

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

PRAISEDEVICE LIMITED

Member's Written Resolution



I, the undersigned, being the sole member of the Company who (at the date hereof) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which I was present, hereby agree:

- (a) pursuant to regulation 53 of Table A (adopted by article 1.1 of the Company's articles of association) to the passing of the resolution set out below (which would otherwise be required to be passed as a special resolution) by way of written resolution; and
- (b) to every variation or abrogation of the rights attaching to any class of shares of which I am a holder involved in or requisite to give effect to such resolution.

THAT:

1. the share capital of the Company be increased from £1,000 to £3,669.47774 by the creation of an additional:
 - (a) 1000 ordinary shares of £1 each identical to and ranking pari passu with the existing ordinary shares of £1 each in the share capital of the Company;
 - (b) 3,832,458 'A' ordinary shares of £0.00001 each having the rights and being subject to the restrictions and obligations set out in the articles of association to be adopted pursuant to paragraph 4 below;
 - (c) 71,699,040 'A' preference shares of £0.00001 each having the rights and being subject to the restrictions and obligations set out in the articles of association to be adopted pursuant to paragraph 4 below;
 - (d) 45,708,138 'B' preference shares of £0.00001 each having the rights and being subject to the restrictions and obligations set out in the articles of association to be adopted pursuant to paragraph 4 below;
 - (e) 45,708,138 'C' preference shares of £0.00001 each having the rights and being subject to the restrictions and obligations set out in the articles of association to be adopted pursuant to paragraph 4 below;
2. the directors be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all 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 of £3,669.47774. This authority shall expire on 31 December 2005 save that the Company

may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired. This authority shall be in substitution for and shall replace any existing authority pursuant to the said section 80 to the extent not utilised at the date this resolution is passed;

3. the directors be empowered to allot equity securities (as defined in section 94(2) of the Act) of the Company pursuant to the authority conferred by paragraph 2 above as if section 89(1) of the said Act and article 10.2 of the articles of association to be adopted pursuant to paragraph 4 below did not apply to such allotment. This power shall expire on 31 December 2005 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired; and
4. the new articles of association in the form contained in the draft articles of association attached to this document and ^{Signed}initiated by the chairman for the purposes of identification be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.



.....
Christopher Adams

Date: 12th November 2001

DRAFT



No: 4236932

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

- of -

PRAISEDEVICE LIMITED

ASHURST MORRIS CRISP

Broadwalk House
5 Appold Street
London EC2A 2HA

Tel: 020 7638 1111

Fax: 020 7638 1112

PDG/P699.00003/2177651.14 PDG/P699.00003/2177651.15

CONTENTS

CLAUSE

1.	DEFINITIONS AND INTERPRETATION	1
2.	TABLE A	5
3.	AUTHORISED SHARE CAPITAL	6
4.	SPECIAL RIGHTS AND RESTRICTIONS	6
5.	INCOME	6
6.	CAPITAL	13
7.	REDEMPTION	14
8.	CONVERSION	19
9.	VARIATION OF RIGHTS	21
10.	SUBSCRIPTION RIGHTS	22
11.	VOTING RIGHTS	23
12.	TRANSFERS: GENERAL	23
13.	COMPLIANCE AND DISENFRANCHISEMENT	24
14.	GENERAL MEETINGS	24
15.	WRITTEN RESOLUTIONS	25
16.	RETIREMENT OF DIRECTORS	25
17.	REMOVAL AND APPOINTMENT OF DIRECTORS	25
18.	ALTERNATE DIRECTORS	26
19.	PROCEEDINGS OF DIRECTORS	26
20.	LIEN	26
21.	THE SEAL	26
22.	INDEMNITY	27
23.	BORROWING POWERS	27
24.	RELATIONSHIP TO FINANCE DOCUMENTS	27
25.	CONTENT OF AGREEMENT WITH SECURITY AGENT AND PUTCO	28

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

- of -

PRAISEDEVICE LIMITED

(adopted by special resolution passed on *12th November* 2001)

PRELIMINARY

1. DEFINITIONS AND INTERPRETATION

- 1.1 In the interpretation of these articles, the headings shall not affect the construction and, unless the context otherwise requires, the following words and expressions shall have the following meanings:-

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

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

"**'A' Dividend**" shall have the meaning given to it in article 5.1(a);

"**'A' Loan Notes**" means the variable rate guaranteed unsecured loan notes 2016 of the Company created or to be created by a resolution of the Board in connection with the Offer;

"**'A' Ordinary Shares**" means the 'A' Ordinary Shares of £0.00001 each in the capital of the Company;

"**'A' Preference Shares**" means the cumulative redeemable 'A' preference shares of £0.00001 each in the capital of the Company;

"A' Put Option Deed" means the put option deed to be entered into by Putco creating a put option in respect of the 'A' Preference Shares in favour of the holders of the 'A' Preference Shares;

"Auditors" means the auditors for the time being of the Company;

"B' Dividend" shall have the meaning given to it in article 5.2(a);

"B' Loan Notes" means the variable and fixed rate guaranteed secured loan notes 2012 of the Company created or to be created by a resolution of the Board in connection with the Offer;

"B' Preference Shares" means the cumulative redeemable convertible 'B' preference shares of £0.00001 each in the capital of the Company;

"B' Put Option Deed" means the put option deed to be entered into between Putco, the Guarantors and the Security Agent for itself and as agent for the holders of the 'B' Preference Shares creating a put option in respect of the 'B' Preference Shares in favour of the Security Agent for itself and as agent for the holders of the 'B' Preference Shares;

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

"business day" means any day on which banks are normally open for business in England and Wales (excluding Saturdays);

"C' Dividend" shall have the meaning given to it in article 5.3(a);

"Change of Control" means any transaction or series of transactions whereby any person (or persons connected with each other, or persons acting in concert with each other) would hold or acquire beneficial ownership of or over that number of shares in Topco which in aggregate confers more than 50 per cent. of the voting rights normally exercisable at general meetings of Topco;

"Company" means Praisdevice Limited (Company No. 4236932);

"connected" in the context of determining whether one person is connected with another, shall be determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988;

"Conversion Date" means any date upon which any 'B' Preference Share or 'C' Preference Share becomes convertible pursuant to these articles;

"C' Preference Shares" means the cumulative redeemable convertible 'C' preference shares of £0.00001 each in the capital of the Company;

"Directors" means the directors for the time being of the Company;

"Dividend Date" means the due date for payment of any Preference Dividend under articles 5.1, 5.2 or 5.3;

"Dividend Fixing Day" means, in respect of any Dividend Period, the business day immediately preceding the first day of such Dividend Period;

"Dividend Period" means in each year the six month period beginning on 1 February and ending on 31 July and the six month period beginning on 1 August and ending on 31 January (or, in the case of the first such period in respect of any Preference Shares, the period beginning on the date of issue of the relevant Preference Share and ending on ~~31 January 2002 in the case of any Preference Share issued prior to 31 January 2002, or ending on the next following 31 January or 31 July after issue in the case of any Preference Share issued on or after 31 January 2002~~);

~~X~~ **"Enforcement Event"** means the exercise of any of the security to be constituted under the Finance Documents by any party thereto which is or becomes entitled to exercise such security;~~X~~

"Exit Date" means the date on which an Exit Event occurs, provided that, for the purposes of articles 7.5, 7.10 and 8, in the event that an Exit Event is a Change of Control of which the Directors are not aware the Exit Date shall be the date falling 35 days, or if not a business day, the next following business day, after the date on which the Directors become so aware, and **"Redemption Date"** shall be interpreted accordingly.

"Exit Event" means any of:

- (a) a Listing; or
- (b) a Change of Control; or
- (c) a Relevant Disposal;

~~X~~ **"Finance Documents"** means any document entered into after the date of adoption of these articles by the Company or any member of the Group for the purposes of providing finance to the Company in relation to the Offer;~~X~~

"Group" means the Company and any company which is a subsidiary of the Company, a holding company of the Company or a subsidiary of such holding company;

"Guarantee" means the guarantee to be given by a bank or banks pursuant to the 'A' Put Option Deed in respect of the 'A' Preference Shares;

"Guarantors" means Palmer & Harvey McLane (Holdings) Limited, P&H (1925) Limited, P&H Snacksdirect Limited, Palmer & Harvey McLane Limited, Winerite Limited, Wineways Limited, YP Electronics Limited, P&H Direct Limited, P&H Retail Services Limited and any other additional person who may be approved as a Guarantor by the Directors and who has entered into a deed of accession in terms satisfactory to the Directors for such time as, in each case, any such person is a guarantor under the Finance Documents;

"holder" means, in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder(s) of that share;

~~X~~ **"Intercreditor Agreement"** means any intercreditor agreement entered into after the date of adoption of these articles (and whether entered into before or after the making of the Offer) between (amongst others) the Company and any bank or banks in connection with or relating to (directly or indirectly) the financing of the consideration payable pursuant to the terms of the Offer and the financing or the giving of the Guarantee; ~~X~~

"Issue Price" means, in respect of a Preference Share, £1 per share, and in respect of any other share, the amount subscribed for such share including any premium;

"LIBOR" in relation to any Dividend Period means:-

- (a) the rate (rounded upwards, if necessary, to the nearest four decimal places) which is the offered rate at or about 11.00 a.m. on the relevant Dividend Fixing Day for Sterling deposits in an amount comparable to the aggregate Issue Price of all of the Preference Shares in the relevant class then in issue for a period equal to the relevant Dividend Period which appears on the display designated as the British Bankers Association Interest Settlement Rate as quoted on the Dow Jones/Telerate Monitor as Telerate Screen page no. 3750 (or such other page or service as may replace page 3750 of such service (as the case may be) for the purpose of so displaying the British Bankers Association's Interest Settlement Rate for London interbank offered rates and, in the absence of any such replacement page or service, such other page of such other service as the Board may determine); or
- (b) if no relevant rate appears on the Telerate Screen or if the Telerate Screen is unavailable at the relevant time, the arithmetic mean (rounded upwards, if necessary, to the nearest four decimal places) of the respective rates quoted by the Reference Banks to the Company in the London Interbank Market at or about 11.00 a.m. on the Dividend Fixing Day for the offering of Sterling deposits to the Company in an amount comparable to the aggregate Issue Price for all the Preference Shares in the relevant class then in issue;

in each case as certified by the Auditors or other professional adviser selected by the Board which certification shall be conclusive of the rate;

"Listing" means the admission of any part of the share capital of the Company or any holding company of the Company to the Official List of the UK Listing Authority and their admission to trading on the London Stock Exchange's market for listed securities or the grant of permission for dealings therein on the Alternative Investment Market of the London Stock Exchange or to trading on any recognised investment exchange (as that term is used in the Financial Services Act 1986);

"Offer" means the offer to be made by the Company on or about ~~31 October~~ 28 November 2001 to acquire the share capital of Palmer & Harvey (McLane) Holdings Limited;

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

"Preference Dividend" means together the 'A' Dividend, the 'B' Dividend and the 'C' Dividend;

"Preference Shares" means together the 'A' Preference Shares, the 'B' Preference Shares and the 'C' Preference Shares;

"Putco" means Buildtrue Limited (Company No. 4237586);

"Redemption Date" means any date or time when Preference Shares are to be redeemed in accordance with these articles;

"Reference Banks" means Rabobank and Barclays Bank plc acting for this purpose through their principal offices in London, or such other banks or financial institutions which the Company may determine from time to time;

"Refinancing" means any arrangement entered into by any member of the Group (other than the Finance Documents or the Intercreditor Agreement) which takes place after the date of adoption of these articles pursuant to which any money, liabilities and/or obligations are secured or purported to be secured by any member of the Group;

"Relevant Disposal" means the sale by any member or members of the Group (other than to another member or members of the Group) of all or substantially all of the business, assets or undertakings of the Group, which shall be deemed to include without limitation any sale by Topco of the entire issued share capital in the Company and any sale by Topco and the Company of the entire issued share capital in Putco (in each case other than to another member or members of the Group);

"Security Agent" means Soufirst Limited (Company No. 4236806);

"Table A" means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) and the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No. 3373);

"Topco" means Firstvenus plc (Company No. 4223921); and

"Topco 'A' Ordinary Shares" means the 'A' Ordinary Shares as defined in the articles of association of Topco.

1.2 Words and expressions defined in or having a meaning provided by the Acts (but excluding any statutory modification not in force on the date of adoption of these articles) shall, unless the context otherwise requires, have the same meanings when used in these articles.

2. TABLE A

2.1 The regulations contained in Table A, save in so far as they are expressly excluded or varied by these articles, and the regulations contained in these articles shall together constitute the regulations of the Company. In the event of any conflict or inconsistency between regulations contained in these articles and the regulations contained in Table A, the regulations contained in these articles shall prevail.

2.2 The regulations of Table A numbered 24, 26, 40, 73 to 77 (inclusive), 80, 82, 96, 101 and 118 shall not apply to the Company.

- 2.3 Regulation 62 of Table A shall be modified by the deletion of the words "not less than 48 hours" in paragraphs (a) and (aa) and the deletion of the words "not less than 24 hours" in paragraph (b).
- 2.4 Regulation 115 of Table A shall be modified by the deletion of the words "48 hours" and the substitution for them of the words "24 hours".

SHARE RIGHTS

3. AUTHORISED SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these articles is ~~£5,670,441.17~~, divided into:

- ~~3,669,477.74~~
- (a) 2000 Ordinary Shares;
- (b) ~~3,834,275~~ 'A' Ordinary Shares;
~~3,832,458~~
- (c) ~~71,740,590~~ 'A' Preference Shares;
~~71,699,040~~
- (d) ~~45,734,626~~ 'B' Preference Shares; and
~~45,708,138~~
- (e) ~~45,734,626~~ 'C' Preference Shares.
~~45,708,138~~

4. SPECIAL RIGHTS AND RESTRICTIONS

The special rights and restrictions attached to and imposed on each class of share capital of the Company are as set out in these articles, including in particular (but without limitation) articles 5 to 11 (inclusive).

5. INCOME

5.1 'A' Preference Shares

- (a) Subject to articles 7.15, until such time as the 'A' Preference Shares are repaid or redeemed in accordance with these articles, the 'A' Preference Shares shall confer upon the holders thereof (as a class) the right to receive twice yearly in arrears in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company (but subject to the payment of all dividends accrued and in arrears on the 'A' Preference Shares in respect of any earlier Dividend Period), a variable cumulative preferential dividend (the "'A' Dividend") on each 'A' Preference Share at 70 per cent of the rate of 1 per cent. per annum below LIBOR as determined on the Dividend Fixing Day in respect of each Dividend Period (exclusive of the imputed tax credit available to the holders thereof) on the Issue Price.
- (b) The 'A' Dividend shall accrue from day to day and shall be paid in cash as follows:-

- (i) in respect of the Dividend Period from the date on which a relevant 'A' Preference Share ~~allotted prior to 31 January 2002~~ is allotted fully paid down to (and including) the next following 31 January 2002, on 31 January 2002 or 31 July, on that date or, if not a business day, the next business day; or
- ~~(ii) in respect of the Dividend Period from the date on which a relevant 'A' Preference Share allotted on or after 31 January 2002 is allotted fully paid down to (and including) the next following 31 January or 31 July, on that date or, if not a business day, the next business day; or~~
- (iii) thereafter, until redemption, by two instalments on 31 July and 31 January of each year (or, in either case, if not a business day, on the next business day). The payment to be made on 31 July shall be in respect of the Dividend Period down to (and including) 31 July. The payment to be made on 31 January shall be in respect of the Dividend Period down to (and including) 31 January; and
- ~~(iv)~~ (iii) on a Redemption Date (in respect only of 'A' Preference Shares redeemed on that date), in respect of the period for which no 'A' Dividend shall have been paid pursuant to article 5.1(b)(i), and (ii) and (iii), calculated down to (and including) the Redemption Date and to be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such sums have become due and payable in accordance with the provisions of article 5.1(b)(i), and (ii) and (iii).
- (c) Other than pursuant to article 5.5, the 'A' Preference Shares shall not confer on the holders thereof any further entitlement to any participation in the profits of the Company.

5.2 'B' Preference Shares

- (a) Subject to articles 7.15, 8.6 and 24, until such time as the 'B' Preference Shares are repaid or redeemed in accordance with these articles, the 'B' Preference Shares shall confer upon the holders thereof (as a class) the right to receive twice yearly in arrears in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company other than the 'A' Preference Shares (but subject to the payment of all dividends accrued and in arrears on the 'B' Preference Shares in respect of any earlier Dividend Period):-
 - (i) in respect of each Dividend Period from the date on which a 'B' Preference Shares are allotted up to (and including) 31 January 2007, a fixed cumulative preferential dividend of 5.25 per cent. per annum (exclusive of the imputed tax credit available to holders thereof) on the Issue Price; and
 - (ii) in respect of each Dividend Period from (and including) 1 February 2007 until redemption, a variable cumulative preferential dividend on each 'B' Preference Share at 70 per cent of the rate of 2 per cent. per annum above LIBOR as determined on the Dividend Fixing Day in respect of each Dividend Period (exclusive of the imputed tax credit available to the holders thereof) on the Issue Price

(the "'B' Dividend").

(b) Subject to article 24, the 'B' Dividend shall accrue from day to day and shall be paid in cash as follows:-

(i) in respect of the Dividend Period from the date on which a relevant 'B' Preference Share ~~allotted prior to 31 January 2002~~ is allotted fully paid down to (and including) the next following 31 January 2002, on 31 January 2002 or 31 July, on that date or, if not a business day, on the next business day; or (ii)

~~in respect of the Dividend Period from the date on which a relevant 'B' Preference Share allotted on or after 31 January 2002 is allotted fully paid down to (and including) the next following 31 January or 31 July, on that date or, if not a business day, the next business day; or~~

~~(iii)~~(ii) thereafter, until redemption, by two instalments on 31 July and 31 January of each year (or, in either case, if not a business day, on the next business day). The payment to be made on 31 July shall be in respect of the Dividend Period down to (and including) 31 July. The payment to be made on 31 January shall be in respect of the Dividend Period down to (and including) 31 January; and

~~(iv)~~(iii) on a Redemption Date (in respect only of 'B' Preference Shares redeemed on that date), in respect of the period for which no 'B' Dividend shall have been paid pursuant to article 5.2(b)(i), and (ii) and (iii), calculated down to (and including) the Redemption Date and to be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such sums have become due and payable in accordance with the provisions of article 5.2(b)(i), and (ii) and (iii).

(c) Other than pursuant to article 5.5, the 'B' Preference Shares shall not confer on the holders thereof any further entitlement to any participation in the profits of the Company.

(d) The 'B' Preference Shares shall be issued with the benefit of the 'B' Put Option Deed and in the event of a failure by the Company to redeem any 'B' Preference Shares;

(i) pursuant to articles 7.5(b) or 7.6, without further action or authority from the holders of 'B' Preference Shares; or

(ii) pursuant to articles 7.5(a) or 7.7 in circumstances where the Company is in default of any obligation to redeem any 'B' Loan Notes or is in arrears in respect of any interest due and payable in respect of any 'B' Loan Notes, with the authority of the holders of the 'B' Preference Shares which authority shall be deemed to have been given upon the passing of a resolution of the holders of the 'C' Preference Shares in accordance with article 9(b) approving the exercise of the put option constituted by the 'B' Put Option Deed and the enforcement of the guarantee and security given by the Guarantors in respect thereof; or

- (iii) pursuant to articles 7.5(a) or 7.7 in circumstances where the Company is not in default of any obligation to redeem any 'B' Loan Notes and is not in arrears in respect of any interest due and payable in respect of any 'B' Loan Notes, with the authority of the holders of the 'B' Preference Shares which authority shall be deemed to have been given upon the passing of a resolution of the holders of the 'B' Preference Shares in accordance with article 9(b) approving the exercise of the put option constituted by the 'B' Put Option Deed and the enforcement of the guarantee and security given by the Guarantors in respect thereof,

then the Company and any director of the Company acting severally shall be deemed hereby to be irrevocably authorised and instructed by the holders of the 'B' Preference Shares to instruct and as soon as practicable thereupon as agent for and on behalf of the holders of the 'B' Preference Shares shall instruct the Security Agent as agent for and on behalf of the holders of the 'B' Preference Shares to exercise the put option constituted by the 'B' Put Option Deed and the guarantee and security given by the Guarantors in respect thereof to the fullest extent permissible under the terms of the 'B' Put Option Deed and any guarantee, debenture or charge given by any of the Guarantors in respect thereof and to take any steps necessary (and to execute any documents necessary including any instrument of transfer) to enforce the same and the Security Agent shall be irrevocably authorised and instructed as agent for and on behalf of the holders of the 'B' Preference Shares to act upon such instructions without further reference to or instructions from the holders of the 'B' Preference Shares except that neither the Company nor any director of the Company shall be authorised to instruct the Security Agent to and the Security Agent shall not exercise the put option constituted by the 'B' Put Option Deed or the guarantee or security given by the Guarantors in respect thereof in respect of a 'B' Preference Share if the holder of such 'B' Preference Share has elected for conversion of such 'B' Preference Share into an 'A' Preference Share in accordance with article 8.1 following satisfaction of the condition referred to in article 8.3.

- (e) Any exercise of the put option constituted by the 'B' Put Option Deed and any enforcement of any guarantee or security given by any of the Guarantors in respect thereof shall be subject to and in accordance with the provisions set out in article 25. The Company and any director of the Company acting severally shall be deemed hereby to be irrevocably authorised and instructed by the holders of the 'B' Preference Shares as agent for and on behalf of the holders of the 'B' Preference Shares to enter into supplemental arrangements, agreements or contracts required or which the Company or any director of the Company deem necessary in order to complete or bring into effect the provisions or arrangements set out in or contemplated by article 25 and in particular and without prejudice to the generality of the foregoing to instruct the Security Agent to enter into an agreement as soon as practicable after the issue of the 'B' Preference Shares as agent for the holders from time to time of the 'B' Preference Shares incorporating the provisions of article 25.
- (f) Any exercise of the put option constituted by the 'B' Put Option Deed and any enforcement of any guarantee or security given by any of the Guarantors in respect thereof shall be subject to and made only in accordance with the Intercreditor Agreement and any subsequent agreement which is on terms which in the opinion of the Directors are substantially similar to the terms of the Intercreditor Agreement and

which is entered into by the Company pursuant to or in connection with or as a requirement of any Refinancing to which the holders of 'B' Preference Shares are required by the Company to be a party. The Company and any director of the Company acting severally shall be deemed hereby to be irrevocably authorised and instructed by the holders of the 'B' Preference Shares and as soon as practicable after the issue of any 'B' Preference Shares shall instruct the Security Agent as agent for and on behalf of such holders of 'B' Preference Shares to enter into the Intercreditor Agreement and any subsequent agreement which is on terms which in the opinion of the Directors are substantially similar to the terms of the Intercreditor Agreement and which is entered into by the Company pursuant to or in connection with or as a requirement of any Refinancing to which the holders of 'B' Preference Shares are required by the Company to be a party. The Security Agent shall be irrevocably authorised and instructed as agent for and on behalf of the holders of the 'B' Preference Shares to act upon such instructions without further reference to or instructions from the holders of the 'B' Preference Shares.

5.3 'C' Preference Shares

(a) Subject to articles 7.15, 8.7 and 24, until such time as the 'C' Preference Shares are repaid or redeemed in accordance with these articles, the 'C' Preference Shares shall confer upon the holders thereof (as a class) the right to receive twice yearly in arrears *in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company other than the 'A' Preference Shares and the 'B' Preference Shares (but subject to the payment of all dividends accrued and in arrears on the 'C' Preference Shares in respect of any earlier Dividend Period):-*

- (i) *in respect of each Dividend Period from the date on which the 'C' Preference Shares are allotted up to (and including) 31 January 2007, a fixed cumulative preferential dividend of 7.5 per cent. per annum (exclusive of the imputed tax credit available to holders thereof) on the Issue Price; and*
- (ii) *in respect of the each Dividend Period from (and including) 1 February 2007 until redemption, a variable cumulative preferential dividend on each 'C' Preference Share at the rate of 2 per cent. per annum above LIBOR as determined on the Dividend Fixing Day in respect of each Dividend Period (exclusive of the imputed tax credit available to the holders thereof) on the Issue Price*

(the "'C' Dividend").

(b) Subject to article 24, the 'C' Dividend shall accrue from day to day and shall be paid in cash as follows:-

- ~~(i) in respect of the Dividend Period from the date on which a relevant 'C' Preference Share allotted prior to 31 January 2002 is allotted fully paid down to (and including) 31 January 2002, on 31 January 2002 or, if not a business day, on the next business day;~~
- (ii) in respect of the Dividend Period from the date on which a relevant 'C' Preference Share ~~allotted on or after 31 January 2002~~ is allotted fully paid

down to (and including) the next following 31 January or 31 July, on that date or, if not a business day, the next business day; or

~~(iii)~~(ii) thereafter, until redemption, by two instalments on 31 July and 31 January of each year (or, in either case, if not a business day, on the next business day). The payment to be made on 31 July shall be in respect of the Dividend Period down to (and including) 31 July. The payment to be made on 31 January shall be in respect of the Dividend Period down to (and including) 31 January; and

~~(iv)~~(iii) on a Redemption Date (in respect only of 'C' Preference Shares redeemed on that date), in respect of the period for which no 'C' Dividend shall have been paid pursuant to article 5.3(b)(i), and (ii) ~~and (iii)~~, calculated down to (and including) the Redemption Date and to be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such sums have become due and payable in accordance with the provisions of article 5.3(b)(i), and (ii) ~~and (iii)~~.

- (c) Other than pursuant article 5.5, the 'C' Preference Shares shall not confer on the holders thereof any further entitlement to any participation in the profits of the Company to which the holders of 'C' Preference Shares are required by the Company to be a party.
- (d) The Company and any director of the Company acting severally shall be deemed hereby to be irrevocably authorised and instructed by the holders of the 'C' Preference Shares and as soon as practicable after the issue of any 'C' Preference Shares shall instruct the Security Agent as agent for and on behalf of such holders of 'C' Preference Shares to enter into the Intercreditor Agreement and any subsequent agreement which is on terms which in the opinion of the Directors are substantially similar to the terms of the Intercreditor Agreement and which is entered into by the Company pursuant to or in connection with or as a requirement of any Refinancing to which the holders of 'C' Preference Shares are required by the Company to be a party. The Security Agent shall be irrevocably authorised and instructed as agent for and on behalf of the holders of the 'C' Preference Shares to act upon such instructions without further reference to or instructions from the holders of the 'C' Preference Shares.

5.4 Ordinary Shares and 'A' Ordinary Shares

The holders of the Ordinary Shares and the 'A' Ordinary Shares shall, notwithstanding article 5.5, not be entitled to receive any dividend unless there are no arrears of accrued but unpaid Preference Dividend.

5.5 General

Subject to articles 5.4 and 24, any dividend other than a Preference Dividend declared by the Company shall be paid as to 99.999 per cent of such dividend to the holders of Ordinary Shares and 'A' Ordinary Shares according to the amounts paid up on such shares and as to 0.001 per cent. of such dividend to the holders of the Preference Shares pro rata to the Issue Price of each Preference Share. Any such dividend shall be paid to the holders of Ordinary Shares and 'A' Ordinary Shares on such date as the Directors may resolve and to the holders

of Preference Shares on the next date for payment of the Preference Dividend payable to them.

5.6 Preference Shares

- (a) In the event that, by reason of article 24 or any principle of law, the Company is unable to pay in full on the Dividend Date any instalment of the Preference Dividend which would otherwise be required to be paid pursuant to articles 5.1, 5.2 or, as the case may be, 5.3 on that Dividend Date (a "**Relevant Dividend**", which expression shall also include such further dividend payable on such Dividend Date and calculated in accordance with the provisions of article 5.5), then the following provisions shall apply:-
- (i) on the Dividend Date the Company shall pay to the relevant holders (on account of the Relevant Dividend) the maximum sum (if any) which can then consistently with any such principle of law and article 24 properly be paid by the Company up to an amount equal to the amount of the Relevant Dividend. Such sum shall be divided:-
- (a) first, among the holders of the 'A' Preference Shares pro rata to the number of 'A' Preference Shares held by them;
- (b) secondly among the holders of the 'B' Preference Shares pro rata to the number of 'B' Preference Shares held by them; and
- (c) thirdly, among the holders of the 'C' Preference Shares pro rata to the number of 'C' Preference Shares held by them;
- (ii) the Company shall pay the balance of the Relevant Dividend (whether in one or more instalments) as soon after the relevant Dividend Date as may then be consistent with any principle of law and article 24 and such payment shall be made in priority to any dividend which shall have accrued on the same class of Preference Share in respect of a period subsequent to the relevant Dividend Date, and, where any such payment shall be made in respect of more than one class of share, such sum shall be divided:-
- (a) first, among the holders of the 'A' Preference Shares pro rata to the number of 'A' Preference Shares held by them;
- (b) secondly among the holders of the 'B' Preference Shares pro rata to the number of 'B' Preference Shares held by them; and
- (c) thirdly, among the holders of the 'C' Preference Shares pro rata to the number of 'C' Preference Shares held by them; and
- (iii) subject only to any such principle of law and article 24 every sum which shall become payable by the Company on any date determined in accordance with article 5.6(a)(i) and (ii) shall, on that date, ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in regulations 102 to 108 (inclusive) of

Table A) become a debt due from and immediately payable by the Company to the relevant holders pro rata according to the number of Preference Shares of the relevant class held by each such holder.

- (b) Subject to article 24, in the event that any part of the 'A' Dividend is not paid for any reason within 14 days of the relevant Dividend Date in accordance with article 5.1, the amount of the overdue dividend shall be increased by way of a further cumulative dividend at the rate of the 'A' Dividend (exclusive of the associated tax credit available to the holders thereof), accruing and becoming payable in accordance with article 5.1 in respect of the arrears of the 'A' Dividend. References in these articles to the 'A' Dividend, shall, unless otherwise expressly provided, include any further dividend calculated in accordance with this article 5.6(b).
- (c) Subject to article 24, in the event that any part of the 'B' Dividend is not paid for any reason within 14 days of the relevant Dividend Date in accordance with article 5.2 the amount of the overdue dividend shall be increased by way of a further cumulative dividend at the rate of the 'B' Dividend (exclusive of the associated tax credit available to the holders thereof), accruing and becoming payable in accordance with article 5.2 in respect of the arrears of the 'B' Dividend. References in these articles to the 'B' Dividend shall, unless otherwise expressly provided, include any further dividend calculated in accordance with this article 5.6(c).
- (d) Subject to article 24, in the event that any part of the 'C' Dividend is not paid for any reason within 14 days of the relevant Dividend Date in accordance with article 5.3 the amount of the overdue dividend shall be increased by way of a further cumulative dividend at the rate of the 'C' Dividend (exclusive of the associated tax credit available to the holders thereof), accruing and becoming payable in accordance with article 5.3 in respect of the arrears of the 'C' Dividend. References in these articles to the 'C' Dividend shall, unless otherwise expressly provided, include any further dividend calculated in accordance with this article 5.6(d).

6. CAPITAL

6.1 In the event of a winding up of the Company or other return of capital (but excluding the redemption of any class of Preference Shares in accordance with article 7), any debts which have become due in accordance with articles 5.1 to 5.6 (inclusive) shall only be paid in accordance with the provisions of this article 6. Subject to article 24, the assets of the Company available for distribution to holders remaining after payment of all other debts and liabilities of the Company (and of the costs, charges and expenses of any such winding up) shall be applied in the following manner and order of priority:-

- (a) first, in paying to the holders of the 'A' Preference Shares all unpaid arrears and accruals of any 'A' Dividend;
- (b) secondly, in paying to the holders of the 'A' Preference Shares the Issue Price of such shares;
- (c) thirdly, in paying to the holders of the 'B' Preference Shares all unpaid arrears and accruals of any 'B' Dividend;

- (d) fourthly, in paying to the holders of the 'B' Preference Shares the Issue Price of such shares;
- (e) fifthly, in paying to the holders of the 'C' Preference Shares all unpaid arrears and accruals of any 'C' Dividend;
- (f) sixthly, in paying to the holders of the 'C' Preference Shares the Issue Price of such shares;
- (g) seventhly, in paying all unpaid arrears and accruals of any other dividend declared in accordance with article 5.5 but unpaid;
- (h) eighthly, in paying to the holders of the Ordinary Shares and 'A' Ordinary Shares an amount equal to the nominal value of such shares; and
- (i) lastly, in distributing the balance amongst the holders of the Ordinary Shares and 'A' Ordinary Shares in proportion to the amounts paid up on such shares.

6.2 Subject to article 24, for the purposes of article 6.1:-

- (a) any payment to the holders of shares of a particular class shall be made in proportion to the numbers of shares of the relevant class held by each of them; and
- (b) any payment in respect of unpaid arrears and accruals of any Preference Dividend shall be calculated down to (and including) the date of payment and shall be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such unpaid arrears and accruals have become due and payable in accordance with the provisions of articles 5.1 to 5.3 (inclusive).

7. REDEMPTION

7.1 A holder of 'A' Preference Shares shall have the right to require the Company to redeem all or any part (being either a multiple of £100 or, if such holder holds less than £100 nominal in 'A' Preference Shares, the entire amount of such holding) of the 'A' Preference Shares held by it on ~~30 September~~ 31 October 2002 or (if not fully redeemed on that date) on 31 July and 31 January in each year thereafter. Such right shall be exercised by notice in writing to the Company on or prior to the date 14 days prior to the Redemption Date but not earlier than the date 42 days prior to the Redemption Date.

- 7.2 (a) In addition to the rights of redemption under article 7.1, each holder of 'A' Preference Shares shall be entitled to require all of the 'A' Preference Shares held by him to be repaid at par together with accrued dividend (after deduction of tax) on any date on or after ~~30 September~~ 31 October 2002 whilst any of the following is continuing:-
- (i) the Company has not procured or obtained on or prior to the date 60 days prior to the expiry of the Guarantee a replacement guarantee by Barclays Bank plc or another UK clearing bank in terms materially equivalent to the Guarantee such replacement guarantee to take effect immediately upon the expiry of the

Guarantee and to continue in effect for a period of not less than one year from the date of the expiry of the Guarantee (any such replacement guarantee, and any other replacement guarantee given under article 7(a)(ii) below, being referred to in these conditions as a "**Replacement Guarantee**");

- (ii) the Company has not procured or obtained on or prior to the date 60 days prior to the expiry of any Replacement Guarantee a further replacement guarantee by Barclays Bank plc or another UK clearing bank in terms materially equivalent to the Guarantee such further replacement guarantee to take effect immediately upon the expiry of the expiring Replacement Guarantee and to continue in effect for a period of not less than one year from the date of the expiry of the expiring Replacement Guarantee;
 - (iii) the Company fails to pay within 14 days of the due date any principal or dividend payable in respect of the 'A' Preference Shares; or
 - (iv) an Enforcement Event has occurred.
- (b) Such right shall be exercised by notice in writing by or on behalf of the relevant Noteholder to the Company at any time within 30 days of the occurrence of any of the events referred to in article 7.2(a) and redemption shall occur on the date 14 days after the date of delivery of such notice in writing.
- (c) At any time after the 'A' Preference Shares have become redeemable under the provisions of this article 7.2, any holder of 'A' Preference Shares may without notice institute such proceedings as he may think fit to enforce redemption of the 'A' Preference Shares.
- (d) The Company shall notify the holders of 'A' Preference Shares and the Guarantor forthwith of the happening of any of the events specified in article 7.2(a).

7.3 Subject to the provisions of the Acts and article 24 the Company shall have the right to redeem all or any of the Preference Shares for the time being outstanding and fully paid up at any time on or after ~~30 September~~ 31 October 2002 and shall redeem all 'A' Preference Shares still in issue on 31 January 2016.

7.4 Subject to the provisions of the Acts and article 24 the Company may at any time repurchase any Preference Shares with the consent of or by private treaty with the relevant holder or redeem any Preference Shares.

7.5 Subject to the provisions of the Acts and article 24, upon the occurrence of an Exit Event the 'B' Preference Shares and the 'C' Preference Shares then in issue shall be redeemed in full:

- (a) at the option of the Company unless (subject to article 8.3) in respect of any holder that holder has required conversion of its 'B' Preference Shares or (as the case may be) 'C' Preference Shares pursuant to article 8.1. Such option shall be exercised by the Company giving notice in accordance with article 7.11 to the holders of the 'B' Preference Shares and/or, as the case may be, the holders of the 'C' Preference Shares of its intention so to redeem; or

- (b) at the option of the holders of the 'B' Preference Shares and the holders of the 'C' Preference Shares which option shall be deemed to have been exercised upon the passing of a resolution of the holders of the 'C' Preference Shares pursuant to article 7.10 except (subject to article 8.3) in respect of any holder which has required conversion of its 'B' Preference Shares or, as the case may be, 'C' Preference Shares pursuant to article 8.1;

and in either case the Redemption Date shall be the later of the Exit Date and ~~30 September~~ 31 October 2002.

7.6 Subject to the provisions of article 24, upon the occurrence of an Enforcement Event the Company shall redeem all but not some only of the 'B' Preference Shares in issue on the date of such Enforcement Event in accordance with this article 7, and the Redemption Date for such redemption shall be the date of such Enforcement Event.

7.7 Subject to articles 7.1 to 7.6 (inclusive) and article 24:-

- (a) on 31 January 2009 one-quarter of the 'B' Preference Shares issued pursuant to the Offer or pursuant to sections 428 to 430 of the Companies Act 1985 in connection with the Offer (less any 'B' Preference Shares previously redeemed or converted other than pursuant to this article 7.7) shall be redeemed;
- (b) on 31 January 2010 one-quarter of the 'B' Preference Shares issued pursuant to the Offer or pursuant to sections 428 to 430 of the Companies Act 1985 in connection with the Offer (less any 'B' Preference Shares previously redeemed or converted other than pursuant to this article 7.7 other than any 'B' Preference Shares already deducted in calculating the number of 'B' Preference Shares to be redeemed pursuant to this article 7.7) shall be redeemed;
- (c) on 31 January 2011 one-quarter of the 'B' Preference Shares issued pursuant to the Offer or pursuant to sections 428 to 430 of the Companies Act 1985 in connection with the Offer (less any 'B' Preference Shares previously redeemed or converted other than pursuant to this article 7.7 other than any 'B' Preference Shares already deducted in calculating the number of 'B' Preference Shares to be redeemed pursuant to this article 7.7) shall be redeemed;
- (d) on 31 January 2012 all 'B' Preference Shares still in issue shall be redeemed;
- (e) on 31 January 2013 one-quarter of the 'C' Preference Shares issued pursuant to the Offer or pursuant to sections 428 to 430 of the Companies Act 1985 in connection with the Offer (less any 'C' Preference Shares previously redeemed or converted other than pursuant to this article 7.7) shall be redeemed;
- (f) on 31 January 2014 one-quarter of the 'C' Preference Shares issued pursuant to the Offer or pursuant to sections 428 to 430 of the Companies Act 1985 in connection with the Offer (less any 'C' Preference Shares previously redeemed or converted other than pursuant to this article 7.7 other than any 'C' Preference Shares already deducted in calculating the number of 'C' Preference Shares to be redeemed pursuant to this article 7.7) shall be redeemed;

(g) on 31 January 2015 one-quarter of the 'C' Preference Shares issued pursuant to the Offer or pursuant to sections 428 to 430 of the Companies Act 1985 in connection with the Offer (less any 'C' Preference Shares previously redeemed or converted other than pursuant to this article 7.7 other than any 'C' Preference Shares already deducted in calculating the number of 'C' Preference Shares to be redeemed pursuant to this article 7.7) shall be redeemed; and

(h) on 31 January 2016 all 'C' Preference Shares still in issue shall be redeemed.

7.8 Subject to article 24, if, by reason of the provisions of the Acts, the Company is unable to redeem in full on the Redemption Date any Preference Shares falling for redemption on that Redemption Date, the Company shall, on that Redemption Date, redeem as many of the Preference Shares as can consistently with the Acts and article 24 properly be redeemed and shall redeem the balance as soon thereafter as the Acts shall permit in the following order of priority:-

- (a) first, any 'A' Preference Shares;
- (b) secondly, any 'B' Preference Shares;
- (c) thirdly, any 'C' Preference Shares.

7.9 Subject to article 24, the Preference Shares to be redeemed in accordance with this article 7 shall be selected as nearly as may be to ensure that the number of Preference Shares of each relevant holder is reduced, by such redemption, in the same proportion rounded to the nearest £100 in the case of each holder.

7.10 Prior to any Exit Date the Company shall, unless the Company has given and not withdrawn notice pursuant to article 7.5(a) to redeem all of the 'B' Preference Shares and 'C' Preference Shares in issue, convene a class meeting of the holders of the 'C' Preference Shares in accordance with article 9 to be held not later than 7 days prior to such Exit Date at which meeting an extraordinary resolution shall be proposed approving the redemption in accordance with article 7.5 of all but not some only of the 'B' Preference Shares and 'C' Preference Shares in issue on the Exit Date. If such resolution is passed then the 'B' Preference Shares and 'C' Preference Shares in issue on the Exit Date shall subject to article 24 be redeemed in accordance with this article 7 on the Exit Date, except (subject to article 8.3) in respect of any holder electing for conversion in lieu of redemption under article 8.1, in which case conversion of such holder's 'B' Preference Shares and 'C' Preference Shares shall occur on the Exit Date to the extent permissible in accordance with article 8.1.

7.11 In the case of a redemption arising pursuant to articles 7.3, 7.4, 7.5(a) or 7.7, the Company shall give to the holders of the relevant class of Preference Shares not less than ~~24~~ 28 days prior notice in writing of the impending Redemption Date.

7.12 For the avoidance of doubt, if redemption is occasioned by a proposed Exit Event, and the same shall not occur there shall be no redemption and the resolution passed at the class meeting convened in accordance with article 7.10 shall be of no effect.

7.13 (a) Any notice of an impending Redemption Date and any notice of a class meeting to be convened pursuant to article 7.10 shall specify:-

- (i) the particular Preference Shares to be redeemed;
 - (ii) the date fixed for redemption (or, if not then known, the expected date for redemption); and
 - (iii) the place at which the certificates for such Preference Shares are to be presented for redemption.
- (b) Upon such Redemption Date, each of the holders of the Preference Shares to be redeemed shall be bound to deliver to the Company (at the place specified in such notice of redemption) the certificate for the Preference Shares to be redeemed which are held by him in order that the same may be cancelled, or shall deliver an indemnity (in a form reasonably satisfactory to the Board) in respect of any lost certificate.
- (c) Upon such delivery, the Company shall pay to each relevant holder (or, in the case of joint holders of any Preference Shares to be redeemed, to the holder whose name stands first in the register of members of the Company) the amount due to him in respect of such redemption against the delivery of a proper receipt for the redemption moneys payable in respect thereof.
- (d) If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on that Redemption Date, a fresh certificate for such Preference Shares shall be issued to the relevant holder (or, as the case may be, holders) as soon as practicable after such certificate has been delivered to the Company and, in any event, within 14 days of such delivery.
- 7.14 Subject to article 24, there shall be paid in cash on the redemption of each Preference Share an amount equal to the Issue Price thereof, together with all arrears and accruals of the Preference Dividend or any other declared but unpaid dividend pursuant to and in accordance with articles 5.1, 5.2, 5.3, 5.4 or 5.5 as the case may be.
- 7.15 As from any relevant Redemption Date the Preference Dividend (in respect only of any Preference Shares falling to be redeemed on such date) shall cease to accrue, except on or in relation to any Preference Share in respect of which, on presentation of the certificate relating thereto or an indemnity (in a form reasonably satisfactory to the Board) in respect of a lost certificate, payment of the redemption monies (and/or arrears and accruals of the Preference Dividend) is refused or otherwise not made.
- 7.16 Subject to article 24, in the event that the 'B' Preference Shares become redeemable under this article 7 following an Exit Event and any part of the 'B' Preference Shares are by reason of any principle of law not redeemed within 14 days of the relevant Redemption Date in accordance with this article 7 then in respect of any 'B' Preference Shares which remain unredeemed after the Redemption Date the 'B' Dividend shall, with effect from such Redemption Date, be changed to the rate of 14 per cent. per annum (exclusive of the associated tax credit available to the holders thereof) which shall accrue and become payable in accordance with article 5.2(b) up to and including such date as the redemption of the relevant 'B' Preference Shares shall occur. References in these articles to the 'B' Dividend

shall, unless otherwise expressly provided, include any further dividend calculated in accordance with this article 7.16.

7.17 Subject to article 24, in the event that the 'C' Preference Shares become redeemable under this article 7 following an Exit Event and any part of the 'C' Preference Shares are by reason of any principle of law not redeemed within 14 days of the relevant Redemption Date in accordance with this article 7 then in respect of any 'C' Preference Shares which remain unredeemed after the Redemption Date the 'C' Dividend shall, with effect from such Redemption Date, be changed to the rate of 14 per cent. per annum (exclusive of the associated tax credit available to the holders thereof) which shall accrue and become payable in accordance with article 5.3(b) up to and including such date as the redemption of the relevant 'C' Preference Shares shall occur. References in these articles to the 'C' Dividend shall, unless otherwise expressly provided, include any further dividend calculated in accordance with this article 7.17.

8. CONVERSION

8.1 Subject to article 8.3, the holder of any 'B' Preference Share or 'C' Preference Share may by notice in writing to the Company on or before the date 14 days prior to any Redemption Date arising pursuant to articles 7.5 or 7.7 but not earlier than the date 42 days prior to such Redemption Date elect for the conversion in lieu of redemption of all but not some only of the 'B' Preference Shares or 'C' Preference Shares held by that holder which would otherwise be redeemable on such Redemption Date into an equal number of fully paid 'A' Preference Shares. Any holder who does not so notify the Company on or before the date 14 days prior to the Redemption Date shall be deemed to have elected not to exercise its conversion rights under this article 8.1.

8.2 Subject to article 8.3 and any rule of law, the Company may at any time on 14 days prior written notice to the holder of any 'B' Preference Share or 'C' Preference Share convert all but not some only of the 'B' Preference Shares or 'C' Preference Shares held by that holder into an equal number of fully paid 'A' Preference Shares.

8.3 No 'B' Preference Shares or 'C' Preference Shares shall be converted pursuant to this article 8 unless a bank guarantee from a UK clearing bank is obtained in respect of the 'A' Preference Shares created pursuant to such conversion on terms substantially similar, in the opinion of the Directors, to that provided pursuant to the 'A' Put Option Deed and if such guarantee is not obtained, all holders shall be deemed not to have required conversion.

8.4 For the avoidance of doubt, if conversion is occasioned by a proposed Exit Event, and the proposed Exit Event shall not occur there shall be no conversion and the written notice delivered in accordance with article 8.1 in respect of such proposed Exit Event shall be of no effect.

8.5 Subject to article 8.3 any conversion pursuant to the rights granted by this article 8 shall be made on the following terms:-

- (a) in the case of conversion arising pursuant to article 8.1, conversion shall take effect on the Redemption Date in respect of any Preference Shares held by a holder which has delivered to the Company a written notice pursuant to article 8.1 which would otherwise be redeemable on such Redemption Date at no cost to the relevant holders;

- (b) in the case of conversion arising pursuant to article 8.2, conversion shall take effect on the date specified in the written notice required, pursuant to article 8.2, to be given by the Company to the relevant holder;
- (c) in the case of conversion arising pursuant to articles 8.6 or 8.7, conversion shall take effect on the date specified in the written notice required, pursuant to articles 8.6 or 8.7 as the case may be, to be given by the Company to the relevant holder;
- (d) forthwith after the Conversion Date the Company shall issue to the persons entitled thereto certificates for the 'A' Preference Shares resulting from the conversion and the certificates for the shares falling to be converted shall be deemed invalid for all purposes and the relevant holders shall be bound to deliver the same to the Company for cancellation;
- (e) the 'A' Preference Shares arising on conversion of any 'B' Preference Shares or 'C' Preference Shares shall in all respects rank as one uniform class of shares with the 'A' Preference Shares in the capital of the Company then in issue save that on the next following Dividend Payment Date after the Conversion Date the holder of each 'A' Preference Share converted on such Conversion Date shall be entitled to receive the sum of the following amounts in lieu of the 'A' Dividend which would otherwise be payable to such holder on such Dividend Payment Date:-
 - (i) the amount which would have accrued but for such conversion on such Preference Share in respect of the 'B' Dividend or, as the case may be, the 'C' Dividend in respect of the immediately preceding Dividend Period up to and including the Conversion Date; and
 - (ii) the amount accrued on such Preference Share in respect of the 'A' Dividend in respect of the immediately preceding Dividend Period from (but excluding) the Conversion Date down to (and including) the Dividend Payment Date; and
- (f) any conversion of any 'B' Preference Shares or 'C' Preference Shares shall be without prejudice to the right of the relevant holders immediately before conversion to any unpaid arrears or accruals of the 'B' Dividend or the 'C' Dividend (whether or not the same shall have become due and payable as at conversion).

8.6 In the event that any 'B' Preference Shares become (following satisfaction of the condition set out in article 8.3) convertible under this article 8 on or following an Exit Event and any part of the 'B' Preference Shares liable for conversion are for any reason (other than failure to satisfy the condition set out in article 8.3) not converted on the Exit Date in accordance with this article 8 then in respect of any such unconverted 'B' Preference Shares the 'B' Dividend shall be changed to the rate of 14 per cent. per annum (exclusive of the associated tax credit available to the holders thereof) which shall accrue and become payable in accordance with article 5.2(b). References in these articles to the 'B' Dividend shall, unless otherwise expressly provided, include any further dividend calculated in accordance with this article 8.6. Subject to article 8.3 and any rule of law, the Company may at any time after such Exit Date on 14 days prior written notice to the holder of any such unconverted 'B' Preference Share convert all but not some only of the 'B' Preference Shares held by that holder which

should have been converted on such Exit Date into an equal number of fully paid 'A' Preference Shares.

- 8.7 In the event that any 'C' Preference Shares become (following satisfaction of the condition set out in article 8.3) convertible under this article 8 on or following an Exit Event and any part of the 'C' Preference Shares liable for conversion are for any reason (other than failure to satisfy the condition set out in article 8.3) not converted on the Exit Date in accordance with this article 8 then in respect of any such unconverted 'C' Preference Shares the 'C' Dividend shall be changed to the rate of 14 per cent. per annum (exclusive of the associated tax credit available to the holders thereof) which shall accrue and become payable in accordance with article 5.3(b). References in these articles to the 'C' Dividend shall, unless otherwise expressly provided, include any further dividend calculated in accordance with this article 8.7. Subject to article 8.3 and any rule of law, the Company may at any time after such Exit Date on 14 days prior written notice to the holder of any such unconverted 'C' Preference Share convert all but not some only of the 'C' Preference Shares held by that holder which should have been converted on such Exit Date into an equal number of fully paid 'A' Preference Shares.

9. VARIATION OF RIGHTS

- 9.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) either:-

- (a) with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class; or
- (b) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall, mutatis mutandis, apply, except that:-
 - (i) the necessary quorum shall be two persons, present in person or by proxy or by a duly authorised representative (if a corporation), who together hold or represent at least one-third in nominal value of the issued shares of the relevant class (unless all the shares of that class are registered in the name of a single holder, in which case the quorum shall be that holder, his proxy or duly authorised representative (if a corporation)), but so that if, at any adjourned meeting of such holders, such a quorum is not present, then those holders who are present (in person or by proxy or by duly authorised representative (if a corporation)) shall be a quorum;
 - (ii) any holder of shares of the relevant class present in person or by proxy or by duly authorised representative (if a corporation) may demand a poll; and
 - (iii) the holders of shares of the relevant class shall, on a poll, have one vote in respect of every share of that class held by each of them.

- 9.2 Without prejudice to the restrictions contained in these articles as to the modification of rights attached to any class of shares in the Company, the rights conferred upon the holders

of any class of Preference Shares shall be deemed to be varied by, and the prior consent or sanction of the holders of such class of Preference Shares (given in accordance with the provisions of article 9.1) shall be required for:-

- (a) the creation, allotment or issue of any shares or securities by the Company (or by any other member of the Group), or the grant of any right to require the allotment or issue of any such shares or securities which, in any such case, (as regards redemption, dividend and/or capital) have rights ranking in priority to or pari passu with such class of Preference Shares, otherwise than pursuant to or by reason of:
 - (i) any issue of any shares comprised in the authorised share capital in the Company as at the date of adoption of these articles;
 - (ii) any conversion of any 'B' Preference Shares or 'C' Preference Shares into 'A' Preference Shares pursuant to articles 7 or 8; or
 - (iii) any issue of any 'A' Loan Notes or 'B' Loan Notes or any conversion of any 'B' Loan Notes into 'A' Loan Notes pursuant to the terms and conditions of the 'B' Loan Notes.
- (b) the purchase of any of the share capital of the Company, or the reduction of the share capital, any capital redemption reserve, share premium account or other non-distributable reserve, in each case, of the Company (other than on the redemption of any Preference Shares pursuant to and in accordance with article 7); or
- (c) the proposing of any resolution for a members' voluntary winding-up of the Company; or
- (d) the capitalisation of any profits of the Company otherwise available for distribution in accordance with the Acts.

10. **SUBSCRIPTION RIGHTS**

10.1 Notwithstanding any other provision of these articles but subject to compliance with article 9 if applicable, and subject to any direction or authority contained in any resolution of the Company, the Board is generally and unconditionally authorised (for the purposes of section 80 of the Companies Act 1985) to allot relevant securities PROVIDED THAT the authority hereby granted to the Board:-

- (a) shall not permit the Board to allot relevant securities in an amount which is in excess of the unissued share capital of the Company immediately following the date of adoption of these articles; and
- (b) shall, unless renewed, expire on the fifth anniversary of the date of adoption of these articles, save that the Board may, after the expiry of the authority hereby granted, allot relevant securities in pursuance of an offer or agreement made by the Company before such authority expired.

10.2 All shares which the Company proposes to allot wholly for cash shall first be offered for subscription to the holders of the Ordinary Shares in the proportion that the aggregate

number of such Ordinary Shares for the time being held by each such holder bears to the total number of such Ordinary Shares in issue. Such offer shall be made by notice in writing specifying the number of shares to which the relevant holder is entitled and limiting a time (being not less than four weeks) within which the offer (if not accepted) will be deemed to have been declined. Holders of Ordinary Shares in the Company who accept the offer shall be entitled to indicate that they would accept, on the same terms, shares (specifying a maximum number) which have not been accepted by other holders ("Excess Shares"). Any Excess Shares shall be allotted to holders who have indicated they would accept Excess Shares. Excess Shares shall be allotted pro rata to the aggregate number of Ordinary Shares held by holders accepting Excess Shares (provided that no such holder shall be allotted more than the maximum number of Excess Shares such holder has indicated he is willing to accept). After the expiration of such time, or upon receipt by the Company of an acceptance or refusal of every offer so made, the Board shall be entitled to dispose of any shares so offered, and which are not required to be allotted in accordance with this article 10.2, in such manner as the Board may think most beneficial to the Company. If, owing to the inequality of the number of new shares to be issued and the number of shares held by holders entitled to receive the offer of new shares, any difficulties shall arise in the apportionment of any such new shares amongst the holders such difficulties shall (in the absence of direction by the Company) be determined by the Board. The provisions of section 89(1) and section 90(1) to (6) (inclusive) of the Companies Act 1985 shall not apply to the Company.

11. VOTING RIGHTS

- 11.1 Regulation 54 of Table A shall be modified in accordance with the following provisions of this article 11.
- 11.2 A proxy shall be entitled to vote on a show of hands.
- 11.3 On a poll every person shall have one vote for every Ordinary Share of which he is the registered holder and which is fully paid up or credited as fully paid.
- 11.4 The Preference Shares and the 'A' Ordinary Shares shall not confer or carry any rights to vote at a general meeting.

TRANSFER OF SHARES

12. TRANSFERS: GENERAL

- 12.1 Subject to article 12.2, shares in the capital of the Company shall be freely transferable.
- 12.2 Subject to article 12.3 the Board shall sanction any transfer of shares in the capital of the Company unless:-
 - (a) the registration thereof would permit the registration of a transfer of shares on which the Company has a lien; or
 - (b) the Board is otherwise entitled to refuse to register such transfer pursuant to regulation 23 of Table A.

12.3 The Board shall sanction any transfer of shares in the capital of the Company made pursuant to the creation, completion, perfection or exercise of any security in such shares.

12.4 Any transfer, or purported transfer, of any shares in the Company in breach of these articles shall be void.

13. COMPLIANCE AND DISENFRANCHISEMENT

13.1 For the purpose of ensuring that a transfer of shares is duly authorised under these articles the Board 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 or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the holder's name.

13.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that such transfer is duly authorised, or that as a result of such information and evidence the Board is reasonably satisfied that such transfer is not duly authorised, the Board shall forthwith notify the holder(s) of the relevant share(s) in writing of such fact and, if such matter is not remedied within 14 days of such notice, then the relevant shares shall cease to confer upon the holder thereof (or any proxy thereof) any rights:-

- (a) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question); or
- (b) to receive dividends or other distributions (other than the Issue Price of the relevant shares upon a return of capital),

otherwise attaching to such shares or to any further shares issued in right of such shares or in pursuance of an offer made to the relevant holder.

13.3 The rights referred to in article 13.2 may be reinstated by the Board with the written consent of the holders of a majority of the Ordinary Shares.

GENERAL

14. GENERAL MEETINGS

14.1 No business shall be transacted at any general meeting unless a quorum of holders of Ordinary Shares in the Company is present at the time when the meeting proceeds to business and for its duration. Two persons, being holders of Ordinary Shares in the Company present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting. 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 that adjourned meeting, the holders of Ordinary Shares then present shall form a quorum, and regulation 41 of Table A shall be modified accordingly.

14.2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any holder of Ordinary Shares who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 46 of Table A shall be modified accordingly.

14.3 Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks after receipt of the requisition" and the substitution for them of the words "28 days after receipt of the requisition or, subject to obtaining any necessary consents to the meeting being held on short notice, such earlier date as may be specified in the notice requisitioning the meeting".

15. **WRITTEN RESOLUTIONS**

In the case of a corporation which holds an Ordinary Share in the capital of the Company, the signature of any director or the secretary of such corporation shall be sufficient for the purposes of any resolution in writing as is referred to in regulation 53 of Table A, and regulation 53 of Table A shall be modified accordingly.

16. **RETIREMENT OF DIRECTORS**

The Directors shall not be liable to retire by rotation and, accordingly, the second and third sentences of regulation 79 of Table A shall not apply to the Company; in regulation 78 of Table A, the words "Subject as aforesaid" and the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted.

17. **REMOVAL AND APPOINTMENT OF DIRECTORS**

17.1 The office of any Director shall be vacated if:-

- (a) (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by any member of the Group; or
- (b) all the other Directors request his resignation in writing; or
- (c) notice of his removal is given to the Company signed by or on behalf of the holders of more than 50 per cent. of the Ordinary Shares. Such removal shall take effect upon the notice being received at the registered office of the Company or such later date as may be specified in the notice;

and the provisions of regulation 81 of Table A shall be extended accordingly.

17.2 A person may be appointed as a Director at any time by a notice (or notices) in writing to the Company signed by or on behalf of the holders of more than 50 per cent. of the Ordinary Shares and 'A' Ordinary Shares taken together. Such appointment shall take effect upon the notice being received at the registered office of the Company or such later date as maybe specified in the notice.

18. ALTERNATE DIRECTORS

- 18.1 The appointment by any Director of an alternate director shall not be subject to approval by a resolution of the Board and regulation 65 of Table A shall be modified accordingly. In regulation 67 of Table A the words "but, if" and the words following them (to the end of that regulation) shall be deleted.
- 18.2 An alternate director shall not be entitled (as such) to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company from time to time, direct, and the first sentence of regulation 66 of Table A shall be modified accordingly.
- 18.3 A Director, or any such other person as is mentioned in regulation 65 of Table A, may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Board (or of any committee of the Board) to one vote for every Director whom he represents (in addition to his own vote (if any) as a Director), but he shall count as only one for the purpose of determining whether a quorum is present at (and during) any such meeting.

19. PROCEEDINGS OF DIRECTORS

- 19.1 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to one another, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 19.2 A Director may vote and count in the quorum on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever, and regulations 94 and 95 of Table A which shall be modified accordingly.

20. LIEN

The lien conferred by regulation 8 of Table A shall attach also to fully paid up shares and to all shares registered in the name of any person indebted or under liability to the Company (whether he shall be the sole registered holder of such share(s) or shall be one of two or more joint holders).

21. THE SEAL

- 21.1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall be signed by a Director and by the Secretary or a second Director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.
- 21.2 The Company may exercise the powers conferred by section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

22. **INDEMNITY**

Subject to the provisions of the Acts, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by any court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto. This article 29 shall only have effect in so far as its provisions are not avoided by section 310 of the Companies Act 1985. The Board shall have power to purchase and maintain for any Director or other officer of the Company insurance against any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

23. **BORROWING POWERS**

The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Acts, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

24. **RELATIONSHIP TO FINANCE DOCUMENTS**

24.1 Subject to article 24.4, but notwithstanding any other provision of these articles, no payment shall be made or agreed to be made by the Company in respect of any shares or share capital (whether by way of dividend, distribution, purchase or redemption, or by way of reduction or return of share capital) after the date on which the Company enters into the Intercreditor Agreement if such payment is prohibited or restricted by the terms of the Finance Documents or any arrangement entered into in connection with the Refinancing.

24.2 Subject to article 24.4, no dividend, distribution or other amount payable after the date on which the Company enters into the Intercreditor Agreement in respect of shares in the capital of the Company (whether made pursuant to the provisions of these articles or otherwise) will constitute a debt of the Company unless permitted to be paid and paid strictly in accordance with the provisions of the Finance Documents or any arrangement entered into in connection with the Refinancing.

24.3 Subject to article 24.4, any resolution of the shareholders, any class of shareholders, the Board or any committee of the Board which conflicts with the provisions of this article 24 will be null and void.

24.4 This article ~~24.4~~ 24 shall not apply to any redemption of the 'A' Preference Shares or payment of 'A' Dividend which is otherwise in accordance with these articles.

25. **CONTENT OF AGREEMENT WITH SECURITY AGENT AND PUTCO**

The provisions referred to in article 5.2(e) are as follows:

1. **"APPLICATION OF REALISED MONEYS**

The Security Agent shall hold the moneys arising from any exercise of the option constituted by the 'B' Put Option Deed or any guarantee or security given in respect thereof upon trust to apply the same for the following purposes in the following order of priority:-

- (a) *in or towards payment to the holders of the 'B' Preference Shares without any preference or priority of all arrears of dividend remaining unpaid on the 'B' Preference Shares held by them respectively pari passu and rateably according to the amounts due to them;*
- (b) *in or towards the payment of the holders of the 'B' Preference Shares without any preference or priority of all principal amounts (including any premium) due to them in redemption pursuant to the articles of association of the Company of the 'B' Preference Shares held by them respectively pari passu and rateably according to the amount of all such principal and premium due to them,*

provided that if the Security Agent shall so determine payments may be made on account of principal moneys and premium before the dividend or the whole of the dividend on the 'B' Preference Shares has been paid but such alteration in the order of payment of principal and dividend shall not prejudice the right of the holders of the 'B' Preference Shares to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed or any less amount which the sum ultimately realised from the exercise of the option constituted by the 'B' Put Option Deed or any guarantee or security given in respect thereof may be sufficient to pay.

2. **PAYMENT TO HOLDERS OF 'B' PREFERENCE SHARES BY THE SECURITY AGENT**

The Security Agent shall give not less than seven days' notice to the holders of the 'B' Preference Shares of the day, place and time for any payment to such holders under clause 1 hereof and after the day so fixed such holders shall (subject to the proviso to clause 1) be entitled to 'B' Dividend on the balance only (if any) of the principal moneys due on the 'B' Preference Shares after deducting the amount (if any) of such moneys payable on the day so fixed.

3. **RECEIPT OF HOLDERS A GOOD DISCHARGE**

The receipt of each holder of 'B' Preference Shares and in the case of joint holders of any one of such joint holders for any moneys received on account of any principal moneys and premium or dividend payable in respect of the 'B' Preference Shares held by such holder or joint holders shall be a good discharge to the Security Agent.

4. **DEPOSIT OF UNCLAIMED MONEYS BY THE SECURITY AGENT**

If any money should remain due to any holder of any 'B' Preference Shares in respect of any 'B' Preference Shares after the due date for payment in accordance with clause 1, because it has not been claimed or because any cheque or warrant in respect of it has not been presented, then after the expiry of six months from the due date for payment in accordance with clause 1 the Security Agent shall be at liberty to deposit in a bank in the name of the Security Agent the amount due to such holder, and upon such deposit or payment being made the payment which the Security Agent is required to make in accordance with clause 1 shall be deemed to have been made and satisfied in accordance with the provisions of this deed. The Security Agent may place such moneys on deposit in the name of the Security Agent in such bank as it may think fit and thereafter it shall not be responsible for the safe custody of such moneys or for interest thereon except such interest (if any) as the said moneys may earn whilst on deposit less any expenses incurred by the Security Agent in connection therewith. Any payment or deposit made in the name of the Security Agent under this clause 4 shall be held by the Security Agent on trust for the relevant holder provided that the Security Agent may amalgamate any such moneys with any other moneys for the time being held by the Security Agent for which it is accountable to any other holders of 'B' Preference Shares, in which case the Security Agent shall only be required to account to the relevant holder for such interest (less any expenses incurred by the Security Agent) as the moneys held for the relevant holder would have earned if on separate deposit and the Security Agent may retain for its own account any benefit from a higher interest rate or otherwise achieved by such amalgamation.

5. **SECURITY AGENT LIABLE ONLY FOR ACTUAL RECEIPTS**

The Security Agent shall not be liable, by reason of the Security Agent exercising the option constituted by the 'B' Put Option Deed or enforcing any guarantee and security given in respect thereof, to account for anything except actual receipts, or be liable for any loss upon realisation or for any default or omission other than which arises as a result of fraud on the part of the Security Agent.

6. **PROVISIONS SUPPLEMENTAL TO TRUSTEE ACT**

By way of supplement to the Trustee Act 1925, it is expressly declared as follows:-

- (a) the Security Agent may, in relation to any of the provisions of these presents, act on the opinion or advice of or on any information obtained from any lawyer, valuer, surveyor, broker, auctioneer, banker, accountant or other expert whether obtained by the Company or by the Security Agent or otherwise and shall not be responsible for any loss occasioned by so acting;*
- (b) any such opinion, advice or information may be sent or obtained by letter, telegram, telex message, cablegram, facsimile transmission, telephone or other means and the Security Agent shall not be liable for acting on any opinion, advice or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;*
- (c) the Security Agent shall be at liberty to accept a certificate signed by any two Directors as to any fact or matter on which the Security Agent may need or wish to be satisfied as sufficient evidence thereof and the Security Agent shall not be bound*

in any of such cases to call for further evidence or be responsible for any loss that may be occasioned by failing to do so or by acting on any such certificate;

- (d) save as herein otherwise expressly provided the Security Agent shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise or execution or non-exercise or non-execution thereof and provided it shall not have acted fraudulently shall be in no way responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or execution or non-exercise or non-execution thereof;*
- (e) the Security Agent shall be at liberty to place all documents certifying, representing or constituting the title to any of the 'B' Preference Shares for the time being in its hands in any safe deposit, safe or receptacle selected by the Security Agent or with any banker or banking company or company whose business includes undertaking the safe custody of documents or solicitor or firm of solicitors and may at its discretion make any such arrangements as it thinks fit for allowing any holder or its solicitors and auditors access to or possession of such documents when necessary or convenient and the Security Agent shall not be responsible for any loss incurred in connection with any such deposit, access or possession and the Company shall pay all sums required to be paid on account of or in respect of any such deposit;*
- (f) as between the Security Agent and the holders of 'B' Preference Shares, the Security Agent shall have full power to determine all questions and doubt arising in relation to any of the provisions of this deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Security Agent, shall be conclusive and shall bind all holders of 'B' Preference Shares;*
- (g) the Security Agent may, in the conduct of the trusts pursuant to this deed instead of acting personally, employ and pay an agent whether being a solicitor or other person to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Agent, including the receipt and payment of money, and any security agent being a solicitor, broker or other person engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner of his in connection with the trusts of this deed, including matters which ought to or should have been attended to in person by a security agent not being engaged in any profession or business;*
- (h) the Security Agent shall not be concerned or bound to take any steps to ascertain whether any event has happened upon the happening of which the put option constituted by the 'B' Put Option Deed shall have or may become exercisable or it shall be entitled to determine the put option constituted by the 'B' Put Option Deed to have become exercisable or it shall be entitled to exercise any of the powers, authorities and discretions vested in it pursuant to this deed or the 'B' Put Option Deed;*
- (i) the Security Agent shall not be responsible for acting upon any resolution purporting to have been passed at a meeting of the holders of 'B' Preference Shares or signed by such holders which the Security Agent believes to have been properly and regularly passed or signed even should it afterwards appear that such resolution is not binding*

or valid by reason of a defect in the convening of the meeting or the proceedings thereat or by reason of all such holders not having signed the same or otherwise howsoever;

- (j) *where in this deed or the articles of association of the Company or the 'B' Put Option Deed any reference is made to any consent by the Security Agent, then unless the contrary is expressly provided, the Security Agent may give such consent without any reference to the holders of 'B' Preference Shares and any consent, approval, authorisation, waiver, release, agreement or determination given by the Security Agent may be given on such terms and conditions (if any) as the Security Agent may in its absolute discretion determine and may be given retrospectively and the Security Agent may at any time waive or agree a variation in such terms and conditions;*
- (k) *without prejudice to the foregoing provisions of this clause, the Security Agent may act on the advice of or grant discretionary management powers to any investment manager or adviser (including an associate of the Security Agent) in relation to any cash or investments for the time being held by it for the purposes of this deed or the articles of association of the Company or the 'B' Put Option Deed; and*
- (l) *the Security Agent shall not be liable for any thing whatsoever save only a breach of trust fraudulently committed by it,*

provided that nothing in any of the foregoing provisions of this clause shall exempt the Security Agent from or indemnify it against any liability for breach of trust in any case in which the Security Agent has failed to show the degree of diligence and care required of it as trustee having regard to the provisions of this deed or the 'B' Put Option Deed.

7. ASSUMPTION OF DUE PERFORMANCE OF COVENANTS

Except as herein expressly provided, the Security Agent shall be and is hereby authorised by the holders of the 'B' Preference Shares and is intended to assume without enquiry (in the absence of knowledge by or an express notice to it to the contrary) that the Company is duly performing and observing all the covenants, conditions, provisions and obligations contained in the articles of association of the Company in respect of the 'B' Preference Shares and on its part to be performed and observed and, notwithstanding knowledge by or notice to the Security Agent of any breach of any such covenant, condition, provision or obligation, the Security Agent shall not be required to take any action or proceedings or to exercise the option constituted by the 'B' Put Option Deed or enforce any guarantee or security given in respect thereof and, notwithstanding that such option, guarantee or security shall have become exercisable or enforceable and that it may be expedient to exercise the same, the Security Agent shall not be bound to exercise or enforce the same or any of the provisions of the 'B' Put Option Deed unless and until in any of such cases the Security Agent is authorised to do so pursuant to and in accordance with article 5.2(d) of the articles of association of the Company and then only if the Security Agent shall be indemnified to its satisfaction against all actions, proceedings, demands and claims to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

8. INDEMNITY OF SECURITY AGENT, RECEIVER, ETC.

In priority to any payments to the holders of 'B' Preference Shares, the Security Agent may retain and pay out of any moneys in its or his hands arising from the trusts pursuant to this deed or the 'B' Put Option Deed all sums necessary to effect such indemnity and also the remuneration of the Security Agent or any receiver as hereinbefore provided.

9. SECURITY AGENT'S POWER TO DELEGATE

The Security Agent (if a corporation) may, in the execution and exercise of all or any of the trusts, powers and discretions vested in it pursuant to this deed, act by a duly authorised officer or employee for the time being of the Security Agent and the Security Agent may, whenever it thinks it expedient in the interests of the holders of 'B' Preference Shares, delegate by power of attorney or in any other manner to any person or persons all or any of the trusts, powers and discretions vested in the Security Agent pursuant to this deed, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Security Agent may in the interest of the holders of 'B' Preference Shares think fit and the Security Agent shall not be in any way responsible for any loss incurred by any misconduct or default on the part of any such delegate or sub-delegate.

10. POWER TO WAIVE BREACH OF COVENANT

The Security Agent may from time to time and at any time without the sanction of the holders of the 'B' Preference Shares (provided that in the Security Agent's opinion the interests of such holders will not thereby be materially prejudiced) waive or authorise on such terms and conditions as shall seem expedient to the Security Agent any breach or proposed breach by the Company of any of the covenants, conditions, provisions or obligations contained in the articles of association of the Company or determine that any act, omission, condition or event which would or might otherwise on its own or together with any other act, omission, condition or event constitute a breach by the Company of any of the covenants, conditions, provisions or obligations thereof without prejudice to the rights of the Security Agent in respect of any subsequent breach thereof provided that the Security Agent shall not exercise any powers conferred on it by this deed in contravention of any express direction given to the Company by the holders of 'B' Preference Shares, pursuant to article 9 of the articles of association of the Company but so that no such direction shall affect any waiver, authorisation, modification or determination previously given or made.

11. MODIFICATION TO TRUST DEED

The Security Agent may at any time without the sanction of the holders of the 'B' Preference Shares concur with Putco in making such modifications to the 'B' Put Option Deed as may be agreed between Putco and the Security Agent where the Security Agent is of the opinion that any such modification will not be materially prejudicial to the interests of such holders or where the modification is to correct a manifest error or is of a minor or technical nature.

12. POWER TO APPOINT NEW SECURITY AGENT

The statutory power of appointing a new Security Agent in respect of this deed and the 'B' Put Option Deed shall be vested in the Company but a Security Agent so appointed must in the first place be approved by the holders of the 'B' Preference Shares in accordance with

article 9 of the articles of association of the Company. At least one such Security Agent shall be a trust corporation and a trust corporation may be a sole Security Agent. Whenever there shall be more than two Security Agents in respect of this deed and the 'B' Put Option Deed a majority of such Security Agents shall be competent to exercise all the powers authorities and discretions hereby vested in the Security Agent provided always that a trust corporation is included in such majority.

13. RETIREMENT OF SECURITY AGENT

Any Security Agent may at any time on the expiry of not less than three months' written notice to that effect given to the Company retire from the trusts pursuant to this deed without assigning any reason and without being responsible for any expense thereby occasioned.

14. SECURITY AGENT'S POWER TO APPLY TO COURT

The Security Agent may, at any time after the put option constituted by the 'B' Put Option Deed or any guarantee or security given in respect thereof becomes exercisable or enforceable, apply to the Court for an order that the powers and trusts of this deed and/or the put option constituted by the 'B' Put Option Deed or any guarantee or security given in respect thereof be exercised or carried into execution under the direction of the Court and for any other order in relation to the execution and administration of such powers and trusts as the Security Agent shall deem expedient and it may assent to or approve any application to the Court made at the instance of any of the holders of the 'B' Preference Shares and shall be indemnified by the Company against all the costs, charges and expenses incurred by and in relation to any such application or proceedings.

15. SECURITY AGENT'S POWERS ADDITIONAL TO OTHER POWERS

The powers conferred by this deed upon the Security Agent shall be in addition to any powers which may from time to time be vested in it by the general law.

16. INTERPRETATION

The terms and expressions used in this deed shall have the meanings given to them in the articles of association of the Company as amended from time to time.

17. GOVERNING LAW

17.1 This deed shall be governed by and construed in accordance with English law.

17.2 Any dispute arising out of this deed any enforcement of any judgment arising therefrom shall be subject to the exclusive jurisdiction of the High Court of Justice in London. By executing this deed the parties shall be deemed irrevocably to have submitted to such jurisdiction."

----- COMPARISON OF HEADERS -----

-HEADER 1-

~~HEADER 2~~
Header Discontinued

~~HEADER 3~~
Header Discontinued

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

~~18:06~~18 October 16:409 November 2001\JAH\2177651.15 2177651.14

~~FOOTER 2~~
Footer Discontinued

-FOOTER 3 2-
- 35 -

~~18:06~~18 October 16:409 November 2001\JAH\2177651.14 2177651.15