

Company No. 4407344

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

RESOLUTIONS IN WRITING

of

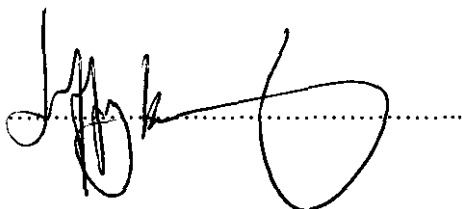
CHAMBERFLAME LIMITED

MSREF IV TE Holding, L.P., Morgan Stanley Real Estate Fund IV International-T, L.P., Morgan Stanley Real Estate Investors IV International, L.P., Morgan Stanley Real Estate Fund IV Special International, L.P., being all the members of the Company who at the date of these resolutions are entitled to attend and vote at a general meeting of the Company, RESOLVE, in accordance with section 381A of the Companies Act 1985 (the "Act"), to pass the following as written resolutions:

1. THAT new articles of association in the form annexed be adopted in substitution for the Company's existing articles of association.
2. THAT the 1,000,000 ordinary shares of 1p each in the present share capital of the Company be converted into 1,000,000 "B" ordinary shares of 1p each on the terms set out in the articles of association of the Company.
3. THAT the Company's authorised share capital be increased to £100,000 by the creation of 2,500,000 "A" ordinary shares of 1p each and 6,500,000 "B" ordinary shares of 1p each on the terms set out in the articles of association of the Company.
4. THAT the directors be generally and unconditionally authorised, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £90,000 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on 31 December 2003 but the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors may allot relevant securities pursuant to that offer or agreement.
5. THAT the directors be generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the general authority conferred by resolution 4 as if section 89(1) of the Act did not apply to the allotment, provided that the power conferred by this resolution will expire on 31 December 2003, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities pursuant to that offer or agreement.



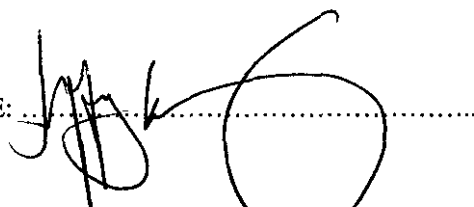
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...Jeffrey Gronning... for and on behalf of MSREF IV TE Holding, L.P.

Date: ...3 JULY 2002.....

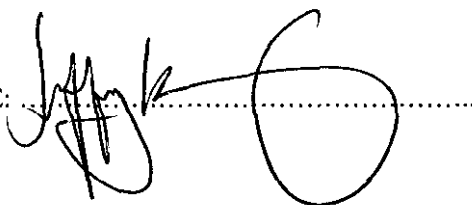
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...JEFFREY GRONNING... for and on behalf of Morgan Stanley Real Estate Fund IV International-T, L.P.

Date: ...3 JULY 2002.....

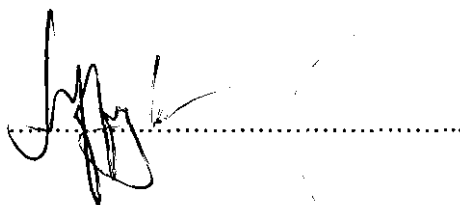
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...JEFFREY GRONNING... for and on behalf of Morgan Stanley Real Estate Investors IV International, L.P.

Date: ...3 JULY 2002.....

SIGNATURE:



...JEFFREY GRONNING... for and on behalf of Morgan Stanley Real Estate Fund IV Special International, L.P.

Date: ...3 JULY 2002.....

CONTENTS

Clause	Page
1. Interpretation	1
2. Table A	3
3. Private Company	3
4. Share Capital	3
5. "A" And "B" Ordinary Shares	3
6. "B" Directors And Observer	3
7. Ratchet	3
8. Provisions Applying On Every Transfer Of "A" And "B" Ordinary Shares	7
9. Transfer Restrictions For "A" Ordinary Shareholders	7
10. Compulsory Conversion	8
11. Transfer Restrictions For "B" Ordinary Shareholders	9
12. Pre-Emption Rights	10
13. Transfers Which Change Control	11
14. Bring-Along Rights	13
15. Minimum Return	14
16. Conversion Of "A" Ordinary Shares	14
17. General Provisions	14

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

CHAMBERFLAME LIMITED

adopted by a Special Resolution passed

on 3 July 2002

1. **INTERPRETATION**

1.1 In these Articles:

"**the Act**" means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;

"**B Directors**" means the directors appointed as such pursuant to Article 6;

"**Investors**" has the meaning set out in the Shareholders Agreement;

"**Liquidation**" means a members' voluntary winding-up of the Company;

"**Listing**" means together the admission of any of the Company's shares to the Official List of the UK Listing Authority becoming effective (in accordance with paragraph 7.1 of the rules made by the UK Listing Authority pursuant to section 74 of the Financial Services and Markets Act 2000 ("**FSMA**"), as amended or its successor legislation) or any other recognised investment exchange as described in section 285 of FSMA and the admission of any of the Company's shares to trading on the London Stock Exchange plc (in accordance with paragraph 2.1 of the Admission and Disclosure Standards of the London Stock Exchange plc from time to time) or such other recognised investment exchange becoming effective;

"**Loan Notes**" has the meaning set out in the Shareholders Agreement;

"**Managers**" has the meaning set out in the Shareholders Agreement;

"**Non-Investor A Ordinary Shares**" means "A" Ordinary Shares held by persons who are not Investors;

"Sale" means the transfer (whether through a single transaction or a series of transactions) of 50% or more of the "B" Ordinary Shares in issue to a person and any other person:

- (i) who in relation to him is a connected person, as defined in section 839 of the Income and Corporation Taxes Act 1988; or
- (ii) with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers

other than a person who is an original party to the Shareholders Agreement as an Investor or a person who has acquired shares pursuant to Articles 11.2 to 11.6 or a Jersey company which offers to replicate the capital structure (save for the maturity of the Loan Notes) of and shareholdings in the Company and where the rights of the shareholders, whether under these Articles or under the Shareholders Agreement, are replicated;

"Shareholders Agreement" means the agreement on or around the date of these Articles made by (1) the Company (2) Chambercroft Limited, (4) Roger Carey and others and (5) Morgan Stanley Real Estate Fund IV International - T, L.P. and others as amended from time to time;

"Transfer" means in relation to any share in the Company or any legal or beneficial interest in any share:

- (i) to sell, assign, transfer or otherwise dispose of the share or any legal or beneficial interest in that share;
- (ii) to create or permit to subsist any encumbrance over the share or any legal or beneficial interest in that share;
- (iii) to enter into any agreement in respect of the votes or any other rights attached to the share;
- (iv) to renounce or assign any right to receive the share or any legal or beneficial interest in that share; or
- (v) to agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing.

1.2 Words and expressions defined in the Act have the same meanings in these Articles, unless inconsistent with the context.

1.3 The renunciation of a right to be allotted shares shall be treated as if it were a transfer of those shares and therefore shall be governed by Articles 8 to 14.

2. **TABLE A**

- 2.1 The regulations contained in Table A in the Schedule to the Companies (Tables A-F) Regulations 1985, as amended ("Table A"), apply to the Company except to the extent that they are excluded by or inconsistent with these Articles.
- 2.2 The first sentence of regulation 24 and regulations 50, 64, 73 to 78, 80, 81, 90, 94, 95, 115 and 118 of Table A do not apply.

3. **PRIVATE COMPANY**

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

4. **SHARE CAPITAL**

The share capital of the Company at the date of adoption of these Articles is £100,000 divided into:

2,500,000 "A" ordinary shares of 1p ("**A" Ordinary Shares**"); and

7,500,000 "B" redeemable ordinary shares of 1p ("**B" Ordinary Shares**").

5. **"A" AND "B" ORDINARY SHARES**

Except as provided otherwise in these Articles, "A" and "B" Ordinary Shares rank pari passu but they constitute separate classes of shares.

6. **"B" DIRECTORS AND OBSERVER**

- 6.1 The holders of 50% or more of the "B" Ordinary Shares in issue are entitled to appoint and remove such number of "B" Directors as they may notify the Company from time to time in writing. The initial appointments shall be made pursuant to the Shareholders Agreement. Subsequent appointments and removals shall be made by notice served on the Company.
- 6.2 If a person is entitled, pursuant to Article 6.1, to appoint "B" Directors but there is no "B" Director, then such person shall be entitled to appoint and remove an observer to the board, such appointment and removal shall be made by notice served on the Company. The observer shall have the same rights to receive notice and information and to attend meetings and speak as though he were a director save that he shall not be entitled to vote.

7. **RATCHET**

- 7.1 Immediately before a Sale, Listing or Liquidation (the "**Relevant Date**"):
- 7.1.1 if the Total Fund Return exceeds the Initial Target Return such number of "B" Ordinary Shares shall be redeemed as shall result in the holders of Non-Investor "A" Ordinary Shares holding an additional proportion of the issued

equity share capital which has a value (by reference to the Total Equity Value) equal to 8.75% of the Initial Excess Equity Value; and

- 7.1.2 if the Total Fund Return exceeds the Secondary Target Return such further number of "B" Ordinary Shares shall be redeemed as shall result in the holders of Non-Investor "A" Ordinary Shares holding an additional proportion of the issued equity share capital which has a value (by reference to the Total Equity Value) equal to 17.5% of the Secondary Excess Equity Value.

For the avoidance of doubt, if the Total Fund Return on the Relevant Date does not exceed the Initial Target Return no "B" Ordinary Shares shall be redeemed.

- 7.2 For the purposes of this Article 7 the following terms have the meanings set out below:-

- 7.2.1 **"Initial Excess Equity Value"** means Total Equity Value (or, if lower, the Secondary Trigger Equity Value) less Initial Trigger Equity Value.

- 7.2.2 **"Secondary Excess Equity Value"** means Total Equity Value less the Secondary Trigger Equity Value.

- 7.2.3 **"Total Equity Value"** means:

- (i) in the case of a Listing, the price per share at which ordinary shares in the issued share capital of the Company are sold or offered in connection with the Listing (in the case of an underwritten offer for sale, being the price or, if an underwritten offer for sale by tender, the striking price under such offer or, in the case of a placing, the price at which shares are sold under the placing) multiplied by the number of ordinary shares in issue immediately following such Listing, but excluding any shares issued for the purpose of raising new money for the Company as part of the Listing arrangements (whether in order to finance the redemption of shares or the repayment of loans or for any other reason whatsoever);

- (ii) in the case of a Sale:

- (a) if the ordinary share capital of the Company is to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum, payable in full on completion of the acquisition of 100 per cent. of the ordinary share capital, such cash sum;
- (b) if the ordinary share capital of the Company is to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable in full on completion of the acquisition of less than 100 per cent. of the ordinary share capital such cash sum, grossed up pro-rata to the sum it would have been had the acquisition been of 100%;

- (c) if the Sale of the ordinary share capital of the Company is pursuant to a public cash offer (or public offer accompanied by a cash alternative), the cash consideration or cash alternative price for 100 per cent. of the ordinary share capital;
- (d) if the Sale of the ordinary share capital of the Company is by private treaty or public offer and the consideration is the issue of securities (which for this purpose includes loan stock) (not accompanied by a cash alternative):
 - (aa) if the securities rank pari passu with a class of securities dealt in on a stock exchange (in the case of a sale by private treaty) the value attributed to such consideration in the related sale agreement for the terms of such offer, or, in the case of a sale by a public offer or failing any such attribution in the related sale agreement, by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the five business days prior to the day on which the offer for or intention to acquire the Company is announced by the proposed purchaser; or
 - (bb) if the securities are not of such a class, the value of such securities as determined by the auditors of the Company (acting as experts and not arbitrators) from time to time in a certificate obtained for the purpose and addressed to the holders of the shares in the ordinary share capital of the Company; and
- (e) to the extent that the Sale includes an element of deferred consideration or a retention of part of the consideration, its value shall be the value of such deferred consideration or retention at the Relevant Date agreed as referred to in Article 7.6; and
- (iii) in the case of a Liquidation, the total amount available for distribution to the holders of the ordinary share capital of the Company.

7.2.4 **"Initial Trigger Equity Value"** means the theoretical Total Equity Value which gives the shareholders (by reference to the amount attributable to their Ordinary Shares ignoring the effect of any redemption of the "B" Ordinary Shares pursuant to this Article) the Initial Target Return.

7.2.5 **"Secondary Trigger Equity Value"** means the theoretical Total Equity Value which gives the shareholders (by reference to the amount attributable to their Ordinary Shares ignoring the effect of any redemption of the "B" Ordinary Shares pursuant to this Article) the Secondary Target Return.

- 7.2.6 **"Initial Target Return"** means an amount equal to the theoretical Total Fund Return which gives the shareholders a total internal rate of return (calculated on a daily accrual basis and on the basis of the actual date of investment and actual date of return) of 20% compound per annum on the Investment Cost.
- 7.2.7 **"Secondary Target Return"** means an amount equal to the theoretical Total Fund Return which gives the shareholders a total internal rate of return (calculated on a daily accrual basis and on the basis of the actual date of investment and actual date of return) of 25% compound per annum on the Investment Cost.
- 7.2.8 **"Investment Cost"** means the amount subscribed and paid up on the date of adoption of these Articles by the shareholders in respect of their Ordinary Shares and subscribed by them under the Loan Notes together with any additional amounts invested in or advanced to the Company or any group undertaking of the Company from time to time by the shareholders whether by way of share capital, loan or loan capital or any other form of commitment including by way of guarantee of any such company's obligations, including any commitment to invest and including without limitation and for the avoidance of doubt any such subscription monies used by the Company to pay fees, costs or expenses (together referred to as **"Relevant Securities"**).
- 7.2.9 **"Total Fund Return"** means the amount of Total Equity Value which is attributable to Ordinary Shares held by the shareholders and any other sum received in cash by the shareholders from the Company or any of its group undertakings in respect of the Relevant Securities (including all repayments of Loan Note) on or prior to the Relevant Date, less all costs and expenses properly incurred by the shareholders in connection with the Sale or Listing or Liquidation (including legal fees, commissions, transfer costs and any other third party fees and expenses and the amount of any indemnity given to a liquidator, but excluding, for the avoidance of doubt, any withholding or other taxes to the extent charged by reference to the taxable status of the shareholders).
- 7.3 Each such redemption of the "B" Ordinary Shares shall be made amongst the holders thereof pro rata as nearly as possible to their then holdings of "B" Ordinary Shares.
- 7.4 Upon the due date for any redemption the nominal amount plus any premium paid on subscription of the "B" Ordinary Shares to be redeemed and any accrued, unpaid dividend thereon (irrespective of whether the Company has sufficient distributable reserves out of which to pay such sum) (the **"redemption monies"**) shall become a debt due and payable by the Company to the "B" Ordinary Shareholders and subject to receipt of the relevant share certificates (or indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon such date pay the redemption monies to the "B" Ordinary Shareholders.

7.5 On redemption the Company shall cancel the share certificate of the shareholder concerned and, in the case of a redemption of part of the shares included in the certificate, without charge issue a fresh certificate for the balance of shares not redeemed.

7.6 For the purposes of this Article 7 the number of "B" Ordinary Shares to be redeemed shall be that number which is agreed between the holders of not less than 50% of each of the "B" Ordinary Shares and the Non-Investor "A" Ordinary Shares as being the number required to be redeemed under this Article 7. In the event of no such agreement by the Relevant Date, it shall be referred to the auditors of the Company for the time being. They shall act as expert not arbitrator and their decision shall be final and binding. The costs of the auditors shall be paid by the Company.

7.7 Article 7.1 will cease to apply immediately following the occurrence of the first to occur of a Sale, Listing or Liquidation whether or not there has been any redemption of "B" Ordinary Shares.

8. PROVISIONS APPLYING ON EVERY TRANSFER OF "A" AND "B" ORDINARY SHARES

8.1 The directors may not register a Transfer of "A" and "B" Ordinary Shares unless:

8.1.1 it is permitted by Article 9 or 11 or has been made in accordance with Articles 12 and, if appropriate, 13 or 14; and

8.1.2 the proposed transferee has entered into an agreement to be bound by the Shareholders Agreement in the form required by that agreement.

8.2 Shareholders are not entitled to Transfer "A" and "B" Ordinary Shares unless the Transfer is permitted by Article 9 or 11 or has been made in accordance with Articles 12 and, if appropriate, 13 or 14.

9. TRANSFER RESTRICTIONS FOR "A" ORDINARY SHAREHOLDERS

No "A" Ordinary Share may be Transferred other than:

9.1 with the written consent of any two of the "B" Directors;

9.2 to the trustees of a trust of which the only beneficiaries (and the only people capable of being beneficiaries) are the "A" Ordinary Shareholder who established the trust and who is transferring the relevant shares and/or his spouse and/or his lineal descendants by blood or adoption; and the trustees of such a trust may not transfer "A" Ordinary Shares under Article 9.2 other than to replacement trustees of the same trust or to the beneficiaries of such trust;

9.3 to the personal representatives or beneficiaries of an "A" Ordinary Shareholder who has died and was an employee or director of the Company or any of its subsidiary undertakings;

9.4 on and after Sale or Listing; or

- 9.5 in acceptance of an offer by a proposed transferee made under Article 13 or when required by Article 14.

10. **COMPULSORY CONVERSION**

- 10.1 Article 10 applies when an employee or director or non-executive director of the Company or any of its subsidiary undertakings (the "**Relevant Individual**") ceases for any reason (including death or bankruptcy) to be an employee (or is remaining an employee solely to receive a benefit under the terms of the Company's permanent health insurance scheme) or director or non-executive director of the Company or any of its subsidiary undertakings and is not continuing as a director, non executive director or employee of the Company or any of its subsidiary undertakings and:

10.1.1 the Relevant Individual is a holder of "A" Ordinary Shares (whether solely or jointly with any other person); and/or

10.1.2 any holder of "A" Ordinary Shares holds "A" Ordinary Shares as the nominee of the Relevant Individual; and/or

10.1.3 "A" Ordinary Shares are held by a transferee of the Relevant Individual permitted under Article 9.

- 10.2 Such "A" Ordinary Shares shall no longer entitle the holder (the "**Relevant Holder**") to attend or vote at general or class meetings of the Company (or of the holders of "A" Ordinary Shares) unless the "B" Directors stipulate otherwise in writing.

- 10.3 For the avoidance of doubt where an individual is employed and/or serves as a director of a company which is a subsidiary undertaking of the Company, Article 10 shall apply upon that company ceasing to be within the Group and the individual not continuing to be an employee (or is remaining an employee solely to receive a benefit under the terms of the Company's permanent health insurance scheme) or director of any member of the Group.

- 10.4 Save where the Relevant Individual has ceased to be an employee (or is remaining an employee solely to receive a benefit under the terms of the Company's permanent health insurance scheme) or director because of (i) death; (ii) permanent ill-health or incapacity; (iii) wrongful dismissal or (iv) unfair dismissal:

10.4.1 the relevant "A" Ordinary Shares shall, unless the "B" Directors in their absolute discretion decide to the contrary, automatically be converted by redesignation into "B" Ordinary Shares ranking *pari passu* with the other "B" Ordinary Shares then in issue (except that notwithstanding any other provision of these Articles, they may only be transferred as if they were still "A" Ordinary Shares); and

10.4.2 the Relevant Holder shall be deemed to have irrevocably appointed the holder for the time being of the largest number of "B" Ordinary Shares as the attorney of the Relevant Holder (for the purpose of securing the proprietary

interests of the holders of the "B" Ordinary Shares) for the purpose of giving any consent to meetings (or class meetings) being held at short notice and executing any stock transfer form pursuant to a Sale on terms that the proceeds of sale of the Relevant Holder's redesignated shares are paid to the Relevant Holder Provided that the Relevant Holder's redesignated Shares are treated in a like manner to the other shares in the Company of the same class.

11. TRANSFER RESTRICTIONS FOR "B" ORDINARY SHAREHOLDERS

No "B" Ordinary Share may be transferred other than:

- 11.1 with the written consent of the holders of 51% or more of the "A" and "B" Ordinary Shares in issue taken together;
- 11.2 in the case of a "B" Ordinary Shareholder which is a body corporate, to a member of the same group (meaning a subsidiary or holding company of the body corporate or a subsidiary of a holding company of the body corporate) if the transferee gives an undertaking to the Company that if the transferee ceases to be a member of the same group, all its shares in the Company will, before the cessation, be transferred to another member of the same group;
- 11.3 in the case of a "B" Ordinary Shareholder which holds "B" Ordinary Shares as nominee or trustee for a limited partnership or unit trust which is primarily a vehicle for institutional investors:
 - 11.3.1 to another nominee or trustee for the limited partnership or unit trust;
 - 11.3.2 on a distribution in kind under the relevant partnership agreement or trust deed, to the partners of the limited partnership or their nominees or the holders of units in the unit trust or their nominees; or
 - 11.3.3 to a nominee or trustee for a limited partnership, unit trust or investment trust which is primarily a vehicle for institutional investors and which is advised or managed by the adviser or manager of the former limited partnership or unit trust;
- 11.4 in the case of a "B" Ordinary Shareholder which is an investment trust (as defined in The Listing Rules of the London Stock Exchange) whose shares are listed on the London Stock Exchange, to another such investment trust which is also managed by the manager of the "B" Ordinary Shareholder;
- 11.5 to a "Co-Investment Scheme", being a scheme under which certain officers, employees or partners of an Investor (as defined in the Shareholders Agreement) or its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares which the Investor would otherwise acquire;
- 11.6 in the case of a Co-Investment Scheme which holds "B" Ordinary Shares through a body corporate or another vehicle, to:

- 11.6.1 another body corporate or another vehicle which holds or is to hold shares for the Co-Investment Scheme; or
- 11.6.2 the officers, employees or partners entitled to the "B" Ordinary Shares under the Co-Investment Scheme;
- 11.7 on and after Listing;
- 11.8 in acceptance of an offer made under Article 13 or when required by Article 14; or
- 11.9 in accordance with Article 12.

12. PRE-EMPTION RIGHTS

- 12.1 A "B" Ordinary Shareholder ("**Selling Shareholder**") who wishes to transfer "B" Ordinary Shares to a person to whom Articles 11.1 to 11.7 do not apply shall serve notice on the Company ("**Sale Notice**") stating the number of shares it wishes to transfer ("**Sale Shares**") and its asking price for each share ("**Asking Price**").
- 12.2 The Selling Shareholder may state in the Sale Notice that it is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them.
- 12.3 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the following terms, which the Company shall notify to the other "B" Ordinary Shareholders within seven days of receiving the Sale Notice:
 - 12.3.1 the price for each Sale Share is the Asking Price;
 - 12.3.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;
 - 12.3.3 each of the other "B" Ordinary Shareholders is entitled to buy the Sale Shares in proportions reflecting, as nearly as possible, the nominal amount of their existing holdings of "B" Ordinary Shares; a "B" Ordinary Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement;
 - 12.3.4 "B" Ordinary Shareholders may offer to buy any number of the "B" Ordinary Shares that are not accepted by the other "B" Ordinary Shareholders ("**Excess Shares**");
 - 12.3.5 any additional terms which apply pursuant to Article 12.2; and
 - 12.3.6 21 days after the Company's despatch of the terms for the sale of the Sale Shares (the "**Closing Date**"):
 - (i) the Sale Notice shall become irrevocable;
 - (ii) a "B" Ordinary Shareholders who has not responded to the offer in writing shall be deemed to have declined it; and

- (iii) each offer made by a "B" Ordinary Shareholder to acquire Sale Shares shall become irrevocable.

12.4 If the Company receives offers for fewer "B" Ordinary Shares than the aggregate number of Sale Shares, each "B" Ordinary Shareholder who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of Excess Shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received.

12.5 Within seven days after the Closing Date, the Company shall notify the Selling Shareholder and the "B" Ordinary Shareholders who offered to buy Sale Shares of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer:

12.5.1 the Company shall notify the Selling Shareholder of the names and addresses of the "B" Ordinary Shareholders who are to buy Sale Shares and the number to be bought by each;

12.5.2 the Company shall notify each "B" Ordinary Shareholder of the number of Sale Shares he is to buy; and

12.5.3 the Company's notices shall state a place and time, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed.

12.6 If the Selling Shareholder does not transfer Sale Shares in accordance with Article 12.5, the directors may authorise any director to transfer the Sale Shares on the Selling Shareholder's behalf to the buying "B" Ordinary Shareholders concerned against receipt by the Company of the Asking Price per share. The Company shall hold the Asking Price in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the Asking Price shall be a good discharge to the buying "B" Ordinary Shareholder. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Asking Price for the Sale Shares.

12.7 If, by the Closing Date, the Company has not received offers for all the Sale Shares, the Selling Shareholder may within the next two months transfer the Sale Shares for which offers were not received (or, if the Sale Notice stated that he was only willing to transfer all the Sale Shares, all the Sale Shares) to any person at no less than the Asking Price per share with any other terms being no more favourable than those in the Sale Notice.

13. TRANSFERS WHICH CHANGE CONTROL

13.1 Article 13 applies when a transfer of "B" Ordinary Shares made under Article 9.1, 11.1 or 12 would, if registered, result in a person and any other person:

- (i) who in relation to him is a connected person, as defined in section 839 of the Income and Corporation Taxes Act 1988; or

- (ii) with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers

(each being "a member of the purchasing group") holding or increasing a holding of 50% or more of the B Ordinary Shares in issue.

Article 13 does not apply on a transfer of shares to a person who is an original party to the Shareholders Agreement as an Investor or a person who has acquired shares pursuant to Articles 11.2 to 11.6, or to a Jersey company which offers to replicate the capital structure (other than as to maturity of the Loan Notes) of and shareholdings in the Company and the rights of shareholders, whether under these Articles or under the Shareholders Agreement, are replicated.

13.2 No transfer to which Article 13 applies may be made or registered unless:

- 13.2.1 it is agreed to in writing by the holders of 51% or more of the holders of "B" Ordinary Shares and 75% or more of the holders of Non-Investor "A" Ordinary Shares (other than any Non-Investor "A" Ordinary Shares that no longer carry voting rights pursuant to Article 10); or
- 13.2.2 the proposed transferee has made an offer to buy all the other "A" and "B" Ordinary Shares on the terms set out in Article 13.3 and the offer has closed and each accepted offer has been completed, unless failure to complete is the fault of the offeree.

13.3 The terms of the proposed transferee's offer shall be as follows:

- 13.3.1 the offer shall be open for acceptance for 21 days or more;
- 13.3.2 subject to article 15 the consideration for each "A" and "B" Ordinary Share shall be the higher of:
 - (i) the highest consideration offered for each "A" and "B" Ordinary Share whose proposed transfer has led to the offer; and
 - (ii) the highest consideration paid by any member of the purchasing group for an "A" and "B" Ordinary Share in the twelve months up to the offertaking into account any adjustment appropriate because of the implementation of Article 7.

13.4 The proposed transferee's offer may be conditional on the offer resulting in members of the purchasing group holding or increasing their shareholding to a specified proportion of the "A" and "B" Ordinary Shares in issue.

13.5 Any dispute on the appropriate consideration for the "A" and "B" Ordinary Shares shall be referred to an umpire chosen by the parties concerned or, if they cannot agree on an umpire, nominated by the president of the Institute of Chartered Accountants in England and Wales. The umpire shall act as an expert and not as an arbitrator and his

decision shall be final and binding. The Selling Shareholder wishing to sell "B" Ordinary Shares to the proposed transferee shall pay half the umpire's costs and the "A" and "B" Ordinary Shareholders in dispute with the proposed transferee shall pay the other half.

14. **BRING-ALONG RIGHTS**

14.1 If transfers under Article 9.1, 11.1, 12 and/or 13 result in members of the purchasing group holding or increasing their shareholding to 50% or more of the "B" Ordinary Shares in issue, the members of the purchasing group may, by serving a "**Compulsory Purchase Notice**" on each other "A" and "B" Ordinary Shareholder ("**Minority Shareholder**"), require all the Minority Shareholders to sell all their "A" and "B" Ordinary Shares to one or more persons identified by the members of the purchasing group at the consideration specified in Article 13.3.2.

14.2 The shares subject to the Compulsory Purchase Notices shall be sold as follows:

14.2.1 For the purposes of this Article 14.2:

- (iii) the "completion date" is the date which is 14 days after the service of the Compulsory Purchase Notices;
- (iv) "Sale Shares" are the Minority Shareholder's "A" and "B" Ordinary Shares;
- (v) "Compulsory Sellers" are the Minority Shareholders; and
- (vi) "Purchasers" are the persons identified as purchasers in the Compulsory Purchase Notice.

14.2.2 By the completion date the Compulsory Sellers shall deliver stock transfer forms for the Sale Shares, with the relevant share certificates, to the Company. On the completion date the Company shall pay the Compulsory Sellers, on behalf of each of the Purchasers, the agreed or certified price for the Sale Shares to the extent the Purchasers have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Purchasers. The Company shall hold the price in trust for the Compulsory Sellers without any obligation to pay interest.

14.2.3 To the extent that Purchasers have not, by the completion date, put the Company in funds to pay the agreed or certified price, the Compulsory Sellers shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares within 14 days and the Compulsory Sellers shall have no further rights or obligations under Article 14 in respect of those Sale Shares.

14.2.4 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the completion date, the directors may (and shall, if requested by the "B" Directors) authorise any director to transfer the Sale

Shares on the Compulsory Seller's behalf to the Purchasers to the extent the Purchasers have, by the completion date, put the Company in funds to pay the agreed or certified price for the Sale Shares. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.

14.3 While Article 14 applies to a Minority Shareholder's shares, those shares may not be transferred otherwise than under Article 14.

14.4 Article 12 does not apply to transfers of shares made under Article 14.

15. **MINIMUM RETURN**

In the event of a Liquidation or a Listing or a transfer to which Articles 13 or 14 would apply within three years from the date of the adoption of these articles (the "**Adoption Date**") which does not cause Article 7.1.2 to apply, if the average annual revenue growth of the Company and its subsidiaries since the Adoption Date is and has been equal to or greater than 5 per cent. the price per share required by Articles 13.3.2 and Article 14 to be offered to the holders of Non-Investor "A" Ordinary Shares shall be such price as would have been offered to them had the relevant transfer given the Investors a total internal rate of return (calculated on a daily accrual basis and on the basis of the actual date of investment and actual date of return) of 25% compound per annum on the Investment Cost and had Article 7.1.1 applied to its maximum extent accordingly.

16. **CONVERSION OF "A" ORDINARY SHARES**

When an "A" Ordinary Share is transferred to a "B" Ordinary Shareholder it shall be converted into a "B" Ordinary Share.

17. **GENERAL PROVISIONS**

17.1 Shareholders' meetings and resolutions

17.1.1 Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days" and by the insertion of the words "or the "B" Director acting alone" after the second word of that regulation.

17.1.2 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

17.1.3 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly.

17.1.4 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

17.1.5 Regulation 53 of Table A is modified by the addition at the end of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly."

17.1.6 Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".

17.1.7 Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it."

17.1.8 Regulation 62 of Table A is modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

17.2 Number of directors

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

17.3 Alternate directors

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

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

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

17.4 Appointment, retirement and removal of directors

- 17.4.1 The directors are not subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation is to be disregarded.
- 17.4.2 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 17.4.3 A person appointed by the directors to fill a vacancy or as an additional director need not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A are deleted.
- 17.4.4 The holders of a majority of the shares giving the right to vote at general meetings may at any time and from time to time by serving notice on the Company remove any director from office and appoint any person to be a director. A removal or appointment takes effect when the notice is received by the Company or on a later date specified in the notice.

Article 17.4.4 does not apply to the removal or appointment of a "B" Director.

17.5 Disqualification and removal of directors

- 17.5.1 The office of a director shall be vacated if:
- (i) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
 - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (iii) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director;
 - (iv) he resigns his office by notice in writing to the Company;
 - (v) he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during such period attended any such meetings instead of him, and the directors resolve that his office be vacated; or
 - (vi) (other than in the case of the "B" Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors.
- 17.5.2 A person voting against a resolution under section 303 of the Act to remove the "B" Director is deemed, in respect of that resolution, to have three times the votes of a person voting in favour of the resolution and regulation 54 of Table A is modified accordingly.

17.6 Proceedings of directors

- 17.6.1 Regulation 88 of Table A is modified by the exclusion of the third sentence and the substitution for it of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively."
- 17.6.2 A director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of the directors is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 17.6.3 The quorum for board meetings shall be at least one "A" Director and one "B" Director provided that if any duly convened board meeting shall be inquorate, a "B" Director (if present) shall be able to adjourn such inquorate meeting to such time and date as he in his absolute discretion shall decide and the quorum at the re-convened meeting shall be one "B" Director.
- 17.6.4 Meetings of the board of directors shall take place no less frequently than once per calendar month and at least five working days' notice shall be given to each director provided that with the consent of a majority of the directors, including the "B" Directors, board meetings may be held less frequently and convened on less notice.
- 17.6.5 If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the Articles by resolution in writing signed by him, and regulations 88, 89, 91 and 93 of Table A and Article 18.6.2 shall not apply.
- 17.6.6 Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The director shall be counted in the quorum present when any such resolution is under consideration and if he votes his vote shall be counted.

17.7 Borrowing powers of directors

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

17.8 Dividends

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

17.9 Capitalisation of profits

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

17.10 Notices

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

17.10.2 A notice sent by post to an address within the United Kingdom is deemed to be given 24 hours after posting, if pre-paid as first class, or 48 hours after posting, if pre-paid as second class. A notice sent by post to an address outside the United Kingdom is deemed to be given four days after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left.

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

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

17.11 Indemnity

17.11.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director or

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

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