

Company number:4417189

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

- of -

**INTERFLOOR GROUP LIMITED**

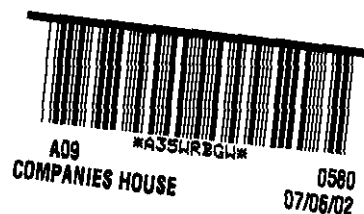
We, the undersigned, being the sole member of the company who, at the date of these resolutions would be entitled to attend and vote at general meetings of the company HEREBY PASS the following resolutions as special or ordinary resolutions (as indicated) and confirm that these resolutions shall, for all purposes be as valid and effective as if they had been passed by me (as sole member) at a general meeting of the company duly convened and held.

**ORDINARY RESOLUTION**

1. That the authorised share capital of the company be increased from £1,000 to £1,000,000 by the creation of an additional 149,000 B Ordinary Shares each ranking pari passu in all respects with the B Ordinary Shares re-designated pursuant to resolution 3 below, and 850,000 A Ordinary Shares each having the rights as set out in the new articles of association of the Company adopted pursuant to resolution 5 below.
2. That the directors are generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to exercise any power of the company to allot and grant rights to subscribe for, or to convert securities into, shares of the company up to a maximum nominal amount equal to the nominal amount of the authorised but unissued share capital at the date of the passing of this resolution. The authority given by this resolution shall expire 5 years after the date of the passing of this resolution unless previously renewed or varied save that the directors may, notwithstanding such expiry, allot any shares, or grant any such rights, or convert any such securities under this authority in pursuance of an offer or agreement so to do made by the company before the expiry of this authority.

**SPECIAL RESOLUTIONS**

3. That the one issued ordinary share in the capital of the Company and the 999 authorised but unissued ordinary shares in the capital of the Company each be re-designated as a B Ordinary Share having the rights as set out in the new articles of association of the Company adopted pursuant to resolution 5 below to be.



4. That sub-sections 89(1) and 90(1) to (6) inclusive of the Companies Act 1985 and any rights of pre-emption (however expressed) contained in the articles of association of the company shall not apply to any allotment of equity securities by the company pursuant to the authority conferred upon them under resolution 2 above.
5. That the form of articles of association attached hereto be adopted as the new articles of association of the Company with effect from the date of this resolution in substitution in their entirety for the existing articles of association of the Company.

Dated: [ 15 ] May 2002



For and on behalf of Laurence Dunn  
*[Management Shareholder taking Subscriber Share]*

Presented by:  
Taylor Joynson Garrett  
Carmelite  
50 Victoria Embankment  
Blackfriars  
London EC4Y 0DX  
Ref: RWC

**COMPANY LIMITED BY SHARES**

---

**ARTICLES OF ASSOCIATION  
OF  
INTERFLOOR GROUP LIMITED**

(Adopted by unanimous written resolution of the Company  
dated 15 May 2002)

**PRELIMINARY**

**1. Table A**

- 1.1 Subject as otherwise provided in these articles the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985/1052) ("Table A") shall constitute the regulations of the Company. In the case of any inconsistency between these articles and the regulations of Table A, the provisions of these articles shall prevail.
- 1.2 Regulations 8, 40, 46, 50, 53, 57, 64 to 69 (inclusive), 73 to 78 (inclusive), 80, 81, 84, 88, 89, 94, 95, 97, 101, 112, 115 and 118 of Table A shall not apply to the Company.

**2. Interpretation**

- 2.1 Words and expressions defined in regulation 1 of Table A have the same meaning when used in these articles. In these articles and in Table A words importing the singular shall include the plural and vice versa, words importing the masculine shall include the feminine, and words importing persons shall include bodies corporate and unincorporated associations. Headings to these articles are inserted for convenience only and shall not affect the construction or interpretation of these articles.
- 2.2 In these articles:

"**A Director**" means a director appointed in accordance with article 32.1;

"**Advances**" means the aggregate amount in pounds sterling paid, contributed or advanced by any Rutland Investor to any Group Company from time to time including without limitation by way of capital, equity, loan or other investment;

**"A Ordinary Shares"** means the A ordinary shares of £1 each in the capital of the Company having rights and being subject to the restrictions set out in these articles;

**"A Ordinary Shareholder"** means a holder of A Ordinary Shares;

**"A Ordinary Shareholder Approval"** means the prior consent or approval in writing of an A Ordinary Shareholder Majority;

**"A Ordinary Shareholder Majority"** means the holder(s) of more than one half of the total number of the A Ordinary Shares for the time being in issue;

**"A Ordinary Shareholders' Representative"** means the duly appointed representative of the A Ordinary Shareholder Majority, being at the Adoption Date, RFML, and any replacement thereof;

**"Adoption Date"** means the date of adoption of these articles;

**"Attributed Value"** means the attributed value calculated in accordance with article 15.4;

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

**"Board"** means the board of directors of the Company as from time to time constituted;

**"B Ordinary Shares"** means the B ordinary shares of £1 each in the capital of the Company having rights and being subject to the restrictions set out in these articles;

**"B Ordinary Shareholder Majority"** means the holder(s) of more than one half of the total number of B Ordinary Shares for the time being in issue;

**"Business Day"** means any day other than a Saturday, Sunday or day which is a public holiday in England;

**"Business Hours"** means the hours of 09.00 to 17.30 on a Business Day;

**"Board Invitees"** has the meaning given to such expression in article 12.5(a)(ii);

**"Cashflows"** means the payments made in respect of the Advances between any Group Company and the A Ordinary Shareholders. Cashflows shall be calculated in respect of each and every successive period of one calendar month prior to any effect of tax in relation to such payments (whether affecting such holder or any Group Company) and accordingly for the purposes of calculating any payments to such holder the gross amount of such payment shall be taken into account (inclusive of any amount deducted or withheld therefrom on account of tax and all dividends and other distributions shall be taken into account in an amount equal to the amount paid plus the amount of any tax credit available to the holder and attributable to that amount by virtue of corporation tax payable thereon). Without prejudice to the generality of the foregoing, Cashflows include:

- (a) the Advances;
- (b) any dividends or other distributions or interest or other sums paid (or which on or prior to or in connection with any Sale or Listing will be paid) by the Company in respect of any part of the Advances;

- (c) any sums paid to a holder of A Ordinary Shares (or which on or prior to or in connection with a Sale or Listing will be paid) on the redemption or repayment by any Group Company of any part of the Advances;
- (d) any sums paid to the A Ordinary Shareholders on all sales of shares which do not constitute a Sale (including the value of any consideration then satisfied otherwise than in cash and including the net present value of any future consideration which is not subject to a contingency (other than a wholly artificial contingency));
- (e) in the case of the determination of IRR in respect of a Sale or Listing or Winding Up, the value of the equity share capital of the Company comprised in the Advances being for this purpose an amount equal to:

$$\frac{A \times C}{B}$$

Where:

A is equal to the number of A Ordinary Shares in issue at the Relevant Date;

B is equal to the total number of Relevant Shares; and

C is equal to the Exit Value;

- (f) any repayments of amounts owing to the A Ordinary Shareholders in respect of Advances;

**"Deferred Shares"** means the deferred shares of shares of £1 each in the capital of the Company arising on a conversion of A Ordinary Shares under article 3.6 having rights and being subject to the restrictions set out in these articles;

**"Exit Value"** shall have the meaning set out in article 3.3;

**"Facilities Agreement"** means the agreement or series of agreement to provide loan facilities and a working capital facility to the Company or any subsidiary undertaking of the Company (as the same may be amended or supplemented from time to time);

**"First Ratchet Percentage"** means twenty per cent (20%);

**"Group Company"** means the Company and any other company (or other entity) which is for the time being a subsidiary undertaking of the Company (and "Group" shall be construed accordingly);

**"IRR"** means that percentage rate per annum which, when applied as a discount to the Cashflows subscribed and received by (or which will and prior to the Relevant Date be received by) the A Ordinary Shareholders over the period of time from and including the Adoption Date down to and including the Relevant Date, calculated on a monthly basis, gives an aggregate value of the discounted Cashflows of zero;

**"Listing"** means either:

- (a) the admission of any of the Company's shares to trading on any recognised investment exchange as such expression is defined under the Financial Services and Markets Act 2000 and such admission becoming effective in accordance with the rules of such exchange; or

- (b) the grant of permission for dealings to take place in any such shares on any other recognised exchange (as defined in the Financial Services and Markets Act 2000) including the Alternative Investment Market;

**"Loan Notes"** means the loan notes of up to £• as advanced by the A Ordinary Shareholders to the Company under the Loan Note Instrument;

**"Loan Note Instrument"** means the loan note instrument created by the Company on or around the Adoption Date and constituting the Loan Notes;

**"member"** means any holder for the time being of shares in the capital of the Company of whatever class;

**"Ordinary Shares"** means the A Ordinary Shares and the B Ordinary Shares (including any shares into which any such shares may be converted, subdivided or consolidated);

**"Permitted Transfer"** has the meaning ascribed to it in article 11;

**"Proportional Entitlement"** has the meaning given in such expression in article 12.5(b);

**"Ratchet Percentage"** means either the First Ratchet Percentage or the Second Ratchet Percentage;

**"Relevant Date"** means the date on which the certificate is issued pursuant to article 3.4 or, if earlier, the date upon which the earlier of either of the following occurs:

- (a) a Listing; or
- (b) a Sale; or
- (c) a Winding Up;

**"Relevant Shares"** means the Ordinary Shares in the issued share capital of the Company at the time of Listing or Sale or Winding Up but, in the case of a Listing, excluding any shares issued by the Company on the occasion of the Listing in order to raise money for the Group;

**"RFML"** means Rutland Fund Management Limited, company registration number 03663454;

**"Rutland Investors"** means together The Rutland Partnership, Rutland Fund A, Rutland Park Avenue LP and their respective transferees, partners, members, stockholders fund managers and beneficiaries from time to time;

**"Sale"** means any person or persons other than the Rutland Investors obtaining a controlling interest in the Company;

**"Second Ratchet Percentage"** means twenty five per cent (25%); and

**"Winding Up"** means the making of an order or the passing of a resolution for the winding up of the Company for any purpose whatever.

- 2.3 In these articles where any consent, approval, direction or agreement of an A Shareholder Majority or otherwise of the A Ordinary Shareholders is required, the consent, approval, direction or agreement in writing of the A Ordinary Shareholders' Representative shall be deemed to be sufficient.

### **SHARE CAPITAL**

3. The share capital of the Company at the date of the adoption of these articles is £1,000,000 divided into:
- (a) 850,000 A Ordinary Shares; and
  - (b) 150,000 B Ordinary Shares.

Such shares shall carry the respective rights set out below.

### **RIGHTS ATTACHING TO SHARES**

#### **3.2 Initial Rights**

Until the Relevant Date, the A Ordinary Shares and the B Ordinary Shares shall be separate classes of shares but, except where otherwise expressly provided in these articles, they shall carry the same rights to income, capital and voting and be subject to the same restrictions and rank *pari passu* in all respects.

#### **3.3 Exit Value**

On or immediately prior to the Relevant Date, the Exit Value shall be determined as follows:

- (a) in the event of a Listing, the Exit Value shall be the price per Ordinary Share, at which the Ordinary Shares the subject of the Listing are to be issued or (as appropriate) placed or, in the case of an offer for sale by tender, by reference to the applicable striking price, as part of the Listing arrangements multiplied by the number of Relevant Shares; or
- (b) in the event of a Sale, the Exit Value shall be the value of the relevant consideration (less the costs and expenses attributable to the Sale) payable at the time of the Sale for the Ordinary Shares which are the subject of the Sale (including the value of any consideration then satisfied otherwise than in cash and including the net present value of any future consideration which is not subject to a contingency (other than a wholly artificial contingency)) and after taking into account any amount required to be applied in the discharge of all principal and interest under the Loan Notes and to the extent required under the terms of the relevant Sale any amount to be applied in the discharge of any bank indebtedness of the Company or the Group as at the Relevant Date; or
- (c) In the event of a Winding Up, the Exit Value shall be the aggregate amount in money or moneys worth available for distribution to the holders of Ordinary Shares.

- 3.4 At least 14 days prior to a Listing or Sale or Winding Up (or, if later in the case of a potential Sale, as soon as practicable after it becomes aware of the real possibility thereof) the A Ordinary Shareholders' Representative shall estimate the likely date of

such Listing or Sale or Winding Up and shall seek to agree with the B Ordinary Shareholders Majority that the calculations set out in this article 3 for determination of the Exit Value, the IRR and the Ratchet Percentage are prepared. In the event that agreement over such calculations has not been reached by such date, the calculations shall be made by the Auditors. Such Auditors for such purposes will be deemed to be acting as experts and not as arbitrators and their certificate shall be final and binding on all shareholders, save in the case of manifest error, each of whom shall be sent a copy as soon as practicable following its issue provided always that if the Listing or Sale or Winding Up shall not occur by the date as at which or on the terms on which the said calculations were made, the procedures set out in this article 3.4 shall be repeated (if necessary or appropriate) by reference to the next date on which the A Ordinary Shareholders' Representative estimate the Listing or Sale or Winding Up is likely to occur and/or by reference to the actual terms concerned, as appropriate. Where the agreement of a B Ordinary Shareholder Majority is obtained to a calculation referred to in this Article 3.4, such agreement shall be final and binding on all B Ordinary Shareholders.

- 3.5 If a Sale is on terms that any part of the consideration for the shares included therein is to be paid subject to a contingency (other than a wholly artificial contingency) ("contingent deferred consideration") after the Relevant Date, no account of the contingent deferred consideration shall be taken in the calculation of the Exit Value or the Cashflows. Should any contingent deferred consideration subsequently be paid or satisfied then upon the final payment or satisfaction thereof the Exit Value, the IRR and the Ratchet Percentage shall be recalculated to include all contingent deferred consideration paid or satisfied and all necessary adjustments in accordance with the principles set out in this article 3 shall be made.

3.6 The Ratchet

- (a) In the event only of the IRR being more than 40% then, on and with effect immediately prior to the Relevant Date such number of A Ordinary Shares shall be converted into and redesignated as Deferred Shares as will result in the total number of B Ordinary Shares, bearing the proportion (as nearly as practicable) to the total number of Relevant Shares immediately after such conversion and redesignation expressed as a percentage as equals the First Ratchet Percentage provided that after having given effect to such adjustment, the IRR shall still be in excess of 40%.
- (b) In the event only of the IRR being more than 50% then, on and with effect immediately prior to the Relevant Date such number of A Ordinary Shares shall be converted into and redesignated as Deferred Shares as will result in the total number of B Ordinary Shares, bearing the proportion (as nearly as practicable) to the total number of Relevant Shares immediately after such conversion and redesignation expressed as a percentage as equals the Second Ratchet Percentage provided that after having given effect to such adjustment, the IRR shall still be in excess of 50%.
- (c) The A Ordinary Shares to be converted shall be selected pro rata as nearly as may be (without involving any conversion of fractions of an A Ordinary Share) between the holders of the A Ordinary Shares in proportion to the number of such shares held by them respectively immediately prior to the Relevant Date even if, on a Sale, the A Ordinary Shares concerned are not included or proposed to be included in the Sale.

3.7 Mechanics for Ratchet Adjustment



On the Relevant Date such adjustments and arrangements shall be made as shall be necessary to give effect to the foregoing provisions of this article 3 to the intent (without limitation) that any proceeds on a Listing or Sale or Winding Up shall be duly apportioned between the holders of the shares of the Company included in the Sale as required by these articles and that such conversions of A Ordinary Shares and Deferred Shares (carrying the rights provided below) shall be effected for the same purpose and the directors are hereby authorised (as if a special resolution to that effect has been hereby passed and as if all separate resolutions or consents required under article 4 had been passed or given) to effect any such conversions so required. For these purposes:-

- (a) on a Listing the Company shall use its best endeavours to procure the admission to or the grant of permission for dealings to take place in the Ordinary Shares arising on conversion on the relevant recognised investment exchange if as part of any Listing arrangements then contemplated the ordinary shares in issue or to be allotted are or will be so admitted or permission for dealings to take place in the same has been or will be granted aforesaid;
- (b) upon determination as provided in article 3.6 of the number of shares to be converted aforesaid, the Company shall give notice thereof to the holders of the shares concerned who (subject thereto) shall be obliged to deliver to the Company the certificates in respect of such shares (or an appropriate indemnity in respect thereof in a form reasonably satisfactory to the Company) so as to be received by the Company, in the case of a Listing, before the time of Listing; and
- (c) within fourteen days after the date of conversion the Company shall send to each holder whose shares have been converted a definitive certificate for the appropriate number of fully-paid A Ordinary Shares or (as relevant) Ordinary Shares and a new certificate for any Deferred Shares then relevant to the certificates surrendered by him.

### 3.8 Deferred Shares

- (a) Any Deferred Shares arising on conversion of A Ordinary Shares as aforesaid shall:-
  - (i) on a return of capital on winding-up or otherwise, entitle the holders thereof to the repayment of the amounts paid up or credited as paid up on such shares after payment in respect of each A Ordinary Share or B Ordinary Share of the amount paid up on such share;
  - (ii) not otherwise entitle the holders thereof to receive or participate in any way in any profits or assets of the Company; and
  - (iii) not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company.
- (b) Conversion of any shares into Deferred Shares as aforesaid shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such person as the Company may determine as custodian thereof and/or to purchase the same (in accordance with the provisions of the Act) in any such case for a price not more than an aggregate sum of 1p for all the Deferred Shares without obtaining

the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate for such Deferred Shares.

- (c) The Company may at its option at any time after the creation of any Deferred Shares by notice in writing to the holders of the same redeem all of the Deferred Shares then in issue, at an aggregate price not exceeding 1p for all the Deferred Shares redeemed, on terms that the recipient of such sum shall be selected by the Company in its absolute discretion.

## **VARIATION OF CLASS RIGHT**

### **4. Variation of Rights**

- 4.1 The rights attached to any class of shares may (whether or not the Company is being wound up) be varied by a resolution of the directors and with either the consent in writing of the holder or holders of not fewer than 75% in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class but not otherwise.
- 4.2 To every such separate meeting aforesaid all provisions applicable to general meetings of the Company or to the proceedings thereat shall mutatis mutandis apply except that the necessary quorum shall be one person present and holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as so defined is not present the member or members present shall be a quorum) and that any holder of shares of the class present may demand a poll and such holders shall on a poll have one vote in respect of every share of such class held by them respectively.
- 4.3 The articles of association of the Company may be varied only with the sanction of a special resolution passed at a separate meeting of the holders of each class of shares but not otherwise.
- 4.4 Any reduction of the issued share capital of the Company where by way of own purchase of shares reduction of share capital or otherwise may only be effected with the sanction of a special resolution passed at a separate meeting of the holders of each class of shares but not otherwise.

## **ALLOTMENT OF SHARES**

### **5. Authority to allot**

- 5.1 Subject to the provisions of Table A and to the provisions of these articles, the directors are generally and unconditionally authorised to exercise any power of the Company to offer, allot or grant rights to subscribe for or convert securities into or otherwise dispose of any shares (or interests in shares) in the Company, or any other relevant securities, up to the authorised share capital of the Company as at the Adoption Date, to such persons, at such times and generally on such terms and conditions as the directors think proper provided that such authority shall only apply insofar as the Company in general meeting shall not have varied, renewed or revoked the same and provided that such authority may only be exercised within five years commencing upon the Adoption Date.

- 5.2 Any offer or agreement in respect of relevant securities, which is made by the Company prior to the expiration of such authority and in all other respects within the terms of such authority, shall be authorised to be made, notwithstanding that such offer or agreement would or might require relevant securities to be allotted after the expiration of such authority and, accordingly, the directors may at any time allot any relevant securities in pursuance of such offer or agreement.
- 5.3 The authority conferred upon the directors to allot relevant securities may at any time, by ordinary resolution of the Company in general meeting, be revoked, varied or renewed (whether or not it has been previously renewed under these articles) for a further period not exceeding five years.

## **6. Pre-emption on allotment**

- 6.1 The shares comprised in the authorised share capital of the Company at the Adoption Date shall be at the disposal of the directors as they think proper, but unless otherwise determined by special resolution of the Company, any shares, securities convertible into shares or rights over shares ("**Relevant Securities**") which the Company proposes to allot or grant to any person (the "**Proposed Allotees(s)**") shall first be offered for subscription to the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held by such holder, provided that the offer to the holders of each class of shares shall be identical in all respects as if all classes of shares formed one class of share.
- 6.2 Such offer shall be made by notice in writing specifying the number of Relevant Securities to which the relevant holder is entitled the price per share at which the Relevant Securities are to be so offered for subscription (being the "**Offer Price**" determined in accordance with article 6.4 below) and limiting a time (being not less than two weeks) within which the offer (if not accepted) will be deemed to have been declined.
- 6.3 The Offer Price shall be the price per Relevant Security offered (or to be offered) for subscription or grant to the Proposed Allotee(s) provided that where such price per Relevant Security is not wholly in cash or there is a dispute between a holder of Ordinary Shares and the Company as to the Offer Price, the Offer Price shall be such amount in cash as shall be certified in writing by the Auditors (acting as experts and not arbitrators) as being equivalent to the price per Relevant Security otherwise payable by the Proposed Allotee(s).
- 6.4 Holders of shares in the Company who accept the offer shall be entitled to indicate that they would accept, on the same terms, Relevant Securities (specifying a maximum number) which have not been accepted by other holders ("**Excess Securities**"). Any Excess Securities shall be allotted to holders who have indicated they would accept Excess Securities. Excess Securities shall be allotted pro rata to the aggregate number of Ordinary Shares held by holders accepting Excess Securities (provided that no such holder shall be allotted more than the maximum number of Excess Securities such holder has indicated he is willing to accept). After the expiration of such time, or upon receipt by the Company of an acceptance or refusal of every offer so made, the Board shall be entitled to dispose of any Relevant Securities so offered, and which are not required to be allotted in accordance with this article 6, in such manner as the Board may think most beneficial to the Company at any price not less than the Offer Price. If, owing to the inequality of the number of new securities to be issued and the number of shares held by holders entitled to receive the offer of new securities, any difficulties shall arise in the apportionment of any such new shares amongst the holders such

difficulties shall (in the absence of direction by the Company) be determined by the Board (acting reasonably).

- 6.5 The provisions of section 89(1) and section 90(1) to (6) (inclusive) of the Companies Act 1985 shall not apply to the Company.

#### **RENOUNCEABLE ALLOTMENT LETTERS**

7. Where any renounceable allotment letters or other renounceable documents are issued by the Company in respect of the issue or offer of any shares, the directors may at their discretion impose such restrictions as they may think fit upon the right of any allottee or other person to whom the offer is made to renounce the shares so allotted or offered.

#### **LIEN**

8. The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all moneys (whether presently payable or not) payable in respect of that Share or otherwise owing by the holder of such Share to the Company. The directors may at any time declare any Share to be wholly or in part exempt from the provisions of this article.

#### **TRANSFER OF SHARES**

##### **9. Power of refusal**

- 9.1 No transfer of any share in the capital of the Company (or of any interest in any shares) shall be made or registered unless such transfer complies with the provisions of these articles.
- 9.2 No share and no interest in any share shall be transferred to any infant, bankrupt or person of unsound mind and the directors shall refuse to register any such transfer.
- 9.3 For the purposes of these articles the following shall be deemed (but without limitation) to be a transfer by a holder of shares in the Company:
- (a) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of any shares that a share be allotted or issued or transferred to some person other than himself; and
  - (b) any sale or any other disposition (including by way of charge or other security interest) of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing.
- 9.4 In addition to the powers granted by regulation 24 of Table A, the directors may refuse to register the transfer of any share if they have reasonable grounds for believing that such share will or may be transferred to or become beneficially owned by a person carrying on business in competition with any business for the relevant time being carried on by a Group Company.
- 9.5 If, in relation to a transfer of a share, the transferor thereof is a party to any agreement between the Company and some or all of its members (being an agreement additional to these articles) then the directors may:

- (a) require the transferee of such share to enter into a written undertaking (in such form as the directors may prescribe) to be bound (to such extent as the directors may reasonably stipulate) by the provisions of such agreement; and
- (b) decline to register the transfer of such share unless and until the transferee has entered into such written undertaking.

## 10. Registration of transfers

The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members of the Company in respect thereof.

## 11. Permitted Transfers

### 11.1 Any holder of A Ordinary Shares may at any time transfer all or any of its shares to:

- (a) any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "**Transfer Group Company**") but if a Transfer Group Company whilst it is a holder of shares in the Company shall cease to be a Transfer Group Company in relation to the body first holding the relevant shares following their allotment or following a transfer made in accordance with this article 11 (otherwise than pursuant to this article 11.1) it shall, within 21 days of so ceasing, transfer the shares held by it to such body and failing such transfer the relevant holder(s) shall be deemed to have given a Transfer Notice pursuant to articles 12 and 14;
- (b) any corporation or partnership in which such holder, or any subsidiary or holding company of such holder or any subsidiary of any such holding company, is interested or holds a partnership interest; or
- (c) any other party as may be approved in writing by an A Ordinary Shareholder Majority provided always that subject to obtaining such approval, the Rutland Investors shall be entitled to freely transfer any of their holding of shares in the capital of the Company.

### 11.2 Subject as herein provided any holder of shares who is an individual (the "**Original Member**") may at any time transfer all or any of his shares originally allotted to him or any beneficial interest therein for whatever consideration to his or her spouse or adult children or adult step children or to the trustee or trustees (the "**Trustees**") of a family trust set up wholly for the benefit of one or more of the transferor his or her spouse children or step children and of which the said holder is the settlor (each a "**Permitted Transferee**") and a Permitted Transferee may transfer any of those shares to any other Permitted Transferee but if a Permitted Transferee whilst it is a holder of shares shall cease to be a spouse in relation to the person first holding the relevant shares following their allotment or following a transfer made in accordance with this article 11 he shall, within 21 days of so ceasing, transfer the shares held by him to the person whose former spouse he was and failing such transfer the relevant holder(s) shall be deemed to have given a Transfer Notice pursuant to articles 12 and 14.

### 11.3 The Trustees may at any time (i) transfer all or any of their shares to a company of which they hold the whole of the share capital and which is controlled by them **PROVIDED THAT** if any such company, while it is a member of the Company, shall

cease to be such a company it shall, within 21 days of so ceasing, transfer the shares held by it back to the Trustees or to a company of which the Trustees hold the whole share capital and which is so controlled failing which it or the relevant holder(s) (if different) shall be deemed to have given a Transfer Notice pursuant to articles 12 and 14 or (ii) transfer all or any of their shares to the Original Member or to any other Permitted Transferee.

- 11.4 Any person holding shares transferred to him pursuant to articles 11.2 or 11.3 shall be deemed to have irrevocably appointed the original transferor of such shares as his proxy in respect of such shares and no instrument of appointment shall be necessary to be deposited with the Company or any subsidiary of the Company.
- 11.5 Any holder of shares in the Company may at any time transfer all or any of his shares to a nominee or trustee for that holder alone and any such nominee or trustee of any person or persons may at any time transfer any shares to that person or persons or to another nominee or trustee for that person or persons **PROVIDED THAT** no beneficial interest in such shares passes by reason of any such transfer.
- 11.6 Any shares may be transferred pursuant and in accordance with articles 12 to 15 (inclusive).

## **12. Pre-emption on a Sale**

- 12.1 Any holder of shares (other than a Rutland Investor) in the Company who (having obtained the prior written consent of the Rutland Investors) wishes to transfer shares (the "**Seller**") otherwise than in accordance with article 11 shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:
  - (a) the number and class(es) of shares which he wishes to transfer (the "**Sale Shares**");
  - (b) the name of the third party (if any) to whom he proposes to sell the Sale Shares;
  - (c) the price at which he wishes to transfer the Sale Shares (which shall be deemed to be the Attributed Value of the Sale Shares if no price is specified) (the "**Transfer Price**"); and
  - (d) whether or not the Transfer Notice is conditional upon all, and not part only, of the Sale Shares being sold pursuant to the offer hereinafter mentioned and, if not, whether it is conditional upon the different classes of share, if relevant, comprised in the Sale Shares being sold in the same proportions which they bear to each other. In the absence of either such stipulation, it shall be deemed not to be so conditional.
- 12.2 Where any Transfer Notice is deemed to have been given in accordance with these articles (a "**Deemed Transfer Notice**"), the Deemed Transfer Notice shall be treated as having specified:
  - (a) that all of the shares registered in the name of the Seller shall be included for transfer;
  - (b) that (subject to article 15) the price for the Sale Shares shall be as agreed between the Board (any director with whom the Seller is connected (within the

meaning of section 346 of the Companies Act 1985) not voting) and the Seller or, failing agreement, shall be the Attributed Value of the Transfer Shares; and

(c) that no condition as referred to in article 12.1(d) shall apply.

12.3 No Transfer Notice or Deemed Transfer Notice once given shall be withdrawn.

12.4 The Transfer Notice shall constitute the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

12.5 (a) (i) The Company shall as soon as practicable following receipt of a Transfer Notice or in the case of Deemed Transfer Notices, where later, upon the determination of the Transfer Price give notice in writing to each of the holders of shares in the Company or (as the case may be) any Board Invitees informing them that the Sale Shares are available and of the Transfer Price. Such notice shall invite each holder or Board Invitee to state, in writing within 28 days from the date of such notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares. Sale Shares of a particular class specified in column (1) below shall be treated as offered:

- (A) in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below;
- (B) to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below; and
- (C) in the case of B Ordinary Shares, to the extent not accepted by persons in the categories set out in columns (2) and (3), to all persons in the category set out in the corresponding line in column (4) in the table below

but no Ordinary Share shall be treated as offered to the Seller or any other holder of Ordinary Shares who is then bound to give or deemed to have given a Transfer Notice in relation to which the procedures in these articles have not been completed.

(1) Sale Shares	(2) Offered First to	(3) Offered Secondly to	(4) Offered Thirdly to
A Ordinary Shares	Holders of A Ordinary Shares	Holders of B Ordinary Shares	Board Invitees
B Ordinary Shares	To such person or persons as the A Ordinary Shareholder Majority directs subject to the prior written consent of the B Ordinary Shareholder Majority	n/a	n/a

- (ii) The expression "**Board Invitees**" in these articles means persons (including the trustees of any trust for the benefit of employees of, and any actual or proposed employee of any Group Company and subject to any other approvals required by the Act or these articles, the Company) selected within 60 days of the Transfer Notice or Deemed Transfer Notice by the Board. If no Board Invitees have been selected within such period the Sale Shares shall be treated as not having been accepted by such category of persons.
- (b) Sale Shares shall be offered to each category of offeree on terms that, in the event that the proposed aggregate acceptances by the offerees of shares which are the subject of the offer exceeds the number of Sale Shares, the Sale Shares offered shall be sold to the holders accepting the offer in proportion (as nearly as may be) to their existing holdings of shares of the class or classes to which the offer is made (the "**Proportionate Entitlement**"). It shall be open to each such offeree to specify if he is willing to purchase shares in excess of his Proportionate Entitlement ("**Excess Shares**") and, if the offeree does so specify, he shall state the number of Excess Shares.
- (c) After the expiry of the offers to be made pursuant to article 12.5(a) (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in article 12.5(a)), the Board shall, in respect of each offer made to the categories of persons referred to in columns (2) and (3) in article 12.5(a), allocate the Sale Shares in the following manner:
  - (iii) if the total number of shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or
  - (iv) if the total number of shares applied for is more than the available number of Sale Shares, each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied); applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which shares of the relevant class held by such holder bears to the total number of shares of that class held by all such holders applying for Excess Shares **PROVIDED THAT** such holder shall not be allocated more Excess Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Seller and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 14 days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

- 12.6 Subject to article 12.7, upon such allocations being made as aforesaid, the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified. If he makes default in so doing:



- (a) the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver in the name and on behalf of the Seller all documents necessary to give effect to the transfer of the relevant Sale Shares to the Member Applicant;
- (b) the Board and/or any Director may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the shares so purchased by him or them; and
- (c) the Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.

The appointment referred to in article 12.6(a) shall be irrevocable and is given by way of security for the performance of the obligations of the relevant holder of shares in the Company under these articles.

- 12.7 If the Seller shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold none shall be sold and if the total number of shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 28 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this article 12 shall be conditional upon such provision as aforesaid being complied with in full.
- 12.8 In the event of all the Sale Shares not being sold under the preceding paragraphs of this article 12 the Seller may, at any time within two calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares (which have not been sold) to any person or persons at any price not less than the Transfer Price **PROVIDED THAT:**
  - (a) the Board shall be entitled to refuse registration of the proposed transferee (unless it shall be an existing Member or a Group Company of an existing Member) if (i) he is or is believed to be a nominee for a person reasonably considered by the Board to be a competitor or connected with a competitor of the business of the Company and/or its subsidiaries and (ii) if such transfer was registered more than five per cent. of the ordinary share capital of the Company would be held by or by nominees for competitors or persons connected with competitors of the business of the Company and its subsidiaries **PROVIDED THAT** the Board shall not be so entitled if the transfer is made pursuant to a Drag Along Notice;
  - (b) if the Seller stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Seller shall not be entitled, save with the written consent of all of the other holders of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons; and

- (c) any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the buyer and, if not so satisfied, may refuse to register the instrument of transfer.

12.9

- (a) Where A Ordinary Shares are transferred to the holders of B Ordinary Shares in accordance with Article 12, then such Sale Shares shall immediately following transfer pursuant to Article 12.6 be re-designated as B Ordinary Shares.
- (b) Where B Ordinary Shares are transferred to an A Ordinary Shareholder in accordance with Article 12, then such Sale Shares shall immediately following transfer pursuant to Article 12.6 be re-designated as A Ordinary Shares.

### 13. Drag Along

- 13.1 If an offer is made by any third party (the "Offeree") for A Ordinary Shares in the capital of the Company and such offer is conditional upon all of the issued Ordinary Shares in the Company being sold or, if the price to be paid for the Ordinary Shares will be increased if all of the Ordinary Shares in the Company are sold and acceptances are given by holders of such shares (the "Accepting Shareholders") which in aggregate confer not less than 50.1 per cent. of the voting rights exercisable at general meetings of the Company by the holders of A Ordinary Shares by virtue of their holdings of such shares, the Accepting Shareholders may require by written notice all of the other holders of Ordinary Shares (the "Non-Accepting Shareholders") to accept the offer on terms that they shall be entitled to receive for their holdings of Ordinary Shares a consideration equal in value to an amount for each such share equal to the price per share offered by the Offeree (which price shall be deemed to include any consideration (whether in cash or otherwise) payable by the Offeree (or any connected person) which, having regard to the substance of the transaction as a whole, would reasonably be regarded as an addition to the price so paid or payable). The value of any non-cash consideration or cash consideration payable on deferred terms shall be as agreed between the A Ordinary Shareholder Majority and the B Ordinary Shareholder Majority and the absence of such agreement shall be determined by the Auditors who shall, if so requested, certify that value as at the date of completion of the sale of the relevant Ordinary Shares and such determination by the Auditors shall, in the absence of manifest error, be conclusive and binding for all purposes relating to the transfer of the Ordinary Shares.
- 13.2 Within 30 Business Days of receiving the notice from the Accepting Shareholders referred to in article 13.1, the Non-Accepting Shareholders must agree to sell all of their Ordinary Shares to the Offeree. If the Non-Accepting Shareholders refuse to transfer such shares within the 30 Business Day period then, with effect from the date of termination of the 30 Business Day period, each of the Non-Accepting Shareholders shall have irrevocably appointed any one of the Accepting Shareholders as its attorney to transfer the Ordinary Shares held by each Non-Accepting Shareholder on its behalf to the Offeree on the terms of the offer. Such attorney shall be entitled to execute any necessary documentation for the purposes of such transfer.

#### 14. Tag Along

If the effect of any transfer of A Ordinary Shares by any holder or holders of shares (a **"Proposed Vendor"**) would, if completed, be to enable any person or persons connected with each other or persons acting in concert with each other (each a **"Proposed Transferee"**) to obtain such number of shares which in aggregate confer 50.1 per cent or more of the voting rights exercisable at general meetings of the Company by the holder or holders of shares by virtue of their holdings of such shares (the **"Appropriate Percentage"**), the Proposed Vendor shall, prior to any such transfer (the **"Proposed Transfer"**), procure the making by the Proposed Transferee or, as the case may be, the Proposed Transferees of an offer to all of the other holders of Ordinary Shares (other than any person or persons connected with each other or acting in concert with each other who shall as a consequence of the Proposed Transfer obtain the Appropriate Percentage) on terms that they shall be entitled to receive for their holdings of shares a consideration equal in value to an amount for each such share equal to the highest price per share paid or payable by the relevant third party for any of the shares to be transferred by the Proposed Vendor (which price shall be deemed to include any consideration (whether in cash or otherwise) paid or payable by the relevant third party (or any connected person) which, having regard to the substance of the transaction as a whole, would reasonably be regarded as an addition to the price so paid or payable). The value of any non-cash consideration or cash consideration payable on deferred terms shall be as agreed between the A Ordinary Shareholder Majority and in the B Ordinary Shareholder Majority and in the absence of such agreement shall be determined by the Auditors who shall, if so requested, certify that value as at the date of completion of the sale of the relevant shares and such determination by the Auditors shall, in the absence of manifest error, be conclusive and binding for all purposes relating to the transfer of the Proposed Vendor's shares.

#### 15. Mandatory transfers

15.1 Whenever any employee or director of the Company or any subsidiary of the Company or any individual who is otherwise having his services provided to the Company or any subsidiary of the Company (the **"Departing Employee"**) shall, for any reason, cease to be a director or employee of the Company or any subsidiary of the Company, or shall cease to have his services provided to the Company or any subsidiary of the Company, or upon the business of the company of which he is a director or employee or to which his services are provided being sold by the Company or such subsidiary, or upon the subsidiary of which he is a director or employee or to which his services are provided being sold by the Company and, in either such case, he ceases to be a Director or employee of, or person whose services are provided to, either the Company or any of its then remaining subsidiaries then the Board may at any time following the date of such cessation serve a written notice (the **"Company Notice"**) on all or any of the following:

- (a) such Departing Employee, in respect of all shares of whatever class then held by him;
- (b) any person or persons (or their nominees) (collectively, the **"Departing Employee Associate"**) who, at or before the time of the allotment, issue, transfer or other acquisition of shares to or by the Departing Employee's Associate, is designated as the holder of shares in the Company on behalf of or in the place of the relevant Departing Employee;

- (c) any person or persons (or their nominees) to whom shares formerly held by such Departing Employee or Departing Employee's Associate have been transferred (whether or not by such Departing Employee or, as the case may be, Departing Employee's Associate) pursuant to article 11 (other than article 11.6) in respect of all shares so transferred;
- (d) any person or persons who, in relation to the Departing Employee or Departing Employee's Associate, is or are a Trustee or Trustees (as defined in article 11.2) (or their nominees), in respect of all shares of whatever class then held by such Trustees; and
- (e) any person or persons (or their nominees) to whom shares formerly held by such Trustee(s) (or their nominees) have been transferred pursuant to article 11 (other than article 11.6) (whether or not by such Trustee(s) or their nominee(s)), in respect of all shares so transferred,
- (f) such persons, inclusive of the Departing Employee and Departing Employee's Associate, being the "**Retiring Members**"). The Company Notice may require the relevant Retiring Member(s) to give a Transfer Notice (and, if no such Transfer Notice is given within ten days of the date of the Company Notice, the relevant Retiring Member(s) shall automatically be deemed to have given a Transfer Notice) to the Company indicating that he desires and/or they desire (as the case may be) to transfer all of his and/or their (as the case may be) shares in the Company (the "**Transfer Shares**").

## 15.2

- (a) If the reason for the person having become a Departing Employee is:
  - (i) during the period of twelve months from the Adoption Date, for one of the reasons set out in article 15.2(b)(i) or (ii), the transfer price shall be the higher of the nominal value of the Transfer Shares and the Attributed Value of the Transfer Shares;
  - (ii) subject to article 15.2(a)(iv), during the period of twelve months from the Adoption Date, for any reason other than one of the reasons set out in article 15.2(b) (i) or (ii), the transfer price shall be the nominal value of the Transfer Shares;
  - (iii) after a date twelve months from the Adoption Date, for one of the reasons set out in article 15.2(b)(i) to (v), the transfer price shall be the Attributed Value of the Transfer Shares;
  - (iv) for any reason other than one of the reasons set out in article 15.2(b)(i) to (v) and whether before or after the expiry of the period of twelve months from the Adoption Date, the transfer price shall be the lower of the nominal value of the Transfer Shares and the Attributed Value of the Transfer Shares.
- (b) The reasons mentioned in article 15.2(a) are:
  - (i) his death; or
  - (ii) his ill health or permanent disability; or

- (iii) his retirement on reaching the later of age 60 and normal retirement age under the Departing Employee's service contract or other arrangements pursuant to which his services are provided; or
- (iv) his giving notice to terminate his contract of employment or other arrangements pursuant to which his services are provided to the Company or any subsidiary of the Company provided that such notice is given subsequent to the second anniversary of the Adoption Date and at the time of his giving such notice neither the Company nor any subsidiary of the Company had grounds to summarily dismiss or summarily terminate such contract of employment or other arrangements; or
- (v) his dismissal or termination of other arrangements pursuant to which his services are provided to the Company or any subsidiary of the Company in circumstances which do not justify (or which, if the Departing Employee were an employee would not so justify) the summary dismissal or summary termination of the Departing Employee.

- 15.3 As from the date a Transfer Notice is deemed to have been given pursuant to and in accordance with article 15.1 until such time as the provisions of article 12 have been complied with in relation to the Transfer Shares comprised in the Transfer Notice the shares in respect of which such notice is given shall cease to entitle the holder thereof (or any proxy) to any voting rights (whether on a show of hands or on a poll) otherwise attaching to such shares or to any further shares issued in right of such shares or in pursuance of any offer made to the holder thereof whether such rights would otherwise have been exercisable at a general meeting of the Company or any separate meeting of the class in question.
- 15.4 For the purposes of article 15.2(a), the "**Attributed Value**" shall (unless and to the extent that an A Ordinary Shareholder Majority and the Departing Employee agree otherwise at the relevant time) be the market value of the Transfer Shares in question determined by reference to article 15.5.
- 15.5 For the purposes of calculating the Attributed Value, the Departing Employee and the directors (other than any Departing Employee whose Shares are required to be transferred pursuant to this article 15), shall use reasonable endeavours to attempt to agree the Attributed Value within 14 clear days of the date upon which a Company Notice is deemed to have been given pursuant to and in accordance with article 15.2(a). If the Attributed Value shall not have been so agreed within such period, the directors shall instruct the Auditors or, at the election of the Departing Employee, an independent firm of chartered accountants to be agreed between the directors and the Departing Employee, and in the absence of agreement to be nominated by the President of the Institute of Chartered Accountants to determine and certify as soon as practicable the sum per Transfer Share considered in their opinion to be the market value thereof and the sum per Transfer Share so determined and certified shall be the Attributed Value. In assessing the market value of the Transfer Shares, the Auditors or independent expert shall proceed on the basis that:
- (a) there is no discount or premium by reason of the fact that the Transfer Shares do or do not form a minority or majority of all shares in the capital of the Company;

- (b) there is a willing buyer and seller for the Transfer Shares on an arm's length basis;
- (c) regard is taken of the fair value of the business of the Company as a going concern;
- (d) regard is taken of any right to subscribe for, or to convert any security into, shares in the Company or any subsidiary (as such term is defined in the Act) of the Company;
- (e) regard is taken to the likely effect upon the value of the Company given the departure of the Departing Employee;
- (f) all inherent tax and other liabilities and obligations of the Company and its subsidiaries (as such term is defined in the Act) are taken into account.

15.6 The Auditors or independent expert's determination shall in the absence of manifest error be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certification or by anything done or omitted to be done by them for the purpose thereof or in connection therewith. For the purposes of this article 15, the Auditors or independent expert shall act as experts and not as arbitrators.

15.7 The costs of the Auditors or independent expert shall be borne by the Company unless the amount determined by the Auditors or independent expert is less than that suggested by the Board in which event the costs of the Auditors or independent expert shall be borne by the Departing Employee, as the case may be.

## **16. Compliance**

16.1 For the purpose of ensuring (i) that a transfer of shares is duly authorised under these articles or that (ii) no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these articles, the Board may require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the holder's name.

16.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice is required to be or ought to have been given, or that no such offer is required to be or ought to have been made, or that as a result of such information and evidence the Board is reasonably satisfied that such Transfer Notice is required to be or ought to have been given, or that such an offer is required to be or ought to have been made where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the holder of the relevant shares in respect of such shares.

## PROCEEDINGS AT GENERAL MEETINGS

### 17. Quorum

- 17.1 No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business and also when such business shall be voted upon. Two members so present and entitled to vote (one of whom shall be a holder of A Ordinary Shares present in person or by a duly authorised representative or a proxy)) shall be a quorum for all purposes PROVIDED THAT, in circumstances where there is only one member entitled to vote at a general meeting, the quorum for any general meeting shall for all purposes be that member so present.
- 17.2 If a quorum is not present at any such adjourned meeting as is referred to in regulation 41 of Table A, then, provided that the member present holds shares which together represent 75% or more of the Ordinary Shares in issue which at that time carry a right to vote at general meetings, any resolution agreed to by such member shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 17.3 Any reference to presence at a general meeting or class meeting shall include presence of a member in person or by proxy or (being a corporation) by a duly authorised representative and shall include presence which is deemed in accordance with these articles (and "present" shall be construed accordingly).

### 18. Voting and right to demand a poll

- 18.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration by the chairman of the result of the show of hands, demanded in accordance with article 18.2.
- 18.2 A poll may be demanded at any general meeting by the chairman or by any member present and entitled to vote at that meeting.
- 18.3 If at any general meeting any votes shall be counted which ought not to have been counted, or not be counted which ought to have been counted, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, and not in that case unless it shall, in the opinion of the chairman of the meeting, be of sufficient magnitude to vitiate the result of the voting.
- 18.4 In regulation 54 of Table A the words ",not being himself a member entitled to vote," shall be deleted.

### 19. Participation by conference telephone

Any member or member's proxy or duly authorised representative (being a corporation) may participate in a general meeting or a meeting of a class of members of the Company by means of conference telephones or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.

## **SINGLE MEMBER**

### **20. Quorum when single member and record of decisions of single member**

- 20.1 Notwithstanding any provision to the contrary in these articles or in Table A, in circumstances where the Company has only one member, that member present in person or by proxy shall be a quorum.
- 20.2 A single member shall, upon taking a decision which may be taken by the Company in general meeting and which has effect as if agreed by the Company in general meeting (unless that decision is taken by way of written resolution or unanimous assent), provide the Company with a written record of that decision.
- 20.3 For so long as the Company is a single member Company, all provisions of these articles and of Table A shall be construed so as to be consistent with the Company only having one member.
- 20.4 If, for any reason, the number of members of the Company increases beyond one and for so long as the number of members is more than one, the provisions of this article shall not apply.

## **MEMBERS' ASSENT**

- 21. Pursuant to the rights and powers under common law of all members having the right to receive notice of and to attend and vote at general meetings to assent or agree to any matter, such members' assent or agreement to any matter may (without limitation), if written be evidenced by one or more documents (including a telex, facsimile, cable or telegram) each accurately stating the terms of the assent or agreement and signed by or on behalf of or otherwise emanating from one or more of such members. Any such signature may be given personally or by a duly appointed attorney or in the case of a body corporate by an officer or by its duly authorised corporate representative.
- 22. The provisions of article 21 are in addition to and not exclusive of:
  - (a) any other rights and powers under common law of all members or any class of members having the right to attend and vote at general meetings to assent or agree to or ratify any matter or to pass any resolution by unanimous written consent; and
  - (b) any statutory rights of the members or any class of members under sections 381A and 381B of and schedule 15A to the Act,

all of which rights and powers may be exercised by the members as an alternative to the unanimous assent or agreement referred to in article 21.

## **PROXIES**

- 23. An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority may be handed to the chairman of the relevant meeting and regulation 62 of Table A shall be modified accordingly.
- 24. An instrument appointing a proxy shall be deemed to include authority for the proxy to vote on any amendment of a resolution put to the meeting for which the proxy was appointed in such manner as the proxy sees fit.



## **DIRECTORS**

### **25. Number**

Unless otherwise determined by special resolution of the Company the number of the directors shall be not fewer than two but shall not be subject to any maximum number.

### **26. Eligibility**

- 26.1 Any adult person may be appointed or elected as a director whatever may be his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

## **BORROWING POWERS**

27. The directors may exercise all the powers of the Company to borrow or raise money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage or charge over its undertaking, property and uncalled capital, or any part thereof and subject in the case of any security convertible into shares to section 80 of the Act to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **DIRECTORS' INTERESTS**

### **28. Duty to declare interests**

A director who is in any way interested in a contract or a proposed contract with the Company (whether directly or indirectly) must declare the nature of his interest at any meeting of the directors or of a committee of the directors at which such contract or proposed contract is to be discussed, or otherwise by notice to the directors in accordance with the provisions of the Act. Having made such disclosure a director shall be entitled to vote at a meeting of directors or of a committee of the directors in respect of such contract or proposed contract in which he is interested and shall also be counted in reckoning whether a quorum is present or deemed to be present at the meeting of the directors or, if relevant, the committee of the directors.

### **29. Remuneration**

A director may, notwithstanding his office, hold and be remunerated in respect of any office or place of profit held in the Company provided that he has previously complied with all requirements of the Act relating to disclosure of interests, and he or any firm, company, or other body in which he has an interest may act in a professional capacity for the Company and be remunerated for such work and shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or place of profit. Regulation 85 of Table A shall be modified accordingly.

### **30. Nature of interests and general notices**

For the purposes of regulation 85 of Table A (as modified by articles 28 and 29) a director shall be considered to be interested in any contract, transaction or arrangement

(if he would not otherwise be so interested) in which he is treated as interested for the purposes of section 317 of the Act. In the case of any transaction or arrangement with the Company in which the director is interested, a general notice given by a director and which otherwise complies with regulation 86(a) of Table A shall not be a disclosure as provided in that regulation unless it relates to a specified company or firm or other body in which he is interested or to a specified person who is connected with the director within the meaning of section 346 of the Act. Regulation 86 of Table A shall be modified accordingly.

### **DISQUALIFICATION OF DIRECTORS**

31. The office of a director shall be vacated immediately:
- (a) If (not being precluded from so doing by the terms of any contract with the Company) by notice to the Company he resigns the office of director; or
  - (b) If he is or becomes bankrupt or insolvent or enters into any arrangement with his creditors; or
  - (c) If he is or becomes incapable by reason of illness, injury or mental disorder of exercising his functions as a director properly; or
  - (d) If he is removed from office by a resolution duly passed pursuant to section 303 of the Act; or
  - (e) in the case of a person who is also an employee of the Company or another Group Company, he ceases to be such an employee and the directors resolve that his office be vacated; or
  - (f) If he is prohibited from being a director by an order made under the Company Directors Disqualification Act 1986 or otherwise by law.

### **ROTATION OF DIRECTORS**

32. The directors shall not be liable to retirement by rotation and accordingly the second and third sentences in regulation 79 of Table A shall not apply to the Company nor shall any other references to retirement by rotation in Table A.

### **MEMBERS' APPOINTMENTS**

- 32.1 An A Ordinary Shareholder Majority (acting by the A Ordinary Shareholders' Representative) shall be entitled to appoint and maintain up to two persons as directors of the Company (to be known as the A Directors) and to remove from office any A Director so appointed and to appoint another person in the place of any person who shall have been so removed or shall have ceased for any reason to be an A Director.
- 32.2 An A Ordinary Shareholder Majority (acting by the A Ordinary Shareholders' Representatives) shall further be entitled to appoint and maintain one further person as the chairman of the Board (who shall not be an A Director) and to remove from office any director so appointed and to appoint another person in place of any person who shall have been so removed or shall have ceased for any reason to be such a director.
- 32.3 Any appointment or removal of a director pursuant to article 32.1 and 32.2 above shall be effected by notice in writing to the Company signed by the A ordinary Shareholders' Representative and shall take effect at and from the time when such notice is lodged at

the registered office of the Company or produced to a meeting of the directors of the Company.

## **PROCEEDINGS OF DIRECTORS**

### **33. Regulation of meetings**

The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

### **34. Calling and notice of meetings**

A director may, and the secretary on the requisition of a director shall, at any time call a meeting of the directors. Notice of every meeting of the directors shall be given to every director, but the non-receipt of notice by any director shall not invalidate the proceedings at any meeting of the directors. Any director may waive his entitlement to notice of any meeting and such waiver may be prospective or retrospective.

A director absent or intending to be absent from the United Kingdom shall be entitled to request that notices of meeting of the directors (or any committee of the board) be sent to him at an address or to a fax or telex number given by him to the Company for this purpose, but if no such request is made to the directors, it shall not be necessary to give notice of a meeting to a director who is for the time being absent from the United Kingdom.

### **35. Quorum**

The quorum necessary for the transaction of the business of the directors shall be two and shall include at least one A Director and PROVIDED THAT in circumstances where there is one director only, the quorum for any meeting of directors or committee of directors shall be one and that director or his alternate shall exercise all the powers and discretions expressed to be vested in the directors by the regulations of Table A and by these articles.

### **36. Voting**

36.1 Questions arising at a meeting shall be decided by a majority of votes. The chairman be elected from time to time by the A Directors and shall not have a second or casting vote at meetings of the board.

36.2 If at any meeting of the directors or any committee of the directors the votes exercisable by the A Directors (or any alternate) present in person would be less than the number of votes exercisable by the other directors (not being A Directors) present in person (or by any alternate) then the votes of the A Directors present in person (or by any alternate) shall be increased such that they may be entitled to cast one more vote than could be cast in aggregate by the other such directors (or their alternate) present in person at any such meeting.

**37. Participation by conference telephone**

Any director may participate in a meeting of directors by means of a conference telephone or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting.

**38. Provisions where the sole member is also a director**

Where the Company, having only one member, enters into a contract (other than a contract entered into in the ordinary course of the Company's business) with the sole member of the Company and such sole member is also a director of the Company the terms of such contract shall, unless the contract is in writing, be set out in a written memorandum or be recorded in the minutes of the first meeting of directors following the making of the contract.

**39. Committees**

Any meetings of a committee appointed under regulation 72 of Table A shall be governed mutatis mutandis by articles 33 to 38 (inclusive) of these articles.

**SECRETARY**

40. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. The directors may from time to time by resolution appoint one or more joint, assistant or deputy secretaries to exercise the function of the secretary. Regulation 99 of Table A shall be modified accordingly.

**MANAGING OR EXECUTIVE DIRECTORS**

**41. Appointment**

The directors may from time to time appoint one or more of their number to an executive office (including that of managing director, manager or any other salaried office) for such period and upon such terms as they think fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A director so appointed to an executive office shall (without being entitled to make any claim for damages for breach of any contract of service or claim for compensation between him and the Company) ipso facto cease to hold that office (unless otherwise agreed between himself and the Company), if he ceases from any cause to be a director.

**42. Remuneration**

The managing director, manager or other executive officer as aforesaid shall receive such remuneration whether by way of salary, commission or participation in profits or otherwise (either in addition to or in lieu of his remuneration as a director) as the directors may from time to time determine.

**43. Delegation of powers**

The directors may entrust to and confer upon a managing director, manager or other executive officer as aforesaid any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time withdraw, alter or vary all or any of such powers.

**ALTERNATE DIRECTORS**

**44. Appointment, removal and cessation**

- 44.1 Any director may at any time appoint another director or any other person to be his alternate director and may at any time terminate such appointment. Any such appointment or removal shall be by notice from the director to the Company.
- 44.2 Any person appointed as an alternate director shall vacate his office as such alternate director if and when the director by whom he has been appointed vacates his office as director otherwise than by retirement and re-election at the same meeting and upon the happening of any event which, if he were a director would cause him to vacate such office.

**45. Powers and notices**

An alternate director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director, and to be counted in a quorum at, any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these articles shall apply mutatis mutandis as if he were a director. If an alternate director is himself a director, he shall be entitled in such circumstances as aforesaid to exercise the vote of the director for whom he is an alternate in addition to his own vote. If an alternate director's appointor does not sign the same the alternate director's signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. The foregoing provisions of this article 44 shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member.

**46. Interests**

Any alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements and be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company from time to time direct.

**PENSIONS AND ALLOWANCES**

47. The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time in

the employment or service of the Company, or any of its predecessors in business, or of any company which is a holding company or a subsidiary of the Company or is allied to or associated with the Company or with any such holding company or subsidiary, or who may be or have been directors or officers of the Company, or of any such other company as aforesaid, or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested, and the wives, widows, families, relations and dependants of any such persons, and establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, subject always, if so required by law, to particulars with respect to the proposed payment being approved by the Company, and a director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

## **THE SEAL**

### **48. Sealing**

If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any document to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall only apply if the Company has a seal.

### **49. Foreign seal**

The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

### **50. Dispensation**

The Company may dispense with the need for a company seal insofar as permitted by the Act.

## **NOTICE**

### **51. Form of notice**

Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice calling a meeting of the directors need not be in writing. Any notice to be given under these articles may be delivered personally or sent by first class post (airmail if overseas) or by telex or facsimile.

### **52. Address for service**

The address for service of any notice shall be as follows:

In the case of a member or his legal                    such member's address as shown in

personal representative or trustee in bankruptcy:	the register of members of the Company;
in the case of a director:	his last known address or at the address notified by him to the Company for that purpose;
in the case of a meeting of the directors:	his last known address or at the address notified by him to the Company for that purpose;
in the case of a meeting of the directors:	the place of the meeting;
in the case of the Company	its registered office;
in the case of any other person	to his last known address.

### **53. Service**

53.1 Any such notice shall be deemed to have been served and be effective:

- (a) if delivered personally, at the time of delivery;
- (b) if posted, on receipt or at the expiry of two Business Days (or in the case of airmail four Business Days) after it was posted, whichever occurs first;
- (c) if sent by telex or facsimile, at the time of transmission (if sent during Business Hours) or (if not sent during Business Hours) at the beginning of Business Hours next following the time of transmission ; and
- (d) if sent by cable or telegram, at the time of delivery.

53.2 In proving such service it shall be sufficient to prove that personal delivery was made, or that such notice was properly addressed stamped and posted or in the case of a telex that the intended recipient's answerback code is shown on the copy retained by the sender at the beginning and end of the message or in the case of a facsimile that an activity or other report from the sender's facsimile machine can be produced in respect of the notice showing the recipient's facsimile number and the number of pages transmitted.

53.3 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding. Notice so given shall constitute notice to all the joint holders.

### **WINDING UP**

54. In regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

## INDEMNITY

### 55. **Indemnity**

Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 144 or 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. This article shall only have effect insofar as its provisions are not avoided by section 310 of the Act.

### 56. **Insurance**

The directors shall have power to purchase and maintain for any director, secretary, auditor or other officer of the Company insurance against any liability referred to in section 310(1) of the Act.



57. **Relationship to Facilities Agreement**

Notwithstanding any other provisions of these articles, no payment shall be declared or made by the Company by way of dividend or other distribution, purchase, redemption, reduction or return of shares or capital or by addition to or repayment of any dividend reserve if and to the extent that such payment is prohibited or restricted under the terms of the Facilities Agreement. No dividends or other distributions payable in respect of shares, whether pursuant to the provisions of these articles or otherwise shall constitute a debt enforceable against the Company unless permitted to be paid in accordance with the Facilities Agreement.