

The Companies Act 1985
Private Company Limited by Shares
WRITTEN RESOLUTIONS
of
ARTHUR MARSH & SON LIMITED

(Registered in England & Wales under number 4299683)

Pursuant to section 381A of the Companies Act 1985 (as amended)

Passed the 17th day of May 2007

We, the undersigned members of the above-named company (the "Company"), being all those members for the time being of the Company entitled to receive notice of and to attend and vote at a General Meeting of the Company, hereby resolve to pass by way of a written resolution the following resolutions with resolutions 1 to 3 to take effect as elective resolutions and resolutions 4 to 6 to take effect as special resolutions of the Company pursuant to section 381A of the Act

ELECTIVE RESOLUTIONS

- 1 That pursuant to Section 366A of the Companies Act 1985 the Company hereby elects to dispense with the holding of Annual General Meetings in 2007 and subsequent years until this election is revoked
- 2 That pursuant to Section 252 of the Companies Act 1985 the Company hereby elects to dispense with the laying of accounts and reports before the Company in General Meeting
- 3 That pursuant to Section 386 of the Companies Act 1985 the Company hereby elects to dispense with the obligation to appoint Auditors annually

SPECIAL RESOLUTIONS

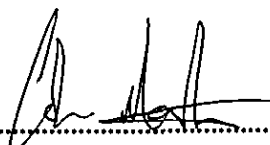
- 4 That the memorandum and articles of association of the Company in the form attached hereto (the "New Memorandum and Articles") and for the purposes of identification initialled by a director of the Company be and are hereby approved and adopted in substitution and to the exclusion of all the existing Memorandum and Articles of Association of the Company
- 5 subject to and immediately upon resolution 4 above taking effect, each of the existing ninety five thousand five hundred and sixty four ordinary shares of £1 00 each in the issued share capital of the Company having been transferred to Cullum Capital Ventures Limited on the date of this resolution be redesignated as A ordinary shares of £1 00 having the rights and being subject to the restrictions contained in the New Memorandum and Articles,
- 6 subject to and immediately upon resolutions 4 and 5 above taking effect, each of the existing four thousand four hundred and thirty six ordinary shares of £1 00 each in the issued share capital of the Company issued in the names of Colin Matthews, Colin Bowler

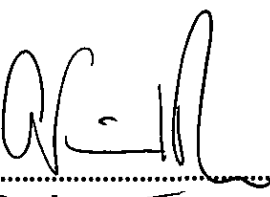


and Isabel Palmer be redesignated as B ordinary shares of £1 00 having the rights and being subject to the restrictions contained in the New Memorandum and Articles

Signed.....

**(Director) For and on behalf of Cullum Capital Ventures Limited as attorney for
Adam Marsh, Colin Bowler, Colin Matthews and Isabel Palmer**

Signed.....
Colin Matthews

Signed.....
Colin Bowler

Signed.....
Isabel Palmer



The Companies Acts 1985 and 1989
Company Limited By Shares

MEMORANDUM AND ARTICLES OF ASSOCIATION

ARTHUR MARSH & SON LIMITED

Company Number: 4299683

Incorporated on: 5th October 2001

The Companies Acts 1985 and 1989
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION¹

of

ARTHUR MARSH & SON LIMITED

- 1 The Company's name is ARTHUR MARSH & SON LIMITED
- 2 The Company's Registered Office is to be situated in England & Wales
- 3 The Company's objects are
 - (A) To carry on business as insurance brokers, agents and intermediaries in respect of all classes of insurance, to act as risk advisers and consultants on all matters concerning risk and insurance and to do all such things as are incidental or conducive to the carrying on of such business by the Company
 - (B) To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company in connection with or as ancillary to any of the above businesses or the general business of the Company, or further any of its objects
 - (C) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind for such consideration and on such terms as may be considered expedient
 - (D) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, factories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above
 - (E) To borrow and raise money with or without security and, for the purposes of or in connection with the borrowing or raising of money by the Company, to secure or

¹ The memorandum of association of the Company was amended, and the Company's share capital was reclassified as "A" and "B" ordinary shares by special resolutions of the Company passed ● 2007

discharge any debt or obligation of or binding on the Company in such manner as may be thought fit by the Company or its Directors and, in particular, by the granting or creating or the permitting to subsist of any mortgages, charges (whether fixed or floating), security rights, liens or encumbrances upon the undertaking of the Company and all or any of its real and personal, moveable and immovable property, (present and future) or by the granting or creating or the permitting to subsist of any mortgage, pledge or charge over all or any of the uncalled capital for the time being of the Company or by the creation and issue, at par or at a premium or discount and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, of bonds, debentures, debenture stock, perpetual, redeemable or repayable or otherwise or of other obligations or securities of the Company of any description

- (F) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance
- (G) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or any obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly
- (H) To receive money on deposit or loan upon such terms as the Company may approve, and to guarantee the obligations and contracts of any person or corporation
- (I) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing clauses) whether with or without the Company receiving any consideration, to guarantee or to grant any indemnity in respect of or to secure (with or without a personal covenant and with or without a mortgage, charge (whether fixed or floating), security right, lien or encumbrance upon all or any part of the undertaking and assets, present and future, and the uncalled capital of the Company) the performance of any obligation, contract or liability or loss or cost or expense or the payment of any debt or sum including the principal amount thereof or any dividend, interest or premium on any stock, debenture, debenture stock, bond, share or other security of any person, firm or company including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the

Company or another subsidiary of a holding company of the Company or otherwise associated with the Company in business

- (J) To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependants or connections of such persons, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid, their dependants or connections, and to support or subscribe to any charitable funds or institutions, the support of which may, in the opinion of the Directors, be calculated directly or indirectly to benefit the Company or its employees, and to institute or maintain any club or other establishment or profit sharing scheme calculated to advance the interests of the Company or its officers or employees
- (K) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments
- (L) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined
- (M) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (N) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired
- (O) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company, and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company
- (P) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner

calculated to advance directly or indirectly the objects or interests of this Company and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of the dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company

- (Q) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on
- (R) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit
- (S) To amalgamate with any other company whose objects are to include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner
- (T) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law
- (U) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise
- (V) Subject to and in accordance with due compliance with the provisions of Sections 155 to 158 (inclusive) of the Companies Act 1985 (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act
- (W) To do all such things as are incidental or conducive to the above objects or any of them

And it is hereby declared that in the construction of this clause the word "company" except where used in reference to the Company shall be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Great Britain or elsewhere, and that the objects specified in the different paragraphs of this clause shall, except where otherwise expressed therein, be in no way limited by reference to any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the

said paragraphs defined the objects of a separate, distinct and independent company

And it is hereby declared that in the construction of this clause the word "company" except where used in reference to the Company shall be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Great Britain or elsewhere, and that the objects specified in the different paragraphs of this clause shall, except where otherwise expressed therein, be in no way limited by reference to any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company

4 The liability of the members is limited

5 The Company's share capital is £100,000 divided into 95,564 "A" ordinary shares of £1 00 each and 4,436 "B" ordinary shares of £1 00 each ²

The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise

² The memorandum of association of the Company was amended, and the Company's share capital was reclassified as "A" and "B" ordinary shares by special resolutions of the Company passed ● 2007

The Companies Acts 1985 and 1989
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ARTHUR MARSH & SON LIMITED

(Adopted by Special Resolution of the Company dated 2007)

1. PRELIMINARY

These Articles together with the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as such regulations are excluded or varied hereby. The Regulations 6, 8, 9, 10, 11, 24, 25, 26, 27, 28, 73 to 77 (inclusive), 80, 82, 87 and 118 of Table A shall not apply to the Company.

2. DEFINITIONS AND INTERPRETATION

In these Articles the following words and expressions shall (except where the context otherwise requires) have the following meanings -

"the Act" means the Companies Act 1985 (as amended by the Companies Act 1989) and every other statutory modification or re-enactment thereof for the time being in force

"A Ordinary Shares" means the "A" Ordinary Shares of £1 00 each in the capital of the Company.

"A Ordinary Shareholder" means a registered holder of any "A" Ordinary Shares from time to time

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

"B Ordinary Shares" means the "B" Ordinary Shares of £1 00 each in the capital of the Company

"B Ordinary Shareholder" means a registered holder of any "B" Ordinary Shares from time to time

"Board" means all the Directors of the Company from time to time

"CCV" means Cullum Capital Ventures Limited (No 5587424) being the ultimate holding company of the Company at the date of the adoption of these articles

"CCV Director" means any Director nominated to the Board by CCV

"Directors" means the directors from time to time of the Company

"Equity Shares" means the "A" Ordinary Shares and the "B" Ordinary Shares and any shares derived therefrom whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise for the time being in issue

"Finance Documents" means each "Finance Document" as defined in a facility agreement between, inter alia, CCV and the Governor and Company of the Bank of Scotland dated 30 June 2006 (as varied, amended and supplemented from time to time)

"Group" means the Company and its subsidiary undertakings from time to time and references to a **"member of the Group"** or a **"Group member"** shall be construed accordingly

"Share" means any share in the capital of the Company

"Share Sale" means the completion of any transaction whereby any person or group of persons acting in concert (as defined in the City Code on Takeovers and Mergers) purchases not less than 90% in nominal value of the equity shares of the Company

Words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa

Clause headings are for ease of reference only and do not affect the construction or interpretation of these Articles

References to persons shall include bodies corporate unincorporated associations and partnerships

Words and expressions defined in or for the purposes of the Act or Table A shall have the same meanings in these Articles unless the context otherwise requires

Without prejudice to the provisions of Section 738 of the Act the expressions **"paid up"** or **"paid up value"** as used in relation to any part of the share capital of the Company shall mean the total amount paid up, or credited as paid up, on the relevant shares including any premium paid up or credited as paid up thereon

3. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £100,000 divided into 95,564 "A" Ordinary Shares and 4,436 "B" Ordinary Shares

4. SHARE RIGHTS

Subject to the terms of the Finance Documents, the rights and restrictions attaching to the "A" Ordinary Shares and the "B" Ordinary Shares shall be as follows -

4 1 As regards income

The holders of the "B" Ordinary Shares shall not be entitled to any dividend whatsoever and the holders of the "A" Ordinary Shares shall be entitled to a dividend out of the profits available for distribution of such amount as the Company shall determine

4 2 As regards capital

On a return of assets whether in a winding-up or reduction of capital or otherwise (except in the case of the redemption of shares of any class or the purchase by the Company of its own shares) the assets and retained profits of the Company available for distribution among the members shall be distributed amongst the "A" Ordinary Shareholders and the "B" Ordinary Shareholders (pari passu as if the "A" Ordinary Shares and the "B" Ordinary Shares constituted one class of share) in proportion to the amounts paid up or credited as paid up on the "A" Ordinary Shares and "B" Ordinary Shares held by them respectively

4 3 As regards voting

4 3 1 The holders of the "B" Ordinary Shares shall not be entitled to receive notice of, attend or vote at any general meeting of the Company

4 3 2 Save as otherwise provided in these Articles Regulation 54 of Table A shall apply to the voting rights of the members of the Company

4 4 As regards conversion

Each "A" Ordinary Share and "B" Ordinary Share in issue shall (automatically and without further notice or resolution) be converted into an Ordinary Share of an equivalent par value (all such Ordinary Shares to rank pari passu for all purposes such that any reference in these Articles to "A" Ordinary Shares or "B" Ordinary Shares shall thereafter be deemed to be a reference to Ordinary Shares) in the event of the Company becoming a company having only one member

5. MODIFICATION OF RIGHTS

Subject to the Act all or any of the rights for the time being attached to any class of shares for the time being in issue may from time to time (whether or not the Company is being wound up) be altered or abrogated with the written consent of

the holders of not less than three-quarters of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply except that the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class (provided that where all the shares of a class are registered in the name of one holder that holder present in person or by proxy may constitute a meeting) and that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

6. ISSUE OF NEW SHARES

6 1 (Subject to Article 6 2) any Shares for the time being unissued and any new Shares from time to time created shall before they are issued be offered to the holders of the Equity Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of Equity Shares (of whatever class). The offer shall be made by notice specifying the number and class of Shares offered and the price per Share and limiting a time (not being less than 10 days or greater than 20 days) within which the offer if not accepted will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that it/he/they decline(s) to accept the Shares offered or any of them the Directors shall offer the Shares declined in like manner (save that the minimum period for acceptance may be seven days) to the other holders of Shares who have agreed to subscribe for all the Shares offered to them in proportion (as nearly as may be) to the nominal amount of their existing holdings of Equity Shares (of whichever class). If the Shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.

6 2 In the event that all or any of the Shares to which Article 6 1 apply are not subscribed for in accordance with the provisions of Article 6 1 the Directors may offer such shares to a third party of whom they approve and (subject to these Articles and the provisions of Section 80 of the Act) such Shares shall be at the disposal of the Directors who may allot grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper provided that -

6 2 1 no Shares shall be issued at a discount,

6 2 2 no Shares to which Article 6 1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under Article 6 1 unless the procedure set out in Article 6 1 is repeated in respect of such Shares, and

- 6 2 3 no Shares shall be issued at a price less than that at which they were offered to the members of the Company in accordance with Article 6 1 and so that (if the Directors are proposing to issue such Shares wholly or partly for non-cash consideration) the cash value of such consideration for the purposes of this sub-paragraph shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its members
- 6 3 The provisions of Articles 6 1 and 6 2 shall mutatis mutandis apply to all equity securities (as defined in Section 94(2) of the Act) of the Company from time to time created
- 6 4 The provisions of Sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company

7. TRANSFERS OF SHARES

- 7 1 The Directors may decline to register the transfer of any Shares (including any transfer of Shares otherwise permitted under Article 8)
- 7 1 1 to any person who in the reasonable opinion of the Directors is carrying on business directly or indirectly in competition with the Company or any member of the Group or any subsidiary undertaking of any holding company of the Company,
- 7 1 2 if the Directors are of the reasonable opinion that the transfer of such Shares may result in the termination, amendment or modification of any contractual arrangement to which any member of the Group is party
- 7 2 The Directors shall not register any transfer of Shares except a transfer permitted by the following provisions of these Articles
- 7 3 For the purposes of ensuring that a transfer of Shares is duly authorised under the following provisions of these Articles or that no circumstances have arisen whereby a shareholder may be bound or be required to give or is deemed to have given a Sale Notice (as defined in Article 9 1) or for the purpose of ascertaining when a Sale Notice should have been or is deemed to have been given hereunder the Directors may from time to time require any member or the legal personal representatives of any deceased member or the trustee in bankruptcy of any member or the receiver administrative receiver or liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose Failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after such request the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) may resolve to require by notice in writing that a Sale Notice be

given in respect of the Shares concerned. If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a shareholder may be bound or required to give or be deemed to have given a Sale Notice the Directors may resolve by notice in writing to require that a Sale Notice be given in respect of the Shares concerned. A resolution of the Directors hereunder shall be binding upon the shareholders concerned who shall be bound to give a Sale Notice in respect of the Shares concerned forthwith upon receipt of the said notice from the Directors.

- 7.4 In any case where the Directors have duly required a Sale Notice to be given in respect of any Shares and such Sale Notice is not duly given within a period of one week such Sale Notice shall be deemed to have been given at the expiry of the said period and the provisions of these Articles relating to Sale Notices shall take effect accordingly.
- 7.5 A Sale Notice given or deemed to be given pursuant to this Article or Articles 8 or 10 shall not be capable of revocation nor may it specify that unless all relevant Shares are sold by the Company pursuant to the Sale Notice, none shall be so sold. Subject as provided to the contrary in this Article or Articles 8 and/or 10, the provisions of Article 9 shall apply to any Sale Notice given or deemed to be given under or pursuant to this Article or Articles 8 or 10.
- 7.6 In any case where a shareholder (or his personal representatives) has or have been required to give or has been deemed to have given a Sale Notice pursuant to the provisions of this Article or Articles 8 or 10 and subsequently becomes the holder of (or is deemed pursuant to Article 10 to be the holder of) further Shares in the Company by virtue of the holding of any Shares comprised in such Sale Notice (whether by way of rights or bonus issue conversion transfer or otherwise howsoever) a majority of the Directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Sale Notice pursuant to this Article or Articles 8 or 10 (as appropriate) in respect of such further Shares.
- 7.7 Notwithstanding any other provision of these Articles to the contrary the Directors shall not be entitled to refuse to register any transfer of "A" Ordinary Shares made (directly or indirectly) pursuant to the enforcement of any security granted over all or part of the share capital of the Company from time to time.

8. PERMITTED TRANSFERS OF SHARES

8.1 Group Transfers

8.1.1 Any "A" Ordinary Shares held by an undertaking (an "**Original Undertaking**") may be transferred to any other undertaking (a

"Transferee Undertaking") PROVIDED ALWAYS that each and any such Transferee Undertaking is a subsidiary or holding company or subsidiary of any such holding company in relation to that Original Undertaking (**"a group undertaking"**)

8 1 2 In the event that any Transferee Undertaking ceases to be a group undertaking in relation to the Original Undertaking then such Transferee Undertaking shall forthwith transfer any Shares in the Company held by it to the Original Undertaking or to an undertaking which in relation to the Original Undertaking is a group undertaking

8 1 3 In the event of any default of Articles 8 1 1 and 8 1 2 above the Original Undertaking or (as the case may be) the Transferee Undertaking shall be deemed to have served a Sale Notice (as defined in Article 9 1) in respect of all such Shares **PROVIDED ALWAYS** that the price shall be the issue price (including any premium)

8 2 **Family Trusts**

8 2 1 Any Shares may be transferred by the beneficial owner of such Shares (**"a Beneficial Owner"**) who is an individual to trustees to be held upon family trusts of such Beneficial Owner

8 2 2 Where any Shares have been transferred to trustees pursuant to Article 8 2 1 the trustees as the case may be may transfer any such Shares to a person or persons shown to the reasonable satisfaction of the Directors to be the trustees for the time being (on a change of trustee) of the family trusts in question

8 2 3 In any case where a member proposing to transfer Shares under this Article 8 2 (**"the Proposing Transferor"**) holds those Shares as a result of an earlier transfer authorised under this Article 8 2 from another member (**"the Original member"**) the Proposing Transferor may only transfer those Shares to a person to whom the Original member could have transferred such Shares under this Article 8 2

8 2 4 Where Shares are held by trustees on a family trust and any such Shares cease to be held upon family trusts (otherwise than in consequence of a transfer authorised under Article 8 2 2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 8 2 2 and in default thereof the trustees shall be deemed to have given a Sale Notice (as defined in Article 9 1) in respect of the Shares in question provided that the price shall be the issue price (including any premium)

8 2 5 For the purposes of this Article 8

"privileged relation" means the parent or spouse of the Beneficial Owner or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the Beneficial Owner or of any such lineal descendant,

"family trust" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his privileged relations and no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his privileged relations

- 8 3 Any "A" Ordinary Shares or "B" Ordinary Shares and/or any interest therein may be transferred at any time to any person with the written consent of the holders of not less than 90 per cent in nominal value of the issued Shares for the time being

9. PRE-EMPTION RIGHTS ON TRANSFER

- 9 1 Any member wishing to transfer (other than a transfer permitted by Article 8) all or any Shares specified in Column A of the table set out below (the **"Table"**) held by him and/or any interest therein (a **"Retiring Shareholder"**) shall first give a notice in writing (a **"Sale Notice"**) to the Company specifying (i) the number and denoting numbers (if any) of the Shares which the Retiring Shareholder wishes to sell (**"the Sale Shares"**) (ii) the price at which he proposes to transfer the Sale Shares (**"the Price"**) (iii) the name of any third party to whom he proposes to sell or transfer the Sale Shares. The Sale Notice shall constitute the Company as the agent of the Retiring Shareholder for the sale of the Sale Shares at the Price. A Sale Notice may require that unless all the shares comprised in it are sold none shall be sold

A	B FIRST OFFER	C SECOND OFFER	D THIRD OFFER
A Ordinary Shares	All other A Ordinary Shareholders ¹	A Ordinary Shareholders ¹ & ²	B Ordinary Shareholders ³ & ⁵
B Ordinary Shares	B Ordinary Shareholders ³ & ⁵	All other B Ordinary Shareholders ^{3,4} & ⁵	A Ordinary Shareholders ¹

- ¹ *In proportion (as nearly as may be) to the nominal amount of their existing holdings of "A" Ordinary Shares*
² *Other than any "A" Ordinary Shareholders who have not accepted any Sale Shares*

- 3 *already offered to them pursuant to the First Offer*
4 *In proportion (as nearly as may be) to the nominal amount of their existing*
5 *holdings of "B" Ordinary Shares*
6 *Other than any "B" Ordinary Shareholders who have not accepted any Sale Shares*
7 *already offered to them pursuant to the First Offer*
8 *In the case of a deemed service of a Sale Notice pursuant to Article 10 1 other than*
9 *to any other "B" Ordinary Shareholders who pursuant to said Article 10 1 are*
10 *deemed to have served a Sale Notice in respect of their shares at such time*

- 9 2 On receipt or deemed receipt of a Sale Notice the Company shall by notice in writing offer the Sale Shares at the Price to the persons specified in Column B of the Table entitled to first refusal thereof ("**First Offer**") The First Offer shall be made by the Company within 7 days of the date on which the Sale Notice is given ("**Sale Notice Date**") and shall specify that such offer must be accepted within 14 days or in default thereof will lapse The Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the First Offer to the persons specified in Column C of the Table at the Price ("**Second Offer**") Any such offer shall be made within 7 days of the date on which the First Offer lapses or if earlier the date on which all persons entitled to accept the First Offer have indicated the maximum number of Sale Shares they wish to accept and shall specify that such offer must be accepted within 14 days or in default will lapse.
- 9 3 If the Company shall not have found purchasers for all of the Sale Shares pursuant to the procedure described in Article 9 2 the Company shall within 7 days of the date on which the Second Offer lapses or if earlier the date on which all persons entitled to accept the Second Offer have indicated the maximum number of Shares they wish to accept by notice in writing offer the Sale Shares not so accepted pursuant to the Second Offer to the persons specified in Column D of the Table at the Price ("**Third Offer**") Such offer shall specify that such offer must be accepted within 14 days or in default will lapse
- 9 4 If the Company shall within the said time limits find members willing to purchase all or any of the Sale Shares it shall within 14 days of the expiry of such time limits or such earlier date as it may have found members willing to purchase all the Sale Shares give notice thereof to the Retiring Shareholder whereupon the Retiring Shareholder shall become bound to sell and transfer the Sale Shares to the respective purchasers free from all liens charges encumbrances and third party rights and (unless the notice given under this Article 9 4 provides otherwise) together with all rights attaching thereto at the date of sale A notice under this Article 9 4 shall state the name and address of each of the purchasers and the number of Shares to be purchased by him and shall designate a place and a time (being not less than 3 nor more than 10 days following the date of the notice) for completion of the sale of the shares comprised in such notice

If a Sale Notice states that the Retiring Shareholder is not willing to sell part only of his Shares the provisions of this Article 9 4 shall not take effect unless the Company shall have found purchasers for all such Shares

Any offer made by the Company in respect of Shares comprised in such a Sale Notice shall state as a condition of the offer that it is not capable of being accepted unless acceptances are received in respect of all the Shares comprised in the relevant Sale Notice.

- 9 5 If the Company shall not within the said time limits find purchasers for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 9 4 and the Company does not propose to buy back the Sale Shares The Company shall promptly give notice in writing thereof to the Retiring Shareholder who shall be at liberty at any time within 2 months after the date of such notice to transfer such Sale Shares for which purchasers have not been found or in respect of which the sale was not completed as aforesaid to any person he may wish **PROVIDED THAT -**

9 5 1 such sale is completed at the Price or any higher or (subject as provided below) lower price and that otherwise the terms of payment of the purchase price are no more favourable to the purchaser than those offered to the shareholders or other persons hereunder,

9 5 2 no Sale Shares shall be sold at a lower price than the Price without the Retiring Shareholder first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 9 shall mutatis mutandis apply in respect of such further Sale Notice save that the Price shall be such lower price,

9 5 3 if the Sale Notice states that the Retiring Shareholder is not willing to transfer part only of the Sale Shares he shall not be entitled to sell part only of such Shares hereunder, and

9 5 4 the Directors may call for such evidence as they shall reasonably request in order to satisfy themselves that the consideration for any sale hereunder is as stated in the transfer without any rebate allowance or deduction to the purchaser and if not so satisfied they may refuse to register a transfer hereunder

- 9 6 If any "A" Ordinary Shareholder or "B" Ordinary Shareholder (as the case may be) shall fail or refuse to transfer any shares which he shall have become bound to transfer in accordance with the provisions of these Articles the Directors may authorise some person to execute and deliver on his behalf a transfer or transfers of such shares to the purchaser or purchasers and the Company may give a good receipt for the purchase price of such shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the

purchaser or purchasers shall become indefeasibly entitled thereto. The relevant "A" Ordinary Shareholder or "B" Ordinary Shareholder (as the case may be) shall in such case be bound to deliver up his certificate for the shares to the Company whereupon such "A" Ordinary Shareholder or "B" Ordinary Shareholder (as the case may be) shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such shareholder but without interest. If such certificate shall comprise any shares which the relevant "A" Ordinary Shareholder or "B" Ordinary Shareholder (as the case may be) has not become bound to transfer as aforesaid the Company shall issue to such shareholder a balance certificate for such shares.

- 9 7 Nothing in this clause or these Articles shall prevent or affect the ability of the Governor and the Company of the Bank of Scotland, or any of their nominees, subsidiaries, affiliates, successors or assigns ("BoS Co") who may hold a charge over all or part of the share capital of the Company to enforce that security, in accordance with the terms of the relevant security documents, such provisions overriding the transfer or pre-emption provisions contained herein and notwithstanding anything contained in these Articles, the Company and the Directors shall not decline to register any transfer of shares (nor delay in doing so) where the relevant transfer is executed by or on behalf of the BoS Co to whom such shares have been charged by way of security or by their nominee (in either case whether as transferor or transferee) and a certificate of that BoS Co that the shares were so charged shall be sufficient evidence of the fact.

10. TRANSFERS BY "B" ORDINARY SHAREHOLDERS ON CEASING TO BE A DIRECTOR OR EMPLOYEE AND TRANSFERS ON DEATH OR BANKRUPTCY

- 10 1 In the event that an employee of or a director of the Company or any holding company of the Company or any subsidiary undertaking of either of the Company or such holding company from time to time (each being a "**Relevant Company**") ceases for any reason (including death) to be an employee or director of such Relevant Company and is not continuing as either a director and/or employee of any Relevant Company or commits a material breach of the terms of his service agreement with such Relevant Company and the employee or director is a holder of "B" Ordinary Shares (whether solely or jointly with any other person) there shall be deemed to have been served a Sale Notice (as defined in Article 9 1) by such employee or director (or their personal representatives in the case of their death) (each being a "**Compulsory Vendor**") in respect of all their shares in the Company (howsoever acquired).
- 10 2 A Sale Notice deemed to have been given under Article 10 1 shall be deemed to have been given on the date on which the employee or director concerned ceases to be a director or employee as aforesaid ("**the Cessation Date**").

10 3 The price for the Sale Shares comprised in any Sale Notice deemed to have been given pursuant to Article 10 1 shall be as follows -

10 3 1 if the Compulsory Vendor's employment and/or office of director with the Relevant Company has ceased as a result of

10 3 1 1 wrongful termination of his contract of employment by the Relevant Company which is admitted by the Company or judged by a court or tribunal of competent jurisdiction, or

10 3 1 2 the death of the Compulsory Vendor, or

10 3 1 3 the Relevant Company having terminated the Compulsory Vendor's employment by giving notice to terminate in accordance with the terms of his service agreement with such Relevant Company, or

10 3 1 4 the Compulsory Vendor's employment having been terminated by reason of redundancy, or

10 3 1 5 the Compulsory Vendor's employment having been terminated by reason of the Compulsory Vendor being incapacitated by reason of illness or accident from duly attending to his duties for a period exceeding in all a consecutive period of 130 working days in any consecutive period of 12 months, or

10 3 1 6 normal retirement age

then the price for the Sale Shares shall be higher of Agreed Value and Market Value,

10 3 2 if the Compulsory Vendor's employment and/or office of director with the Relevant Company has ceased as a result of any reason other than a reason set out in Article 10 3 1 (including but not limited to where the Relevant Company has terminated the Compulsory Vendor's employment and/or office of director for cause (including, but not limited to, in the event of gross misconduct or summary dismissal) (other than in circumstances subsequently judged by a court or tribunal of competent jurisdiction as being wrongful dismissal) or where the Compulsory Vendor has terminated his employment and/or office of director (except in the case of constructive dismissal as subsequently judged by a court or tribunal of competent jurisdiction)) then the price for the Sale Shares shall be the lower of Market Value and Agreed Value,

10 4 For the purposes of this Article 10 -

10 4 1 the "**Market Value**" shall be the price agreed between a Compulsory Vendor and the Board or, if they fail to agree a price within 21 days of the Deemed Notice Date, the price certified by the Auditors acting as experts and not as arbitrators, to be the market value of the Sale Shares upon the Cessation Date, (calculated on the basis of a sale by a willing seller to a willing buyer by reference to the value of the whole of the issued share capital of the Company but taking no account of the value of any business, assets or shares acquired by or otherwise transferred into the Company at any time after the month following the date of adoption of these Articles and assuming (for the avoidance of doubt) repayment of all debt outstanding at such time and further taking no account of the percentage of the capital represented by the Sale Shares as the case may be The costs of the Auditors shall be borne as determined by the Auditors,

10 4 2 the "**Agreed Value**" of the Sale Shares shall be the proportion of the total value of the fully diluted share capital of the Company as the Sale Shares bear to that fully diluted share capital, calculated by reference to a deemed valuation of the fully diluted share capital of the Company as at the Cessation Date of £2,051,094,

10 5 (Without prejudice to Article 10 1) if a majority of the Directors so resolve they may at any time give notice to the legal personal representatives of a deceased member ("**PR's**") or the trustee in bankruptcy of a member ("**trustee in bankruptcy**") requiring such person to elect either to be registered himself or to give a Sale Notice (as defined in Article 9 1) in respect of the shares to which he/they become entitled in consequence of the death or bankruptcy of any member and if such notice is not complied with within 14 days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the PR's or trustee in bankruptcy and the Company may give a good receipt for the purchase price of such shares and may register the purchaser or purchasers as the holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto In any such case the PR's or trustee in bankruptcy shall be bound to deliver up the certificates for the shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest

10 6 For the avoidance of doubt

10 6 1 where an individual is employed by and/or serves as a director of a Relevant Company (as defined in Article 10 1) which is a subsidiary undertaking of the Company or any holding company of the Company Article 10 1 shall apply upon such Relevant

Company ceasing to be a subsidiary undertaking of either the Company or the holding company of the Company and the individual not continuing to be an employee or director of any company still remaining a subsidiary undertaking of the Company or the holding company of the Company, and

10 6 2 Article 10 1 shall also apply in circumstances where any individual remains an employee and/or director of a Relevant Company solely for the purposes of remaining a member of any permanent health insurance scheme operated by any Relevant Company

11. TRANSFER OF CONTROL

11 1 Notwithstanding any other provision of these Articles no transfer of any "A" Ordinary Shares or "B" Ordinary Shares ("**Qualifying Shares**") which if made and registered would result in a Share Sale or any person or group of persons acting in concert (as defined by the City Code on Take-Over and Mergers) acquiring control of more than 50 per cent of the aggregate voting rights attaching to the Shares shall be made or registered without the previous written consent of the holders of not less than fifty per cent of each class of the Qualifying Shares unless -

11 1 1 before the transfer is lodged for approval by the Directors for registration the proposed transferee has made an offer in accordance with this Article 11 (a "**Qualifying Offer**") to purchase all the Qualifying Shares at the Specified Price, and

11 1 2 before or at the same time as the transfer of the Qualifying Shares is approved by the Directors (subject to stamping) each such accepted offer is completed and the consideration thereunder paid except insofar as failure to complete is due to the fault of the offeree

11 2 A Qualifying Offer shall be in writing and shall be stipulated to be open for acceptance in the United Kingdom for at least 21 days and in default of acceptance in writing within such time by an offeree shall be deemed to have been rejected by such offeree

11 3 For the purposes of this Article -

11 3 1 "**Connected Person**" shall have the meaning as set out in Section 839 Income and Corporation Taxes Act 1988 and persons will be regarded as "acting in concert" if they would be so regarded for the purposes of the City Code on Takeovers and Mergers,

11 3 2 "**transfer**" and "**transferee**" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment, and

11 3 3 "**Specified Price**" shall mean -

- 11 3 3 1 (subject to Article 11 3 5) a price per Share of not less than that offered or paid or agreed to be paid by the proposed transferee or any Connected Person with or any person acting in concert with such person (together and each being "**a Relevant Offeror**") for each Qualifying Share, or, if higher,
- 11 3 3 2 if the Relevant Offeror has acquired any Qualifying Shares during the preceding twelve months, the "**Specified Price**" shall mean a price of not less than the highest average price per Qualifying Share of the same class paid or agreed to be paid in respect of all such shares so acquired during the preceding twelve months including the Qualifying Shares
- 11 3 4 In determining the price paid or agreed to be paid for a share for the purposes of Article 11 3 3, there shall be included in each case an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Relevant Offeror which (having regard to the substance of the transaction as a whole) can reasonably be regarded as forming part of the consideration for the relevant shares, and
- 11 3 5 In determining the price paid or agreed to be paid for a Share for the purposes of Article 11 3 3 it is acknowledged that the price per Share which is a "B" Ordinary Share shall be calculated -
- 11 3 5 1 by reference to the aggregate price offered or agreed to be paid by any Relevant Offeror for all the Qualifying Shares, and
- 11 3 5 2 by taking no account of the percentage of capital or voting rights represented by the "B" Ordinary Shares
- 11 4 In the event of disagreement the calculation of the Specified Price shall be referred to the Auditors (acting as expert and not as arbitrator and acting at the joint expense of the parties concerned) whose decision shall be final and binding In the absence of fraud the Auditors shall be under no liability to any person by reason of his calculation or anything done or omitted to be done by him for the purposes thereof or in connection therewith The proposing transferor and any other shareholder shall provide the Auditors with whatever information the umpire reasonably requests for the purposes of the calculation.
- 11 5 In the event that the holders of 75 per cent in nominal value of the "A" Ordinary Shares shall accept a Qualifying Offer made on arms' length terms by a bona fide purchaser who is unconnected with any of the holders of the "A" Ordinary Shares each of the other holders of the Shares shall be required to accept the Qualifying Offer in respect of all the shares held by

him/it and if any such member shall refuse or fail to transfer any of the Shares held by him/it in accordance with the provisions of this Article the Directors may authorise some person to execute and deliver on his/its behalf a transfer or transfers of such shares to the person or persons making the Qualifying Offer and the Company may give a good receipt for the purchase price for such shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. The transferor shall in each case be bound to deliver up his certificate for all of his Shares to the Company whereupon the transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the transferor.

- 11 6 Nothing in this clause or these Articles shall prevent or affect the ability of BoS Co who may hold a charge over all or part of the share capital of the Company to enforce that security, in accordance with the terms of the relevant security documents, such provisions overriding the transfer or pre-emption provisions contained herein and notwithstanding anything contained in these Articles, the Company and the Directors shall not decline to register any transfer of shares (nor delay in doing so) where the relevant transfer is executed by or on behalf of the BoS Co to whom such shares have been charged by way of security or by their nominee (in either case whether as transferor or transferee) and a certificate of that BoS Co that the shares were so charged shall be sufficient evidence of the fact.

12. PROCEEDINGS AT GENERAL MEETINGS

- 12 1 If under regulation 41 of Table A a meeting is adjourned because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the shareholders present shall form a quorum and Regulations 40 and 41 of Table 'A' shall be modified accordingly.
- 12 2 A poll may be demanded by the Chairman or by any member present in person or by proxy and entitled to vote at the meeting and Regulation 46 of Table A shall be modified accordingly.
- 12 3 Regulation 53 of Table A shall be modified by the addition at the end of the following sentence "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."
- 12 4 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof."
- 12 5 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words

"left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Directors resolve otherwise"

13. DIRECTORS

- 13 1 Unless and until otherwise determined by ordinary resolution of the Company the number of the Directors shall be not less than 2
- 13 2 No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age nor shall it be necessary to give special notice under the Act of any resolution appointing re-appointing or approving the appointment of a Director by reason of his age but where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for election or re-election who has at the date of such meeting attained the age of 70 years the Board shall give notice of his having attained such age in the notice convening the meeting or in any document sent therewith but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such Director thereat
- 13 3 Regulation 68 of Table A shall be modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors "
- 13 4 A Director shall not retire by rotation and a Director appointed to fill a vacancy or as an addition to the board shall not retire from office at the Annual General Meeting next following his appointment Regulations 78 and 79 of Table A shall be modified accordingly
- 13 5 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly
- 13 6 The holders of not less than one half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any Director from office or appoint any person to be a Director Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice This Article is not to be taken as

depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director

14. PROCEEDINGS OF DIRECTORS

- 14 1 The quorum necessary for the transaction of business at any meeting of the Directors shall be 2 of which one person shall be (for so long as CCV is the holding company of the Company) a CCV Director (save where the majority of the "A" Ordinary Shareholders agree otherwise in writing) and regulation 89 of Table A shall be modified accordingly
- 14 2 The CCV Directors present at the meeting of the Directors shall be entitled to exercise the majority of votes exercisable thereat and Regulation 88 of Table A shall be modified accordingly
- 14 3 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by his alternate or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum
- 14 4 A Director who is in any way whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 317 of the Act Subject to such disclosure as aforesaid a Director may vote in respect of any contract or proposed contract or arrangement in which he is interested and if he does so vote his vote shall be counted and he may be counted in ascertaining whether a quorum is present at any meeting at which any such contract or proposed contract or arrangement shall come before the Directors for consideration and may retain for his absolute use and benefit all profits and advantages accruing to him therefrom For the purposes of this Article
- 14 4 1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any transaction of the nature and extent so specified, and
- 14 4 2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

15. BORROWING POWERS

The Directors may exercise all the powers of the Company without limit as to amount to borrow and raise money and to accept money on deposit and grant any security, mortgage, charge or discharge as they may consider fit for any debt or obligation of the Company or which is binding on the Company in any manner or way in which the Company is empowered so to grant and similarly as they may consider fit to enter into any guarantee, contract of indemnity or suretyship in any manner or way in which the Company is empowered so to enter into

16. INDEMNITIES

Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled every Director alternate director secretary and other officer or employee for the time being of the Company shall be indemnified out of the assets of the Company against any liability sustained or incurred by him in defending any proceedings whether civil or criminal relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court

17. LIEN

The Company has no lien in respect of its shares (whether fully or partly paid)

18. FINANCE DOCUMENTS

- 18 1 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) if such payment is prohibited or restricted by the terms of the Finance Documents
- 18 2 No dividend, distribution or other amount payable in respect of any Shares (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
- 18 3 Any resolution of the Shareholders, any class of Shareholders, the board of directors or any committee of the board of directors which conflicts with the provisions of this Article will be null and void

EPL Group Limited
Profit and Loss Account
for the Year to 30 September 2006

		<u>2006</u>	<u>2005</u>
	Notes	£	£
TURNOVER		-	-
Administrative expenses		<u> </u>	<u>15</u>
OPERATING LOSS			-15
Income from investments		<u> </u>	<u> </u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			-15
Tax on profit on ordinary activities	2	<u> </u>	<u> </u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION			-15
Retained profit brought forward		<u>247,638</u>	<u>247,798</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>247,638</u></u>	<u><u>£247,638</u></u>

EPL Group Limited

**Balance Sheet
30 September 2006**

		<u>2006</u>		<u>2005</u>	
	Notes	£	£	£	£
FIXED ASSETS.					
Investments	3		100,002		100,002
CURRENT ASSETS:					
Debtors	4	147,638		147,638	
Cash in hand		<u>2</u>		<u>2</u>	
			<u>147,640</u>		<u>147,640</u>
NET ASSETS:			<u>247,642</u>		<u>247,642</u>
CAPITAL AND RESERVES:					
Called up share capital	5		4		4
Profit and loss account			<u>247,638</u>		<u>247,638</u>
SHAREHOLDERS' FUNDS			<u>£247,642</u>		<u>£247,642</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2006

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2006 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the companies Act 1985 relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

ON BEHALF OF THE BOARD.



M M Challinor - DIRECTOR

Approved by the Board - 15th May 2007.

The notes form part of these financial statements

EPL Group Limited

Notes to the Financial Statements for the Year to 30 September 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

Consolidated accounts

Consolidated accounts have not been prepared as permitted by section 248 of the Companies Act 1985 as the group qualifies as a small sized group

2 TAXATION

No liability to UK Corporation Tax arose on ordinary activities for the period ended 30 September 2006 nor for the period ended 30 September 2005

3 INVESTMENTS

	2006 £	2005 £
As at 30 September 2005	100,002	100,002
As at 30 September 2006	<u>100,002</u>	<u>100,002</u>
Unlisted investment	<u>100,002</u>	<u>100,002</u>

The company's investment at the balance sheet date is as follows
The Executive Partnership Limited

Nature of business	Class of shares	% Holding		
Human Resource Consultancy	Ordinary	100		
			2006 £	2005 £
Aggregate capital and reserves			(130,552)	(291,792)
Profit/(Loss) for the year			<u>161,240</u>	<u>45,346</u>

EPL Group Limited

**Notes to the Financial Statements
for the Year to 30 September 2006**

**4 DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2006 £	2005 £
Amount due from subsidiary undertaking	<u>147,638</u>	<u>147,638</u>

5 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Alotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 £
4	Ordinary	£1	<u>4</u>	<u>4</u>

6 RELATED PARTY DISCLOSURES

Amounts due from subsidiary undertakings consist of the following balance

	30 09 06 £	30 09 05 £
The Executive Partnership Limited	<u>147,638</u>	<u>147,638</u>