Notice and at not less than the Asking Price.
9. **TRANSFERS WHICH CHANGE CONTROL**
- 9.1 Article 9 applies when a transfer of shares made under Articles 7.1.1 or 8 would, if registered, result in a person and any other person:

- 9.1.1 who in relation to him is a connected person, as defined in section 839 of the Income and Corporation Taxes Act 1988 ("**Offeror**"); or
- 9.1.2 with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers, (each a "**member of the purchasing group**");
- holding, or increasing a holding of, 35% or more of the shares in issue (a "**Controlling Interest**").
- 9.2 No transfer to which Article 9.1 applies may be made or registered unless it is agreed in writing by ITN (or Article 11 has been complied with in which case ITN shall be deemed to have consented in writing) and, separately, the holders (including ITN) of 70% or more of the shares in issue or:
- 9.2.1 the proposed transferee ("**Offeror**") has made an offer ("**Offer**") to buy all the other shares (including any shares issuable on the exercise of any then outstanding subscription rights) on the terms set out in Article 9.3; and
- 9.2.2 (1) ITN gives its written consent to the Offer proceeding or (2) ITN has not made a valid Matching Offer (as defined in Article 9.4) within the Matching Offer Period (as defined in Article 9.4) or (3) ITN has made a valid Matching Offer but has not completed the Matching Offer in accordance with its terms, unless failure to complete is the fault of the offerees; and
- 9.2.3 the Offer has closed and each accepted Offer has been completed, unless failure to complete is the fault of the offerees.
- 9.3 The terms of the Offer shall be as follows:
- 9.3.1 the Offer shall be in writing open for acceptance and irrevocable for at least 21 days and not more than 60 days, must not save with Investor Approval contain any requirement for any holder of shares (other than a Relevant Executive who holds shares) to give any representation, warranties or undertakings other than as to their capacity and capability to sell the relevant shares and all rights thereto and interests therein free from any option, lien, charge or other encumbrance and must not be subject to any condition save only, if the Offeror so wishes, that acceptances must be received for a specified percentage of all the shares in respect of which the Offer is made;
- 9.3.2 the consideration for each share shall be the higher of:
- 9.3.3 the highest consideration offered for each share whose proposed transfer has led to the Offer; and
- 9.3.4 the highest consideration paid by any Member of the same Group as the Offeror for a share in the twelve months immediately prior to the Offer.
- 9.4 During the period commencing on (but excluding) the date of the Offer and expiring on the 30th day thereafter ("**Matching Offer Period**") ITN shall be entitled to make an offer ("**Matching Offer**") to buy all the shares (including any shares issuable on the exercise of any then outstanding subscription rights) on terms, including as to price, which are no less favourable than the terms of the Offer. The Matching Offer

shall be in writing, open for acceptance and irrevocable for at least 21 days and not more than 60 days and shall create a binding obligation of ITN to acquire the shares on the terms of the Matching Offer and must not be subject to any condition save only, if ITN so wishes, that acceptances must be received for a specified percentage of all the shares in respect of which the Matching Offer is made.

- 9.5 If ITN makes a valid Matching Offer then the Offer shall be deemed not to have been made with the effect that if any Shareholder does not accept the Matching Offer, that Shareholder shall not be entitled to accept the Offer.
- 9.6 If ITN gives written notice to the Directors that it consents to the transfer or ITN does not make a valid Matching Offer within the Matching Offer Period, the Directors shall, within 5 days of whichever occurs first, give written notice ("**Notice**") to the Shareholders that the Offer may be accepted by them in accordance with its terms and that the period for acceptances pursuant to the Offer shall be the period specified in the Offer calculated with effect from (an including) the date of the Notice.
- 9.7 If the Offer has not been accepted by sufficient Shareholders so that the Offeror has not acquired a Controlling Interest then the Offer shall be deemed not to have been made to the extent that the Offeror shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until it has made further offers to the Shareholders in accordance with Article 9.3.
- 9.8 If ITN or the Offeror (each a "**Proposed Transferee**") receives valid acceptances in respect of the Matching Offer (in the case of ITN) or the Offer (in the case of the Offeror) ("**Relevant Offer**") which will result in the Proposed Transferee together with its Privileged Relations and Members of the same Group owning not less than 75 per cent of all the Ordinary Share Capital (assuming the exercise of any then outstanding subscription rights) then the Proposed Transferee (with Investor Approval in the case of the Offer, but not in the case of the Matching Offer) may extend the Relevant Offer to the extent that, if within 30 days of the expiry of the Offer Period, the Proposed Transferee gives written notice to those Shareholders who have not accepted the Relevant Offer requiring them so to do, then each of such non-accepting Shareholders shall upon the giving of such notice:
- (a) be deemed to have accepted the same in respect of all shares held by him in accordance with the terms of the Relevant Offer; and
 - (b) become obliged to deliver up to the Proposed Transferee an executed transfer of such shares and the certificate(s) (or an indemnity in respect thereof reasonably acceptable to the Proposed Transferee) in respect of the same.
- 9.9 Any dispute on the appropriate consideration for the shares in respect of the Relevant Offer shall be referred to an umpire chosen by the parties concerned or, if they cannot agree on an umpire, nominated by the President of the Institute of Chartered Accountants in England and Wales. The umpire shall act as an expert and not as an arbitrator and his decision shall be final and binding. The Shareholder wishing to sell shares to the Proposed Transferee shall pay half the umpire's costs and Shareholders in dispute with the Proposed Transferee shall pay the other half.

- 9.10 If a Shareholder who has agreed to accept or has been deemed to have accepted a Relevant Offer does not transfer his shares in accordance the terms of the Relevant Offer, the Directors shall (if so required by the Proposed Transferee) authorise any Director to transfer his shares on his behalf to the Proposed Transferee against receipt by the Company of the per share price ("**Price**"). The Company shall hold the Price in trust for the relevant Shareholder without any obligation to pay interest. The Company's receipt of the Price shall be a good discharge to the Proposed Transferee. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Shareholder shall surrender his share certificate (or an indemnity in respect thereof reasonably acceptable to the Company) for the shares to the Company. On surrender, he shall be entitled to the Price per share.
- 9.11 In addition to any other acceptance or consent requirements, ITN's prior written consent shall be required before the provisions of Article 9.8 may be operated until the date falling six months following the adoption of these Articles.
10. **ASSET SALE**
- 10.1 The Company shall not dispose of all or any part of the undertaking and assets of the Group ("**Asset Sale**") to any person ("**Purchaser**") unless the Directors first give written notice ("**Asset Sale Notice**") to ITN of all pertinent terms, including as to price, agreed with the Purchaser and:
- 10.1.1 ITN gives its written consent to the Asset Sale (or Article 11 has been complied with in which case ITN shall be deemed to have consented in writing); or
- 10.1.2 the Matching Asset Offer Period has expired and ITN has not made a valid Matching Asset Offer pursuant to Article 10.2; or
- 10.1.3 ITN has made a valid Matching Asset Offer but has not completed the Matching Asset Offer in accordance with its terms, unless failure to complete is the fault of any company in the Group; or
- 10.2 During the period commencing on (but excluding) the date of the Asset Sale Notice and expiring on the 30th day thereafter ("**Matching Asset Offer Period**") ITN shall be entitled to make an offer ("**Matching Asset Offer**") to buy all the assets specified in the Asset Sale Notice on terms, including as to price, which are no less favourable than the terms agreed between the Company and the Purchaser. The Matching Asset Offer shall be in writing and irrevocable for at least 21 days and not more than 60 days and shall create a binding obligation of ITN to acquire the assets on the terms of the Matching Asset Offer.
- 10.3 If the Directors decide not to accept a valid Matching Asset Offer, then the Company shall not be entitled to proceed with any Asset Sale at any time thereafter without first complying with Articles 10.1 and 10.2 again.

11. ITN'S RIGHTS OF FIRST OFFER

- 11.1 The Directors shall give written notice to ITN of any resolution of the Directors, the Shareholders or otherwise pursuant to which it is proposed to seek one or more purchasers for all of the shares or all of the undertaking and assets of the Group. During the period commencing on (but excluding) the date of such notice and expiring on the 60th day thereafter ("**ITN Offer Period**") ITN shall exclusively be entitled to make an offer ("**ITN Offer**") to buy all of the shares (other than shares held by ITN and its Connected Persons) or all or substantially all of the undertaking and assets of the Group. The ITN Offer shall be in writing and irrevocable for at least 21 days and not more than 60 days and shall specify the price ("**ITN Price**", which for the purpose of this Article 11, shall include the final irrevocable price agreed between the Directors and ITN within the ITN Offer Period) and all other pertinent terms of the ITN Offer and must not save with Investor Approval contain any requirement for any holder of shares (other than a Relevant Member who holds shares) to give any representations, warranties or undertakings other than as to their capacity and capability to sell the relevant shares and all rights thereto and interests therein free from any option, lien, charge or other encumbrance and must not be subject to any condition save only, if ITN so wishes, that acceptances must be received for a specified percentage of all the shares in respect of which the ITN Offer is made.
- 11.2 If the Directors do not accept a valid ITN Offer in respect of an Asset Sale, the Company may, without requiring any further consent from ITN (whether under these Articles or otherwise), sell all or substantially all of undertaking and assets of the Group to any person at any time within a period of six months after expiry of the ITN Offer, provided that the terms are no less favourable than the terms of the ITN Offer and the price payable by the purchaser in respect of such sale is higher than the ITN Price.
- 11.3 In respect of a share sale, the Directors shall put the ITN Offer to the Shareholders and if the Shareholders do not accept a valid ITN Offer, ITN shall be deemed to have given its consent pursuant to Article 9.2 to any Offer made in accordance with the provisions of that Article and will be deemed to have accepted any such Offer in respect of the shares held by it and its Connected Persons for the purposes of Article 9.8(a) PROVIDED THAT the Offer is completed in respect of such shares within six months after expiry of the ITN Offer (unless failure to complete is the fault of ITN and/or its Connected Persons) and the terms are no less favourable than the terms of the ITN Offer and the price payable by the purchaser in respect of such sale is higher than the ITN Price.
- 11.4 If ITN does not make a valid ITN Offer, Articles 11.2 and 11.3 shall apply mutatis mutandis provided that the ITN Price for those purposes shall be an amount which would entitle ITN and its Connected Persons to receive on completion of the relevant sale more than £2,000,000 in respect of the shares to be issued and allotted to ITN on or about the date of adoption of these Articles (together with any additional shares issued to ITN pursuant to the Anti-dilution Warrant Deed).
- 11.5 Articles 11.2 to 11.4 shall not apply during the period of six months after the date of adoption of these Articles.

12. COMPULSORY TRANSFER BY RELEVANT MEMBERS

12.1 Article 12 applies when a Relevant Member ceases to be a Relevant Member, save in respect of shares transferred, allotted or issued pursuant to a share option scheme approved by Investor Approval.

12.2 Within two months after the cessation of employment or consultancy of a Relevant Member, Beringea may serve notice requiring the Shareholder (or his personal representatives in the case of his death) and all (if any) Privileged Relations of such Shareholder and all trustees of Family Trusts (together "**Compulsory Sellers**") to offer some or all of their shares ("**Sale Shares**") to:

12.2.1 a person or persons intended to replace the relevant employee or consultant;

12.2.2 any of the existing employees of the Company or any of its subsidiary undertakings;

12.2.3 participants or potential participants in, or trustees of an employees' share scheme of the Company and its subsidiary undertakings; and/or

12.2.4 any other person or persons approved by Beringea;

("Offerees") PROVIDED THAT where the Relevant Member is a Good Leaver (as defined below) he may only be required to offer the number of shares held by him on the following basis:

Time since a date being the later of 10 September 2001 and the date such Relevant Member or the Relevant Executive in relation to a Relevant Member became a director or employee of or consultant to the Company or any subsidiary of the Company:	Percentage of shareholding to be retained:
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0 - 1 year	25% - 50%
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1 - 2 years	50% - 100%
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PROVIDED THAT the number of shares to be retained shall be increased pro rata between the relevant dates dependent upon the number of days elapsed at the time of cessation of directorship, employment or consultancy (as appropriate).

Beringea's notice may reserve to Beringea the right to finalise the identity of the Offerees once the price for the Sale Shares has been agreed or certified.

12.3 The Compulsory Sellers shall then offer their Sale Shares to the Offerees at the Prescribed Price free from all liens, charges and encumbrances together with all rights attaching to them on the following terms.

- 12.4 If the Relevant Member or Relevant Executive in relation to a Relevant Member is not a Good Leaver, then the Prescribed Price in respect of the Sale shares the subject of the Sale Notice shall be the lower of cost and Fair Value.
- 12.5 If the Relevant Member or Relevant Executive in relation to a Relevant Member is a Good Leaver then the Prescribed Price in respect of the Sale Shares the subject of the Sale Notice shall be Fair Value.
- 12.6 For the purposes of this Article 12 a Good Leaver shall be a person ceasing to be a Relevant Executive by means of:
- 12.6.1 death;
 - 12.6.2 voluntary retirement at any age after sixty;
 - 12.6.3 retirement for reasons of material ill-health or incapacity;
 - 12.6.4 compulsory mobilisation into reserve or territorial forces;
 - 12.6.5 his ceasing to be a Relevant Executive in circumstances where Beringea agree he shall be treated as a Good Leaver; or
 - 12.6.6 wrongful or unfair dismissal by the Company (other than unfair dismissal arising from procedural reasons); or
 - 12.6.7 termination of his employment contract by the Company for reasons other than non-performance of duties in accordance with his contract or for gross misconduct.
- 12.7 For the purposes of these Articles, Fair Value shall be whichever is applicable of:
- (a) the price per Sale Share agreed between the Compulsory Seller and the Board as representing the Fair Value: or
 - (b) if no such agreement has been reached within 14 days of the date of the Beringea's notice given under Article 12.2 ("**the Notice Date**"), the Directors shall refer the matter to the auditors of the Company or another firm of chartered accountants of repute appointed by the Board (in either case "**the Auditors**") and the Auditors shall determine and certify the sum per Sale Share considered in their opinion to be the Fair Value thereof as at the Notice Date by valuing the whole of the equity share capital of the Company as a going concern, on a willing seller and willing buyer basis, disregarding the fact that such holding of shares may represent a minority interest and the fact that there may be no liquid market for the shares and the sum per share so determined and certified shall be the Fair Value. The Auditors shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and their determination shall be final and binding.
- 12.8 Within seven days after the Prescribed Price has been determined:

- 12.8.1 the Company shall notify the Compulsory Sellers of the names and addresses of the Offerees and the number of Sale Shares to be offered to each;
- 12.8.2 the Company shall notify each Offeree of the number of Sale Shares on offer to him; and
- 12.8.3 the Company's notices shall specify the Prescribed Price and state a date, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed ("**Completion Date**").
- 12.9 By the Completion Date the Compulsory Sellers shall deliver stock transfer forms for the Sale Shares, with the relevant share certificates (or an indemnity in respect thereof reasonably acceptable to the Company), to the Company. On the Completion Date the Company shall pay the Compulsory Sellers, on behalf of each of the Offerees, the Prescribed Price for the Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Compulsory Sellers without any obligation to pay interest.
- 12.10 To the extent that Offerees have not, by the Completion Date, put the Company in funds to pay the agreed or certified price, the Compulsory Sellers shall be entitled to the return of the stock transfer forms and share certificates (or indemnity) for the relevant Sale Shares and the Compulsory Sellers shall have no further rights or obligations under Article 12 in respect of those Sale Shares.
- 12.11 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the Completion Date, the Directors may (and shall, if requested by Beringea) authorise any Director to transfer the Sale Shares on the Compulsory Seller's behalf to each Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the Prescribed Price for the Sale Shares offered to him. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate (or an indemnity in respect thereof reasonably acceptable to the Company) for the Sale Shares to the Company. On surrender, he shall be entitled to the Prescribed Price for the Sale Shares. The Company shall have no liability to pay or account for any interest on any such monies.
- 12.12 While shares are liable to be Sale Shares by virtue of Article 12.2, they may not be transferred under Articles 7 or 8 which shall not apply during such period.
13. **COMPULSORY TRANSFER BY OPTIONHOLDERS**
- 13.1 Article 13 applies when a Relevant Member ceases to be a Relevant Member but in respect only of:
- 13.1.1 shares transferred, allotted or issued to him pursuant to the Company Option Scheme ("**Option Shares**"); and
- 13.1.2 any Anti-dilution Warrants issued to him in respect of the Option Shares (together with the Option Shares "**Option Securities**").

13.2 Within two months after the date on which the Option Shares have been issued to the Relevant Member, the Board shall serve a notice ("**Compulsory Notice**") requiring the Shareholder (or his personal representatives in the case of his death) and all (if any) Privileged Relations of such Shareholder and all trustees of Family Trusts to the extent that they hold Option Securities (together "**Compulsory Sellers**") to offer their Option Securities to the following persons and in the following order of priority:

13.2.1 first at the discretion of the Board, to the Company (subject to the provisions of the Act), a person or persons intended to replace the relevant employee or consultant, any of the existing employees of the Company or any of its subsidiary undertakings, or participants or potential participants in, or trustees of an employees' share scheme of the Company and its subsidiary undertakings;

13.2.2 secondly to Shareholders pro rata to their existing shareholdings; and/or

13.2.3 finally to any other person or persons approved by Beringea;

("Offerees"). The Compulsory Notice may reserve to the Board the right to finalise the identity of the Offerees (in the case of Article 13.2.1) once the price for the Option Securities has been agreed or certified.

13.3 The Compulsory Sellers shall then offer their Option Securities to the Offerees at the Fair Value (as at the date of the cessation of employment or consultancy of the Relevant Member) ("**Compulsory Price**") free from all liens, charges and encumbrances together with all rights attaching to them. While shares are liable to be the subject of a Compulsory Notice pursuant to Articles 13.2 or 13.6, they may not be transferred under Articles 7 or 8 which shall not apply during such period.

13.4 The provisions of Articles 12.8 to 12.12 shall apply mutatis mutandis to the transfer of Option Securities pursuant to this Article 13 except that references to Sale Shares shall be deemed to be references to Option Securities (save in the case of Article 13.6 where references to Sale Shares shall be deemed to be references to Intermediate Leaver Option Securities) and references to the Prescribed Price shall be deemed to be references to the Compulsory Price and the references in Article 12.8 to dates or time periods shall be such dates or time periods as the Board shall determine.

13.5 If any single transfer of Option Shares pursuant to this Article 13 relates to less than all of the Option Shares, the number of Anti-dilution Warrants to be transferred in respect thereof shall be in the same proportion to which the number of Option Shares so transferred bears to the total number of Option Shares held by the Relevant Member and references to "Option Securities" shall be construed accordingly.

13.6 If any Option Securities held by an Intermediate Leaver ("**Intermediate Leaver Option Securities**") are not acquired by any person pursuant to Article 13.2, the Board may, and shall if requested by the Beringea Director and the ITN Director, at any time thereafter require the relevant Compulsory Seller to transfer all or some of

such Intermediate Leaver Option Securities as if Article 13.2 applied disregarding the fact that the time period of two months referred to therein had expired.

14. COMPULSORY TRANSFERS - GENERAL

- 14.1 A person entitled to a share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Sale Notice in respect of such share and the price per share shall be the lower of cost and Fair Value (as determined in accordance with Article 12.7).
- 14.2 If a share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives to such deceased member either to effect a Permitted Transfer of such shares (including for such purpose an election to be registered in respect thereof) or to show to the satisfaction of the Directors that a Permitted Transfer will be effected up to or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Sale Notice in respect of such share.
- 14.3 If a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall forthwith at the request of the Directors be required to give a Sale Notice in respect of all of the shares held by such member and/or such Permitted Transferee and the price per share shall be the lower of cost and Fair Value of determined in accordance with Article 12.7.

15. GENERAL PROVISIONS

- 15.1 Shareholders' meetings and resolutions
- 15.1.1 Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days" and by the insertion of the words ", the Beringea Director" after the second word of that regulation.
- 15.1.2 Regulation 40 of Table A is modified by the deletion of the second sentence and the substitution for it of the words "A person or persons (being a member or a proxy for a member or a duly authorised representative of a corporation) holding or representing at least 50% in nominal value of each of the Ordinary Shares, the 'A' Ordinary Shares and the B Ordinary Shares in issue shall be a quorum".
- 15.1.3 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

- 15.1.4 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly.
- 15.1.5 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 15.1.6 Regulation 53 of Table A is modified by the addition in the first sentence, after the words "resolution in writing" of the following words "or otherwise contained in an electronic communication".
- 15.1.7 Regulation 53 of Table A is further modified by the addition at the end of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly."
- 15.1.8 Regulation 57 of Table A is further modified by the inclusion after the word "shall" of the phrase "unless the Directors otherwise determine".
- 15.1.9 Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it."
- 15.1.10 Regulation 62 of Table A is modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words, "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

15.2 Number of directors

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate directors) is not subject to any maximum and the minimum number is one.

15.3 Appointment of Investor Directors

- 15.3.1 Each Investor Shareholder (other than Beringea and ITN and their respective Connected Persons) shall be entitled to appoint one Investor Director in accordance with the provisions of Article 15.3.2.
- 15.3.2 Any Investor Director may only be removed or replaced by the appointing Investor Shareholder. Appointment, removal or replacement shall be effected by serving notice in writing on the Company at its registered office. Such notice shall be signed by the Investor Shareholder, or where the Investor Shareholder comprises two or more Shareholders, shall be signed by or on behalf of all of them.
- 15.3.3 An Investor Director shall be entitled to report to the Investor Shareholder appointing him on all aspects of the affairs of the Company and to disclose to

that Investor Shareholder such information concerning the Company as he shall reasonably consider appropriate, provided that the Investor Shareholder is aware of the confidential nature of such information.

15.4 Appointment of Beringea Director

15.4.1 Beringea shall be entitled to appoint one director in accordance with the provisions of article 15.4.2.

15.4.2 Any Beringea Director appointed by Beringea may only be removed or replaced by Beringea and on any resolution to remove the Beringea Director Beringea and/or its Connected Persons shall have 100 votes per share held by them. Appointments, removal or replacement shall be effected by serving notice in writing on the Company at its registered office. Such notice shall be signed by Beringea.

15.4.3 The Beringea Director shall be entitled to report to Beringea on all aspects of the affairs of the Company and to disclose to Beringea such information concerning the Company as he shall reasonably consider appropriate provided that Beringea is aware of the confidential nature of such information.

15.5 Appointment of ITN Director

15.5.1 ITN shall be entitled to appoint one director in accordance with the provisions of article 15.5.2.

15.5.2 Any ITN Director appointed by ITN may only be removed or replaced by ITN and on any resolution to remove the ITN Director ITN and/or its Connected Persons shall have 100 votes per share held by them. Appointments, removal or replacement shall be effected by serving notice in writing on the Company at its registered office. Such notice shall be signed by ITN.

15.5.3 The ITN Director shall be entitled to report to ITN on all aspects of the affairs of the Company and to disclose to ITN such information concerning the Company as he shall reasonably consider appropriate provided that ITN is aware of the confidential nature of such information.

15.5.4 Upon request by ITN, the Company shall also procure that the ITN Director be appointed a director of any subsidiary of the Company.

15.6 Alternate directors

15.6.1 Each of the Beringea Director and the ITN Director is, and any Investor Director is, entitled to appoint any person willing to act, whether or not he is a Director of the Company, to be an alternate director. That person need not be approved by resolution of the directors and regulation 65 of Table A is modified accordingly.

15.6.2 An alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A is modified accordingly.

15.6.3 Regulation 68 of Table A is modified by the addition at the end of the following sentence. "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

15.7 Appointment, retirement and removal of Directors

15.7.1 The Directors are not subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation is to be disregarded.

15.7.2 The Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.

15.7.3 A person appointed by the Directors to fill a vacancy or as an additional Director need not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A are deleted.

15.7.4 The holders of a majority of the shares giving the right to vote at general meetings may at any time and from time to time by serving notice on the Company remove any Director from office and appoint any person to be a Director. A removal or appointment takes effect when the notice is received by the Company or on a later date specified in the notice. Article 15.7.4 does not apply to the removal or appointment of a Beringea Director or an ITN Director.

15.8 Disqualification and removal of directors

15.8.1 The office of a Director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) he resigns his office by notice in writing to the Company;
- (d) he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate director (if any) has not during such period attended any such meetings instead of him, and the directors resolve that his office be vacated; or
- (e) (other than in the case of the Beringea Director or the ITN Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors.

15.8.2 Persons voting against a resolution under section 303 of the Act to remove the Beringea Director or the ITN Director shall be deemed, in respect of that resolution, to have an aggregate number of votes equal to five times the

aggregate number of votes of those persons voting in favour of the resolution and regulation 54 of Table A is modified accordingly.

15.9 Proceedings of directors

- 15.9.1 Regulation 88 of Table A is modified by the exclusion of the third sentence and the substitution for it of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A Director may waive the requirement that notice be given to him of a board meeting either prospectively or retrospectively."
- 15.9.2 The quorum for the transaction of the business of the directors shall be three directors, one of which shall be the Beringea Director unless the Beringea Director has been given reasonable written notice of such meeting, waives that right to attend, fails to attend three consecutive meetings duly convened, or has appointed an alternate director who attends or similarly waives his right or fails to attend, in which case the quorum shall be two Directors. Regulation 89 of Table A is amended accordingly.
- 15.9.3 Any Director or his alternate may validly participate in a meeting of the directors or a committee of Directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the Directors or a committee of the Directors is for the purposes of these Articles deemed to be validly and effectively transacted at a meeting of the Directors or of a committee of the Directors although fewer than two Directors or alternate Directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 15.9.4 Meetings of the board of Directors shall take place no less frequently than once per calendar month and at least five working days' notice shall be given to each Director, provided that with the consent of the Beringea Director, board meetings may be held less frequently and convened on less notice.
- 15.9.5 Regulation 93 of Table A is modified by the addition in the first sentence, after the words "resolution in writing" of the following words "or otherwise contained in an electronic communication".
- 15.9.6 If and for so long as there is a sole Director, he may exercise all the powers conferred on the directors by these Articles by resolution in writing signed by him, and regulations 88, 89, 91 and 93 of Table A and Article 15.9.2 shall not apply.
- 15.9.7 Without prejudice to the obligation of any Director to disclose his interest in accordance with section 317 of the Act, a Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The Director

shall be counted in the quorum present when any such resolution is under consideration and if he votes his vote shall be counted.

15.10 Borrowing powers of directors

The Directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

15.11 Dividends

The Directors may deduct from any dividend or other moneys payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.

15.12 Capitalisation of profits

The Directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid shares rank for dividends, so long as those shares remain partly paid, only to the extent that those partly paid shares rank for dividend and regulation 110 of Table A is modified accordingly.

15.13 Notices

15.13.1 Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this Article 15.13.1, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

15.13.2 Regulation 112 of Table A is modified by the deletion of the last sentence and the substitution for it of the following: "A member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."

15.13.3 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice sent by post to an address within the United Kingdom is deemed to be given 24 hours after posting, if pre-paid as first class, and 48 hours after posting, if pre-paid as second class. A notice sent by post to an address outside the United Kingdom is deemed to be given four days after posting, if pre-paid as airmail. A notice given by or contained within an electronic communication is deemed to be given 48 hours after the time it

was sent. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left.

15.13.4 Regulation 116 of Table A is modified by the deletion of the words "within the United Kingdom".

15.13.5 Where these Articles require notice to be given by the holders of a stated percentage of shares, notice may consist of several documents in similar form each signed by or on behalf of one or more shareholders.

15.14 Indemnity

15.14.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every Director, alternate Director or secretary of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

15.14.2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a Director, alternate Director, secretary or auditor, or former Director, alternate Director, secretary or auditor, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefit scheme or another trust in which a Director, alternate Director or secretary or former Director, alternate Director or secretary is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.