

Company Number: 4210086

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

- of -

KIDSUNLIMITED LIMITED

(Adopted on 11 July 2002

as amended by resolutions dated

11 November 2002, 12 July 2005 and 16 November 2007 and

16 January 2008<sup>2007</sup>)

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**THE COMPANIES ACT 1985**

**PRIVATE COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**- of -**

**KIDSUNLIMITED LIMITED**  
**(Adopted on 11 July 2002)**

**INTERPRETATION**

- 1 1 In these Articles, unless the contrary intention appears, the following definitions apply

**"Act"**

the Companies Act 1985;

**"A" Director**

a director appointed pursuant to Article 16 or his alternate;

**"A" Ordinary Share**

an "A" Ordinary Share of 1p in the capital of the Company;

**"A" Ordinary Shareholder**

a holder for the time being of "A" Ordinary Shares;

**"B Loan Notes"**

the 10 per cent fixed rate guaranteed secured loan notes of the Company constituted by a loan note instrument dated the date of adoption of these Articles;

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**"Board"**

the board of Directors of the Company,

**"Connected Person"**

as defined by the Income and Corporation Taxes Act 1988 Section 839;

**"Controlling Interest"**

shares conferring in the aggregate over 50 per cent of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings of the Company and shall include shares held by all persons who in relation to each other are Connected Persons;

**"D.P. Settlement"**

the Dennis Pickering 2001 Discretionary Settlement constituted by a deed dated 4 April 2001;

**"Deferred "A" Ordinary Share"**

a Deferred "A" Ordinary Share of 1p in the capital of the Company;

**"Deferred "A" Ordinary Shareholder"**

a holder for the time being of Deferred "A" Ordinary Shares;

**"Defined Group"**

ISIS Capital plc and its subsidiaries and any partnership of which any of them is general partner, manager or adviser, any unit trust or fund of which any of them is trustee, manager, adviser or general partner and any unit trust, partnership or fund the managers of which are advised by any of them, in each case from time to time;

**"Designated Issue"**

the issue (on one or more occasions) of up to 632,013 Ordinary Shares to employees of the Company and its subsidiaries on the exercise of options to subscribe for shares previously granted to them,

**"Directors"**

the directors from time to time of the Company;

**"Equity share capital"**

the Ordinary Shares and the "A" Ordinary Shares;

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**"Facility Agreement"**

the agreement between (1) National Westminster Bank plc and (2) the Company and others dated 25 June 2001,

**"Family Trust"**

means in relation to any member, trusts (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on intestacy) under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than that member or Privileged Relations of such member or any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities) and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the original member or Privileged Relations of such member;

**"G.P. Settlement"**

the Gladys Pickering 2001 Discretionary Settlement constituted by a deed dated 4 April 2001,

**"Institutional Investor"**

any person whose business is (whether in whole or in part) to make, manage or advise on investments,

**"Listing"**

the admission of any of the Company's shares to the Official List of the UK Listing Authority (being the competent authority for the purposes of the Financial Services and Markets Act 2000) and such admission becoming effective or the granting of an application by the Company for permission to deal in any of the Company's shares on any other recognised exchange or public securities market and such permission becoming effective,

**"Loan Notes"**

the 9.923 per cent fixed rate guaranteed secured loan notes of the Company constituted by a loan note instrument dated the 25 June 2001,

**"Ordinary Share"**

an ordinary share of 1p in the capital of the Company;

**"Ordinary Shareholder"**

a holder for the time being of Ordinary Shares;

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**"ordinary shares of the Company"**

the issued shares of the Company from time to time excluding those shares which, neither as respects dividends nor as respects capital, carry any right to participate beyond a specified amount in a distribution,

**"Ordinary Share Value"**

- a) (in relation to a Listing) the price per share at which each Ordinary Share, each "A" Ordinary Share (being those held immediately prior to the conversion of "A" Ordinary Shares pursuant to Article 5.9.2) of the Company is sold, offered to be sold or offered at the date of Listing and in connection with Listing (in the case of an offer for sale, being the underwritten price or, if applicable, the minimum tender price, and in the case of a placing, being the price at which Ordinary Shares and/or "A" Ordinary Shares are sold under the placing) multiplied by the number of Ordinary Shares and "A" Ordinary Shares (being those held immediately prior to the conversion of "A" Ordinary Shares pursuant to Article 5.9.2) in issue at the date of Listing (excluding any shares issued or to be issued by the Company in connection with a Listing)
- b) in relation to a Sale the price for each Ordinary Share, and "A" Ordinary Share pursuant to a Sale multiplied by the number of Ordinary Shares and "A" Ordinary Shares in issue at the date of Sale;

**"Preference Dividend"**

the dividend payable on the Preference Shares in accordance with Article 5.2;

**"Preference Dividend Payment Dates"**

30 June and 31 December in each year or (if any such date is not a Business Day) the next following Business Day,

**"Preference Shareholders"**

the holder or holders from time to time of Preference Shares;

**"Preference Share"**

a cumulative preference share of £0.01 in the capital of the Company, having the rights set out in these Articles,

**"Prescribed Price"**

as defined in Article 9;

**"Privileged Relation"**

the husband or wife or children or step-children or remoter issue of a member,

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### **"Restricted Period"**

in the case of Stewart Pickering, Jean Pickering, Jenny Haywood, Russ Haywood and Stephen Chalmers-Morris the period of 12 months from 25 June 2001, and in the case of any other Ordinary Shareholder the period of 12 months from the date of allotment or transfer of Ordinary Shares to him;

### **"Sale"**

the acquisition of a Controlling Interest in the Company by any person other than members of the Defined Group;

### **"Subscription Agreement"**

the subscription agreement dated 25 June 2001 relating to (inter alia) the subscription for shares in the Company between the Company (1) Stephen Chalmers-Morris and others (2) the Subscribers (as therein defined) (3) ISIS Equity Partners plc (then named Friends Ivory & Sime Private Equity plc) (4) FIS Nominee Limited (5) and Jenny Haywood and others (6) as varied, supplemented, amended or adhered to from time to time;

### **"Supplemental Subscription Agreement"**

the supplemental subscription Agreement dated 11 July 2002 relating to (inter alia) the subscription for shares in the Company between the Company (1) Stephen Chalmers-Morris and others (2) Jenny Haywood and others (3) the Subscribers (as therein defined) (4) ISIS Equity Partners plc (then named ISIS Capital plc) (5) and FIS Nominee Limited (6); and

### **"Table A"**

Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) in force at the date of adoption of these Articles.

- 1.2 Headings are used in these Articles for convenience only and shall not affect their construction or interpretation.
- 1.3 In these Articles, unless the context does not so admit:
  - 1.3.1 reference to an individual or individuals shall include his or their personal representative(s);
  - 1.3.2 reference to the singular includes a reference to the plural and vice versa and reference to the masculine includes a reference to the feminine and neuter and vice versa;
  - 1.3.3 words and expressions defined in the Act shall have the same meanings herein;

1.3.4 the expressions "paid up" or "paid up value" as used in relation to any part of the share capital of the Company shall mean the total amount paid up, or credited as paid up, on the relevant shares including any premium paid up thereon; and

1.3.5 unless indicated to the contrary, any power or consent reserved to or exercisable by the "A" Director, shall be exercisable by the holders of not less than 75 per cent of the "A" Ordinary Shares where no "A" Director is appointed.

#### **TABLE A**

2. The regulations contained in Table A shall apply to the Company save insofar as they are excluded or modified hereby. The first sentence of regulation 24 and regulations 64, 73 to 77 inclusive, 80, 94 and 118 of Table A shall not apply and the final sentence of regulation 112 shall not apply but subject as aforesaid, and in addition to the remaining regulations of Table A, the following shall be the Articles of Association of the Company

#### **PRIVATE COMPANY**

3. The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

#### **SHARE CAPITAL**

4. The share capital of the Company is £130,283 50 divided into:
- 5,790,350 "A" Ordinary Shares;
  - 738,000 Deferred "A" Ordinary Shares,
  - 5,012,500 Ordinary Shares; and
  - 1,487,500 Preference Shares

#### **RIGHTS OF THE ORDINARY SHARES, THE "A" ORDINARY SHARES, THE DEFERRED "A" ORDINARY SHARES AND THE PREFERENCE SHARES**

##### **5.1 General**

Save as otherwise specifically provided in these Articles the Ordinary Shares, the "A" Ordinary Shares and the Preference Shares shall rank *pari passu* but shall subject as provided in Article 6, and together with the Deferred "A" Ordinary Shares, constitute four separate classes of shares

##### **5.2 As regards income of Preference Shares**

- 5.2.1 The Preference Shares shall confer on the Preference Shareholders the right to receive, in priority to any rights of the holders of any other class of shares

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to receive any dividend or other distribution, and payable without any resolution of the directors or of the Company but subject always to the provisions of Article 5.2.3, a fixed cumulative preferential dividend at the rate of 9.923% per annum on the aggregate amount paid to acquire the Preference Shares held by them.

- 5.2.2 The Preference Dividend shall accrue from day to day and be paid bi-annually on each Preference Dividend Payment Date commencing on 31 December 2007. Any instalment of the Preference Dividend not paid on the relevant Preference Dividend Payment Date (whether or not there are sufficient profits of the Company available for distribution within the meaning set out in Part VIII of the Act, to pay the instalment in full) shall be carried forward and be payable in priority to the Preference Dividend payable on any later date.
- 5.2.3 An instalment of the Preference Dividend which is not paid on the relevant Preference Dividend Payment Date (whether or not there are sufficient profits of the Company available for distribution, within the meaning set out in Part VIII of the Act, to pay the instalment in full) shall bear interest at 3% per annum on each day on which that instalment remains unpaid. Interest shall accrue from day to day and shall be payable in respect of the period commencing with the date on which the relevant instalment of the Preference Dividend becomes due and ending with the date on which it is paid, compounded annually on each Preference Dividend Payment Date.
- 5.2.4 If the Company has insufficient profits available for distribution (within the meaning set out in Part VIII of the Act) to pay an instalment of the Preference Dividend in full on any Preference Dividend Payment Date:
- 5.2.4.1 the Company shall on the Preference Dividend Payment Date in question pay to the Preference Shareholders on account of the relevant instalment (in proportion to the number of Preference Shares held by them on that Preference Dividend Payment Date), the amount of profits then available for distribution together with accrued but unpaid interest on that amount; and
- 5.2.4.2 the Company shall pay on the expiry of every six month period beginning on the Preference Dividend Payment Date (and may pay at any time between those dates) on account of the balance of the relevant instalment remaining outstanding, the amount of profits then available for distribution together with accrued but unpaid interest on that amount.
- 5.2.5 The Preference Shares shall not otherwise participate in any dividend or distribution not being a Preference Dividend that is declared by the Company. No dividend that is not a Preference Dividend may be declared by



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the Company while any instalment of any Preference Dividend (together with any interest accrued thereon) remains unpaid in whole or in part.

- 5.2.6 The Company shall ensure that each of its subsidiaries (if any) which has profits available for distribution shall from time to time and to the extent that it may lawfully do so declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any dividend. The Company shall ensure that all accounts are prepared which may be necessary for it to pay dividends or make distributions under these Articles.

**5.3 As regards income of "A" Ordinary Shares and "A" Deferred Shares**

The "A" Ordinary Shareholders shall be entitled to a cumulative dividend ("Participating Dividend") of a cash sum of that percentage of the Net Profits (as hereinafter defined) for the relevant financial period (together with the benefit of any associated tax credit) equal to one-third of the percentage of the issued Equity share capital represented by the number of "A" Ordinary Shares in issue at the commencement of the relevant financial period provided that the first payment of Participating Dividend shall be calculated in respect of the period from 1 May 2005 up to and including 30 April 2006. The Participating Dividend shall be deemed to accrue from day to day throughout each financial period and shall be payable without any resolution of the Directors or of the Company not more than 14 days after the Annual General Meeting at which the audited accounts of the Company for the relevant financial period are adopted, such Annual General Meeting to be held no later than five months after the end of the relevant financial period. The Participating Dividend shall be distributed amongst the "A" Ordinary Shareholders pro rata according to the number of "A" Ordinary Shares held by them. Any amount of Participating Dividend not paid shall be carried forward and be payable in priority to the Participating Dividend payable on any later date.

- 5.4 For the purposes of these Articles the "Net Profits" of the Company for any financial period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act ending on or after 30 April 2006 means the group profit of the Company and its subsidiaries as shown by the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial period.

- 5.4.1 before taking into account any transfer or proposed transfer to reserves,
- 5.4.2 before writing off any amount in respect of goodwill or other intangible assets;
- 5.4.3 after taking into account any payment in respect of or provision for corporation tax (including advance corporation tax) (or any other tax equivalent to corporation tax in the case of any overseas subsidiary);
- 5.4.4 after adding back any payment in excess of £536,000 in aggregate (or such other amount agreed from time to time between the Board and FIS) charged

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in respect of all remuneration payable to the Directors of the Company and any persons who would be their Connected Persons; and

5.4.5 after taking into account any payment of a Preference Dividend pursuant to Article 5.2

5.5 The auditors of the Company shall be requested to certify the Net Profit (including under article 5.6) for each financial period. In so certifying the auditors shall be deemed to be acting as experts and not as arbitrators; and the amounts as so certified shall be conclusive and binding on the Company and on all of its members for the purposes of these Articles in the absence of manifest error

5.6 The Participating Dividend shall be pro-rated in respect of any period of less than a financial period of the Company during which the "A" Ordinary Shares are in issue. Where the Participating Dividend falls to be pro-rated, the pro rata amount of the Participating Dividend from the date of the commencement of the then current financial period of the Company up until and including the date on which the Participating Dividend is payable ("relevant date") shall be calculated on the relevant date on the basis set out in Article 5.3 save that "Net Profits" for this purpose shall be

$\frac{X}{Y} \times Z$

Y

where:

X is the group profit of the Company and its subsidiaries as shown by the latest available unaudited consolidated management accounts of the Company and its subsidiaries for the period from the start of the then current financial period to the latest practicable date prior to the relevant date adjusted to take account of the matters set out in the sub-paragraphs of Article 5.4;

Y is the number of days in the period to which such management accounts relate; and

Z is the number of days from the date of the start of the then current financial period to the relevant date

5.7 The Company may not distribute any profits in respect of any financial period in addition to the Participating Dividend without the prior written consent of the "A" Director.

5.8 To the extent that any further dividends are resolved to be distributed no more than 50 per cent of profits so distributed will (notwithstanding any other provision of these Articles) be payable to the holders of the "A" Ordinary Shares and the "A" Deferred Shares (as a class).

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## 5.9 As regards capital

On a return of capital on liquidation or otherwise, the assets of the Company attributable to shareholders or otherwise available for distribution amongst the shareholders (which the Company is authorised to receive on behalf of the shareholders) shall be applied:

- 5.9.1 firstly in paying to each Preference Shareholder an amount equal to the aggregate amount paid to acquire the Preference Shares held by it,
- 5.9.2 secondly in paying to each Preference Shareholder an amount equal to any accrued but unpaid Preference Dividend (and the interest accrued thereon), calculated down to include the date of return of capital;
- 5.9.3 thirdly, in paying to the "A" Ordinary Shareholders an amount equal to all accrued, unpaid Participating Dividends to be calculated down to the date of return of capital and to be payable irrespective of whether or not the Company has sufficient profits available for distribution and whether or not such dividends have been declared or earned,
- 5.9.4 then and subject thereto, the balance of such assets shall belong to and be distributed amongst the holders of the Ordinary Shares and the "A" Ordinary Shares *pari passu* as if such shares constituted one class of share,

provided that the amount payable to the "A" Ordinary Shareholders and the Deferred "A" Ordinary Shareholders pursuant to this Article 5.8 and Article 5.11.3.1 shall not exceed in aggregate 50 per cent of the assets of the Company available for distribution amongst the participants (as defined in section 417 of the Income and Corporation Taxes Act 1988) of the Company.

## 5.10 Sale or Listing

- 5.10.1 On Sale or Listing, each Preference Shareholder shall be paid an amount equal to the aggregate amount paid to acquire the Preference Shares held by it together with an amount equal to any accrued but unpaid Preference Dividend (and the interest accrued thereon) calculated down to the date of the Sale or Listing. The Ordinary Share Value shall then be divided as follows:

- 5.10.1.1 the holders of the "A" Ordinary Shares shall be entitled to receive a sum equal to 51.02 per cent of the amount of the Ordinary Share Value, and
- 5.10.1.2 the holders of the Ordinary Shares shall be entitled to receive a sum equal to 48.98 per cent of the amount of the Ordinary Share Value

provided that if there is any disagreement in relation to the Ordinary Share Value or any of the calculations made in Article 5.9 the matter may be

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referred by the "A" Director or by any member to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding unless there is a manifest error and whose costs shall be payable by the Company.

- 5.10.2 Where a Listing occurs the ordinary shares of the Company shall immediately prior to the date of Listing convert into one class of share and the new shares in the Company to which the holders of such shares shall be entitled on the reorganisation shall be calculated on the basis of their holdings of "A" Ordinary Shares and Ordinary Shares immediately prior to the reorganisation after operation of the provisions of Article 5.9 1. On a Listing, the Company shall allot such number of fully paid new shares by way of bonus issue to give effect to the provisions of Article 5.9.1 and accordingly the shareholders of the Company agree to take all such steps and make all such resolutions necessary to implement such Articles.

**5.11 As regards the Deferred "A" Ordinary Shares**

- 5.11.1 On the issue and allotment of Ordinary Shares by the Company pursuant to a Designated Issue that number of Deferred "A" Ordinary Shares shall convert into and be redesignated as "A" Ordinary Shares as shall give the "A" Ordinary Shareholders in aggregate the same percentage of the issued Equity share capital immediately after the Designated Issue as they had immediately before the Designated Issue.
- 5.11.2 On each issue of shares pursuant to a Designated Issue such adjustments and arrangements shall be made as shall be necessary to give effect to the provisions of article 5.10 1 For these purposes.
- 5.11 2.1 the Deferred "A" Ordinary Shares to be converted into and redesignated as "A" Ordinary Shares pursuant to this article 5.10 shall be selected pro rata as nearly as may be (without involving any conversion of fractions of a share) between the holders of the Deferred "A" Ordinary Shares in proportion to the number of such shares held by them respectively at the time of the Designated Issue;
- 5.11 2.2 on or before the date on which Deferred "A" Ordinary Shares are to be converted and redesignated as "A" Ordinary Shares, the Company shall give notice thereof to the holders of the shares concerned who (subject thereto) shall surrender to the Company prior to the relevant date the certificates in respect of such shares (or provide an appropriate indemnity in a form reasonably satisfactory to the Company),
- 5.11 2.3 the conversion of the Deferred "A" Ordinary Shares shall occur automatically and without the need for any resolution of directors

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or shareholders on the issue and allotment of the Ordinary Shares pursuant to the Designated Issue. Subject to receipt of certificates (or a suitable indemnity) the Company shall following conversion send to each holder whose shares have been converted definitive certificates for the appropriate numbers of "A" Ordinary Shares and Deferred "A" Ordinary Shares resulting from the conversion.

5.11.3 Deferred "A" Ordinary Shares shall.

- 5.11.3.1 on a return of capital on winding up or otherwise, entitle the holders thereof only to the repayment of the amounts paid up or credited as paid up on such shares after payment in respect of each Ordinary Share and each "A" Ordinary Share of £1,000,000,
- 5.11.3.2 on the payment of a dividend to the holders of the Ordinary Shares, entitle the holders thereof to an aggregate dividend of £100 distributed amongst the holders of the Deferred "A" Ordinary Shares pro rata according to the number of Deferred "A" Ordinary Shares held by them;
- 5.11.3.3 not otherwise entitle the holders thereof to receive or participate in any way in any profits or assets of the Company;
- 5.11.3.4 not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company; and
- 5.11.3.5 be capable of transfer to any person to whom an "A" Ordinary Shareholder may transfer "A" Ordinary Shares pursuant to article 8

## ISSUES OF SHARES

- 6 Subject to these Articles the pre-emption provision of sub-section (1) of section 89 and section 90 of the Act shall apply to any allotment of the Company's equity securities PROVIDED THAT (a) for the purposes of those sub-sections the Ordinary Shares and the "A" Ordinary Shares shall be treated as one class; (b) the period specified in section 90(6) of the Act shall be 14 days; and (c) the holders of equity securities ("Equity Shareholders") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and any shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares and such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares applied for

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## VOTES

- 7.1 Subject to the provisions of these Articles, regulation 54 of Table A shall apply to the voting rights of the shareholders of the Company save that the "A" Ordinary Shares as a class shall not carry in excess of 50% of the votes available to be cast at any general meeting of the Company (other than pursuant to Article 7.3).
- 7.2 The Preference Shares should not confer on the holders thereof any right to attend, speak or vote at any general meeting of the Company or to vote on a written resolution of the Company
- 7.3 If
- 7.3.1 any interest payable by the Company in respect of the Loan Notes or the B Loan Notes or any dividends payable by the Company on the "A" Ordinary Shares or the Preference Dividend due in respect of any Preference Shares is not paid within three months of its due date (for whatever reason), or
  - 7.3.2 the Company has failed or been unable to redeem any of the Loan Notes or the B Loan Notes within three months of their due date for redemption in accordance with the instrument constituting the Loan Notes or the B Loan Notes as appropriate, or
  - 7.3.3 any circumstance occurs which, in the reasonable opinion of the "A" Director is more than likely to result in the Company being in breach of or failing to meet his obligations under the Bank Documentation (as defined in the Subscription Agreement), or
  - 7.3.4 there is a breach by the Company or the Managers (as defined in the Subscription Agreement) of any of the obligations set out in clauses 6.1, 8.1, 8.3, 9, 10.1 or 10.6 to 10.10 (inclusive) of the Subscription Agreement or clause 5 of the Supplemental Subscription Agreement

then the "A" Ordinary Shareholders may at any time serve a notice in writing upon the Company specifying that, with effect from the date of such notice and until further notice, the "A" Director shall have that number of votes in relation to resolutions of the Board which exceeds by one the number of votes in aggregate of the other Directors (including the casting vote of the Chairman, if any) and each of those shares in the Equity share capital of the Company held by the "A" Ordinary Shareholders shall carry such number of votes as, when multiplied by the number of shares in the issued Equity share capital held by the "A" Ordinary Shareholders, would confer on a poll 75% of the total votes capable of being exercised at that general meeting provided that the provisions of this article 7.2 shall cease to apply in respect of a specific event, but shall continue to apply in respect of any other events covered by this article 7.2, which has been remedied to the reasonable satisfaction of the "A" Ordinary Shareholders within 14 days of service of the notice by the "A" Ordinary Shareholders to the Company. The proviso to this article 7.2 shall not apply in circumstances where a specific event occurs more than once having been remedied following its first occurrence.

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## PERMITTED TRANSFERS

- 8.1 Subject to Article 8.18, any share (and/or any interest in any share) may be transferred at any time by a shareholder to any other person with the consent of the holders of 90 per cent of the issued equity share capital.
- 8.2 Without prejudice to regulation 5 of Table A, any "A" Ordinary Share (and/or any interest in any share) held by a shareholder may be transferred to a person shown to the satisfaction of the "A" Director to be a nominee of or a trustee for that shareholder.
- 8.3 Any "A" Ordinary Shareholder which is a body corporate (an "Original Holder") may transfer any shares (and/or any interest in shares) to its ultimate parent company or any other body corporate controlled, directly or indirectly, by it or its ultimate parent company **PROVIDED ALWAYS THAT** the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled, directly or indirectly, by the original shareholder or such ultimate parent company immediately prior to it so ceasing such shares shall be transferred to the Original Holder or to another body corporate so controlled (for which purposes "control" has the same meaning as in section 840 of the Income and Corporation Taxes Act 1988 Section 840).
- 8.4 Any shares which are held by or on behalf of an Investment Trust (as defined in chapter 21 of the Listing Rules published by the UK Listing Authority) whose shares are listed on the Official List of the UK Listing Authority may be transferred to another such Investment Trust:
- 8 4 1 whose shares are also so listed; and
  - 8 4.2 which is managed by the same management company as the transferor or by a holding company of such management company or any subsidiary company of such holding company.
- 8.5 Any "A" Ordinary Shares (and any interest therein) may be transferred or disposed of to any member of the Defined Group or to any trustee for any such member.
- 8 6 Any "A" Ordinary Shares (and any interest therein) held by or on behalf of a unit trust or partnership or other unincorporated association or fund may be transferred or disposed of to the holder or holders of units in such unit trust or partners in such partnership or members of such unincorporated association or investors in such fund from time to time or to trustees for any such person.
- 8.7 Any shareholder which is a nominee or trustee, whether directly or indirectly, for an approved scheme or schemes as defined in section 612 of the Income and Corporation Taxes Act 1988 Section 612 may transfer any shares to any other nominee or trustee, whether direct or indirect, for the same approved scheme or schemes.
- 8 8 Any shares held by a nominee or trustee of a partnership may be transferred to the partnership or to any new nominee or trustee for such partnership.

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- 8.9 Any "A" Ordinary Shares held by or on behalf of a partnership, unit trust, investment trust, unincorporated association or other fund or corporation may be transferred to another partnership, unit trust, investment trust, unincorporated association or other fund or corporation or to any trustee or nominee of such entity which is managed or advised by the same manager or adviser as the transferor or by a holding company of such manager or adviser or any subsidiary company of such holding company
- 8.10 Up to 1,230,000 "A" Ordinary Shares and 221,400 Deferred "A" Ordinary Shares in aggregate may be transferred from one Institutional Investor (or its nominee) to another Institutional Investor (or its nominee) with the prior written consent of the "A" Director within six months of the date of adoption of these Articles.
- 8.11 Any share may be transferred pursuant to Article 12.
- 8.12 No Ordinary Shares (and no interest in any Ordinary Shares) may be transferred or disposed of (including by way of mortgage or charge) (except where permitted by Article 8.13 or required pursuant to Article 11 or in accordance with the provisions of Article 12) without the prior written consent of the "A" Director.
- 8.13 Ordinary Shares may be transferred by a member (an "Original Member") to a Family Trust **PROVIDED THAT** the Original Member retains not less than 50 per cent of his original shareholding and that in the event that the Original Member ceases to be a director or employee of the Company or any of its subsidiaries (and is not continuing as a director or employee of the Company or any of its subsidiaries) any shares held by his Family Trust shall be subject to the provisions of Article 11 as if they still constituted part of the Original Member's holding.
- 8.14 Any Ordinary Share in the name or names of the trustees of a Family Trust may be transferred to new trustees of the trust or to trustees of any other Family Trust set up by the Original Member
- 8.15 No transfer of any share by a member to a Family Trust or from one trustee of a Family Trust to another trustee of that Family Trust shall be registered by the Directors unless the proposed transferee shall first have signed a declaration in a form satisfactory to the Directors acknowledging that the proposed transferee is bound by the provisions of Article 8.13
- 8.16 Any Ordinary Share in the name or names of the trustees of the D.P. Settlement or the G.P. Settlement may be transferred to new trustees of the D.P. Settlement or the G.P. Settlement (as the case may be).
- 8.17 Ordinary Shares may be transferred from a trust established pursuant to Article 9.5.1.2 to employees of the Company and its subsidiaries in accordance with the terms of the trust.
- 8.18 The Preference Shares shall be freely transferable without any restriction

#### **TRANSFERS OF ORDINARY SHARES AND "A" ORDINARY SHARES**



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9. Except in the case of a transfer or disposal of shares (or interest in shares) expressly authorised by Article 8 the right to transfer or dispose of any Ordinary Shares (if authorised under Article 8.12 or permitted under Article 8.13 and including any transfer made pursuant to the provisions of Article 11) or "A" Ordinary Shares or any interest therein (including, but not limited to, the charging and mortgaging of any shares) shall be subject to the following restrictions and provisions, namely:
- 9.1 before transferring or disposing of any Ordinary Shares or "A" Ordinary Shares or any interest in any Ordinary Shares or "A" Ordinary Shares the person proposing to transfer or dispose of the same ("Proposing Transferor") shall give a notice in writing ("Transfer Notice") to the Company that he desires to transfer the same. The Transfer Notice or, in the case of Ordinary Shares transferred in accordance with Article 11, the deemed Transfer Notice, shall constitute the Company his agent for the sale of the shares therein mentioned (together with all rights then attached thereto) ("Sale Shares") at the Prescribed Price (as hereinafter defined) in accordance with this Article 9 and shall not be revocable except with the consent of the "A" Director,
- 9.2 if not more than one month before the date ("Transfer Notice Date") on which the Transfer Notice is received by the Company the Proposing Transferor and a majority of the Directors (the "A" Director being part of the majority) shall have agreed in writing a price per share as representing the market value thereof or as being acceptable to the Proposing Transferor and not more than the market value then such price shall be the Prescribed Price (subject to the deduction therefrom of any dividend or other distribution declared or made after such agreement and prior to the Transfer Notice Date). Otherwise upon the giving of the Transfer Notice the Directors shall request the auditors of the Company ("Auditors") to determine and certify the sum per share considered by them to be the market value thereof as at the Transfer Notice Date and the sum per share so determined and certified shall be the Prescribed Price. 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 on all persons concerned and, in the absence of fraud, the Auditors shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by the Auditors for the purposes thereof or in connection therewith. In calculating market value, no regard is to be had to the fact that the shares concerned constitute a majority or minority or that their transfer is subject to restrictions and the calculation shall be on the basis of a sale between a willing seller and a willing purchaser and in making their calculation the Auditors shall take into account the price per share if any offered by a bona fide third party for the Sale Shares;
- 9.3 if the Prescribed Price was agreed as aforesaid prior to the Transfer Notice Date the period referred to below as the "Prescribed Period" shall commence on the Transfer Notice Date. If the Prescribed Price was not so agreed the period referred to below as the "Prescribed Period" shall commence on the date on which the Auditors shall have notified the Directors of their determination of the Prescribed Price (pending which the Directors shall defer the making of the offer hereinafter mentioned),

9.4 all shares included in any Transfer Notice given by an "A" Ordinary Shareholder shall by notice in writing be offered within seven days of the commencement of the Prescribed Period by the Company to all "A" Ordinary Shareholders for purchase at the Prescribed Price on the terms that in case of competition the shares so offered shall be sold to those accepting the offer in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of "A" Ordinary Shares. Any offer made under this paragraph shall limit a time (not being less than 21 days nor more than 28 days) within which it must be accepted or in default will lapse. Any shares not accepted by the "A" Ordinary Shareholders within the period during which the offer is open for acceptance shall be offered to the Ordinary Shareholders for purchase at the Prescribed Price on the same terms. For the avoidance of doubt, if a Transfer Notice relates to more than one class of shares, acceptance of an offer given in terms of this Article must be in the same proportions as regards the shares of the different classes (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) as the proportions the different shares included in the Sale Shares bear to each other,

9 5 9.5.1 on receipt by the Company of a Transfer Notice given (or deemed to be given) by an Ordinary Shareholder, the "A" Director may elect that up to 75 per cent of the Sale Shares be offered by the Company at the Prescribed Price to:

9 5 1 1 a person or persons replacing in whole or in part, and directly or indirectly, the Proposing Transferor as an employee and/or Director of the Company and/or any of its subsidiaries (if any) Provided that such replacement is found within six months of the commencement of the Prescribed Period ("Six Month Period"); and/or

9.5.1.2 a trust for the benefit of employees of the Company and its subsidiaries (if any) in form satisfactory to the "A" Director

Any such election shall be made not later than 28 days after the commencement of the Prescribed Period (the "Election Period") and shall be notified in writing to the other Directors and to the shareholders. Any offer made pursuant to such election shall be made by the "A" Director on behalf of the Company not later than a week after the expiry of the Six Month Period. Any offer made under this Article 9.5.1 shall limit a time (not being less than 21 days or more than 28 days) within which it must be accepted or in default will lapse;

9 5.2 in this Article 9 5 2 "Remaining Sale Shares" shall mean any Sale Shares included in a Transfer Notice given or deemed to be given by an Ordinary Shareholder and not sold pursuant to Article 9.5.1. The Company will make an offer in accordance with this Article 9 5 2 in relation to the Remaining Sale Shares (if any) as appropriate

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- 9.5.2.1 within seven days of the "A" Director irrevocably notifying the Directors in writing that he does not intend to make an election under Article 9.5 1; or
  - 9 5.2.2 within seven days of the expiry of the Election Period without the "A" Director making an election as aforesaid; or
  - 9.5 2.3 if an offer is made pursuant to Article 9 5.1 within seven days of the end of the period for acceptance of the offer, or
  - 9.5.2.4 if an election, but no offer, is made not less than seven days nor more than 14 days after the expiry of the Six Month Period.

Pursuant to such offer, all Remaining Sale Shares shall by notice in writing be offered by the Company to all the Ordinary Shareholders (other than any member who has accepted an offer pursuant to Article 9 5 1 of shares to which the Transfer Notice relates) for purchase at the Prescribed Price on the terms that in the case of competition the shares so offered shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of Ordinary Shares. Any offer made under this Article shall limit a time (not being less than 21 days nor more than 28 days) within which it must be accepted or in default will lapse. Any shares not accepted by such persons shall be offered to the "A" Ordinary Shareholders on the same terms. For the avoidance of doubt, if a Transfer Notice relates to more than one class of shares, any acceptance of the offer given in terms of this Article must be in the same proportions as regards the shares of the different classes (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) as the proportions the different shares included in the Sale Shares bear to each other;

- 9 6 if the Company shall within the said time limits find members ("Purchasers") in accordance with the foregoing provisions to purchase the shares concerned or any of them and gives notice in writing thereof to the Proposing Transferor within two weeks of the expiry of such time limits he shall be bound, upon payment of the Prescribed Price, to transfer such shares to the respective Purchasers. Every such notice shall state the name and address of each of the Purchasers and the number of shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than 10 days after the date of such notice. Provided that except as regards any Transfer Notice given or deemed to be given pursuant to Articles 10 or 11, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares concerned neither this Article nor the following Article 9 7 shall apply unless the Company shall have found Purchasers for the whole of such shares;
- 9.7 if a Proposing Transferor (having become bound to do so) shall fail or refuse to transfer any shares to a Purchaser hereunder the Directors may (and will if so

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requested by the "A" Director) authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Proposing Transferor shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Proposing Transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Proposing Transferor but without interest. If such certificate shall comprise any shares which the Proposing Transferor has not become bound to transfer as aforesaid the Company shall issue to the Proposing Transferor a certificate for such shares;

- 9 8 if the Company shall not within the said periods find Purchasers willing to purchase the Sale Shares or any of them, the Company shall promptly give notice in writing thereof to the Proposing Transferor and the Proposing Transferor at any time thereafter up to the expiration of two months after receipt of such notice shall be at liberty to transfer those shares for which the Company has not found Purchasers to any person on a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the Transfer Notice Date and to be retained by the Proposing Transferor). Provided that:
- 9 8.1 if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares concerned he shall not be entitled hereunder to transfer any of such shares unless in aggregate the whole of such shares are so transferred, and
- 9 8.2 the Directors and/or the "A" Director may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the Purchaser and if not so satisfied may refuse to register the instrument of transfer; and
- 9.9 for the purposes of this Article 9, references to the "Ordinary Shareholders" or the "A" Ordinary Shareholders who are to be offered any shares the subject of a Transfer Notice shall be deemed to be a reference to such of those shareholders who are on the register at the close of business on the date that the Transfer Notice is received by the Company other than any member to whose shares the Transfer Notice relates or any member who at any time before such offer is made has given a current Transfer Notice in respect of any shares or who is bound under these Articles to give a Transfer Notice in respect of his shares or any of them
- 10 1 No Ordinary Share or "A" Ordinary Share and no interest in any such share shall be held by any member as a bare nominee or sold or disposed of to any person except in accordance with Articles 8, 9, 10, 11 or 12 The Directors shall refuse to register the transfer of any share purported to be made otherwise than in accordance with Articles

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8, 9, 10, 11 or 12 If the foregoing provision shall be infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof unless a majority of the Directors (such majority to include the "A" Director) resolve otherwise. The Directors shall refuse to register the transfer of any share purported to be made otherwise than in accordance with Articles 8, 9, 10, 11 or 12.

- 10.2 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 a majority of the Directors (such majority to include the "A" Director) so to do, to give a Transfer Notice in respect of such shares
- 10.3 For the purpose of ensuring that a transfer of shares is in accordance with these Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Directors may from time to time require any member or the legal personal representatives 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 (including the "A" Director) may reasonably think fit regarding any matter which they (including the "A" Director) may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request the Directors by majority decision (such majority to include the "A" Director) shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any shares the Directors by majority decision (such majority to include the "A" Director) may by notice in writing require that a Transfer Notice be given in respect of the shares concerned.
- 10.4 In any case where a Transfer Notice is required to be given in respect of any shares and such Transfer Notice is not duly given within a period of one week after the relevant shareholder has been given notice of the requirement such Transfer Notice shall (except and to the extent that a Permitted Transfer of any of such shares shall have been lodged) be deemed to have been given at the expiry of the said period and the provisions of the Articles relating to Transfer Notices shall take effect accordingly.
- 10 5 A Transfer Notice given (or deemed to be given) pursuant to Articles 10 or 11 shall not be capable of revocation (other than by the "A" Director by notice in writing to all the shareholders) nor may it specify that unless all relevant shares are sold by the Company pursuant to the Transfer Notice, none shall be so sold.
- 10 6 Where a Transfer Notice is given or deemed to be given by an Ordinary Shareholder pursuant to these Articles, the holder of the Ordinary Shares the subject of the Transfer Notice shall from the Transfer Notice Date (save with the prior written consent of the "A" Director) cease to be entitled to receive notice of or attend or vote at any general meeting of the Company.

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## DEEMED TRANSFER NOTICE

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11.1 In any case where any Ordinary Shareholder (other than Stewart Pickering, to whom the provisions of Article 11.3 apply) ceases to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as an employee or director of the Company or of any subsidiary of the Company, as the case may be) after the Restricted Period in any of the following circumstances.

11.1.1 wrongful dismissal, redundancy, death, illness (including mental illness) or disability giving rise to permanent incapacity to continue in employment; or

11.1.2 termination by his employer on giving notice in accordance with the terms of his contract of employment other than in accordance with the terms of clause 16 (Termination) of his service agreement; or

11.1.3 retirement on achieving normal retirement age;

he and the trustees of his Family Trust (if any) shall, unless the "A" Director consents in writing to disapply in whole or in part this Article 11 or to defer its application in respect of all or any of the shares subject hereto, be deemed to have served a Transfer Notice pursuant to Article 9 above in respect of his and their entire holding of Ordinary Shares and the provisions of Article 9 shall apply in relation thereto.

11.2 In any case where any Ordinary Shareholder (other than Stewart Pickering to whom the provisions of Article 11.3 apply) ceases to be either a director or employee of the Company or any of its subsidiaries (and is not continuing as a director or employee of the Company or any subsidiary of the Company) at any time in any circumstances where Article 11.1 does not apply, he and the trustees of his Family Trust (if any) shall be deemed to have served a Transfer Notice pursuant to Article 9 above in respect of his and their entire holding of Ordinary Shares and the provisions of Article 9 shall apply in relation thereto save that the sum per share which he and they shall receive shall be the lower of:

11.2.1 the Prescribed Price; and

11.2.2 the paid up value of each of his or their Ordinary Shares.

11.3 In any case where Stewart Pickering ceases to be a consultant to or a director of the Company or any of its subsidiaries (and is not continuing as a consultant to or a director of the Company or of any subsidiary of the Company, as the case may be) in circumstances where the Company validly terminates his engagement or appointment by reason of gross misconduct or equivalent pursuant to the terms of his consultancy agreement or the letter appointing him as a director, he and the trustees of his Family Trust (if any) shall, unless the "A" Director consents in writing to disapply in whole or in part this Article 11 or to defer its application in respect of all or any of the shares subject hereto, be deemed to have served a Transfer Notice pursuant to Article 9 above in respect of his and their entire holding of Ordinary Shares and the provisions of Article 9 shall apply in relation thereto save that the Prescribed Price per share

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which he shall receive pursuant to Article 9 shall be the nominal value of the Ordinary Shares.

- 11 4 In any case where the provisions of Article 11.3 apply to Stewart Pickering, each of Jean Pickering, each of the trustees of the D P Settlement and the G P. Settlement and the trustees of Jean Pickering's Family Trust (if any) shall, unless the "A" Director consents in writing to disapply in whole or in part this Article 11 or to defer its application in respect of all or any of the shares subject hereto, be deemed to have served a Transfer Notice pursuant to Article 9 above in respect of her and their entire holding of Ordinary Shares and the provisions of Article 9 shall apply in relation thereto save that the Prescribed Price per share which he shall receive pursuant to Article 9 shall be the nominal value of the Ordinary Shares..
- 11 5 In any case where the provisions of Articles 11 1 or 11 2 apply to Jenny Haywood, Russ Haywood and the trustees of his Family Trust (if any) shall unless the "A" Director consents in writing to disapply in whole or in part this Article 11 or to defer its application in respect of all or any of the shares subject hereto, be deemed to have served a Transfer Notice pursuant to Article 9 above in respect of his and their entire holding of Ordinary Shares and the provisions of Article 9 shall apply in relation thereto save that the sum per share which he and they shall receive shall be the same as the sum per share received or to be received by Jenny Haywood
- 11 6 For the purposes of this Article 11 the Transfer Notice Date shall be such date as shall be specified by the "A" Director, acting in his reasonable discretion, to be the date of the relevant cessation.
- 11.7 Where any shares of the Company are transferred by a member ("an Original Member") pursuant to Article 8 to a Family Trust and such trust at any time thereafter ceases to be a Family Trust (the date of such cessation being the "Cessation Date"), the trustees of such trust shall within 14 days of the trustees having become aware of such cessation transfer all the shares then owned (directly or indirectly) by them to the Original Member, failing which, the trustees of such trust shall be deemed to have served a Transfer Notice pursuant to Article 9 on the Transfer Notice Date which for the purposes of this Article shall be 14 days after the Cessation Date in respect of all such shares held by or on behalf of the trustees for such trust and the provisions of these Articles will apply accordingly
- 11 8 Any Ordinary Shareholder who remains an employee of the Company or any of its subsidiaries solely in order that he may benefit from any permanent health insurance scheme applicable to his employment shall be treated for the purposes of this Article 11 as having ceased to be an employee on the date that his employer ceases to pay him salary under his contract of employment.

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## TRANSFERS CHANGING CONTROL

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12.1 Notwithstanding anything in these Articles no sale or transfer of any Ordinary Shares, "A" Ordinary Shares to any person which would result if made and registered in a person whether or not then a member of the Company obtaining or increasing a Controlling Interest in the Company ("Specified Shares") shall be made or registered unless:

12.1.1 before the transfer is lodged for registration the proposed transferee or his nominee has obtained the written consent of the holders of not less than 75 per cent of the "A" Ordinary Shares to the making of an offer on the terms set out below and has thereafter made an offer (stipulated to be open for acceptance for at least 21 days) to purchase:

12.1.1.1 all the other Ordinary Shares (including any shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into shares, in existence at the date of such offer), "A" Ordinary at the Specified Price (as hereinafter defined) together with any arrears and accruals of Participating Dividend (whether or not earned or declared); and

12.1.1.2 the Deferred "A" Ordinary Shares (after the operation of article 5.8) at par

which offer every offeree shall be bound within 28 days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer); and

12.1.2 before the transfer is registered each such accepted offer is completed and the consideration thereunder paid (subject only to registration of the transfer in respect of the Specified Shares) except insofar as failure to complete is due to the fault of the offeree

Provided that the provisions of this Article shall not apply to the acquisition of shares by any member of the Defined Group or pursuant to Article 8 (other than Articles 8.1 and 8.11).

12.2 For the purpose of this Article:

12.2.1 the expressions "transfer", "transferor" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renounee under any such letter of allotment; and

12.2.2 "Specified Price" shall mean a price per share at least pari passu with that offered or paid or payable by the proposed transferee or transferees or his or their nominees for the Specified Shares to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or



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otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can fairly and reasonably be regarded as an addition to the price paid or payable for the Specified Shares. In the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any of the parties concerned) whose decision shall be final and binding.

- 12 3    12.3.1    If at any time an offer is made for the whole of the issued share capital of the Company on the terms referred to in Article 12.1 (a "Qualifying Offer") which is accepted either by the holders of a majority of the ordinary shares of the Company (including a majority of the issued "A" Ordinary Shares) or, when the "A" Ordinary Shareholders are entitled to additional votes pursuant to Article 7.2, by the holders of 75 per cent or more of the "A" Ordinary Shares, the holders of shares in the Company who have not accepted the Qualifying Offer shall be obliged to accept the Qualifying Offer in respect of the shares held by them and to sell all of the shares held by them at the Specified Price in accordance with such Qualifying Offer and the pre-emption rights set out in Articles 8, 9, 10 and 11 shall not apply to any transfer required to be made hereunder.
- 12.3.2    If any person (a "Compulsory Transferor") fails to transfer any shares in accordance with Article 12 3 1 the Directors may (and will if so requested by the "A" Director) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

### **GENERAL MEETINGS**

- 13.1    Regulation 62 of Table A shall be modified by the substitution in paragraph (a) of the words "at any time" in place of "not less than 48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "not less than 24 hours"
- 13.2    If a meeting is adjourned under regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall form a quorum, and regulation 41 of Table A shall be modified accordingly

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## **POLLS**

14. A poll may be demanded by the Chairman or by any shareholder present in person or by proxy and having the right to vote at the meeting and regulation 46(b) of Table A shall be modified accordingly

## **DIRECTORS' BORROWING POWERS**

15. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

## **DIRECTORS**

- 16.1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two. There will be no maximum number of Directors.
- 16.2 "A" Director shall not retire by rotation and a Director appointed to fill a casual vacancy or as an addition to the Board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly.
- 16.3 The office of Director shall be vacated if the Director, in the reasonable opinion of all his co-Directors, becomes incapable by reason of mental disorder of discharging his duties as Director, and regulation 81 of Table A shall be modified accordingly. In addition, the office of Director shall be vacated if (other than in the case of the "A" Director) he is removed from office by notice signed by all his co-Directors and addressed to him at his last known address.
- 16.4 ISIS Equity Partners plc shall be entitled to appoint and remove a Director of the Company ("A" Director") by notice in writing to the Company at its registered office.
- 16.5 The "A" Director shall be entitled to appoint any person willing to act, whether or not he is a Director, to be his alternate director and such person need not be approved by resolution of the Directors and regulation 65 of Table A shall be modified accordingly.

## **BOARD MEETINGS**

- 17.1 Meetings of the Board of Directors shall take place no less frequently than once per calendar month and at least seven clear working days' notice of each meeting shall be given to each Director provided that if a majority in number of the Directors agree to less frequent meetings and/or to a shorter period of notice then board meetings may be called less frequently and/or on such agreed shorter period of notice provided further that such majority so agreeing must include the "A" Director (if any). All board meetings shall take place in the United Kingdom save with such agreement as aforesaid

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- 17.2 Any quorum for the transaction of business of the Directors shall, save with the written consent of the "A" Director, include the "A" Director (if any). If the "A" Director (if any) is not present at the time for which the meeting was called or ceases to be present thereafter, the meeting (the "First Meeting") shall be adjourned to the same day the following week at the same time and place. The Company shall give notice to every director who did not attend the First Meeting of the adjourned meeting. If the "A" Director, having received notice of the adjourned meeting, fails to attend, those Directors present at the adjourned meeting shall constitute a quorum.
- 17.3 Any Director or his alternate may participate in a meeting of the Directors or a committee of the Directors by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. Participating in any such meeting in this manner shall be deemed to constitute presence at the meeting.
- 17.4 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 and if he does so vote his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution.

#### INDEMNITY

- 18.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer of the Company shall be indemnified out of the assets of the Company against all losses, liabilities and costs which he may incur in the execution of his duties or the exercise of his powers, authorities and discretions, including a liability incurred in defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer of the Company in which judgment is given in his favour or in which he is acquitted or which otherwise end 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.
- 18.2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, 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 benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any liability which may lawfully be insured against by the Company.