

MEMORANDUM OF ASSOCIATION

of

GEMSERV LIMITED ("The Company")

(Registered No. 04419878)



as amended by written resolution on 18th June 2002

and by written resolution on 29th July 2003

1. The Company's name is "GEMSERV LIMITED".
2. The Company's registered office will be situated in England and Wales.
3. The Company's objects are:
 - (a) to efficiently administer governance arrangements on a profit making basis within the United Kingdom utility markets;
 - (b) to exploit knowledge and experience both in the United Kingdom and internationally with the intent of reducing administration charges to participants in the United Kingdom utility markets;
 - (c) to acquire by any means any real or personal property or rights whatsoever and to use, exploit and develop the same;
 - (d) to conduct, promote and commission research and development in connection with any activity or proposed activity of the Company, and to apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formulae, licences, concessions and the like (and any interest in any of them) and any exclusive or non-exclusive or limited right to use, and any secret or other information as to, any invention or secret process of any kind; and to use, exercise, develop, and grant licences in respect of, and otherwise turn to account and deal with, the property, rights and information so acquired;
 - (e) to acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business or activity which the Company is authorised to carry on or which can be carried on in connection therewith, and to acquire an interest in, amalgamate with or enter into any arrangement for sharing profits (if any), or for co-operation, or for limiting competition, or for mutual assistance with, any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, whether fully or partly paid up, debentures, or other securities or rights that may be agreed upon;
 - (f) to subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and

otherwise to invest and deal with the money and assets of the Company;

- (g) to lend money and give credit to any person;
- (h) to borrow money, obtain credit and raise finance in any manner;
- (i) to secure by mortgage, charge, lien or other form of security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, the performance or discharge by the Company or any other person of any obligation or liability;
- (j) to provide any guarantee or indemnity in respect of the performance or discharge of any obligation or liability by, or otherwise for the benefit of, any person;
- (k) to draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- (l) to apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence or authorisation of any government, state, department or other authority (international, national, local, municipal or otherwise) for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its members;
- (m) to enter into any arrangements with any government, state, department or other authority (international, national, local, municipal or otherwise), or any other person, that may seem conducive to the Company's objects or any of them, and to obtain from any such government, state, department, authority, or person, and to carry out, exercise and exploit, any charter, contract, decree, right, privilege or concession which the Company may think desirable;
- (n) to do all or any of the following, namely:
 - (1) to establish, provide, carry on, maintain, manage, support, purchase and contribute (in cash or in kind) to any pension, superannuation, retirement, redundancy, injury, death benefit or insurance funds, trusts, schemes or policies for the benefit of, and to give or procure the giving of pensions, annuities, allowances, gratuities, donations, emoluments, benefits of any description (whether in kind or otherwise), incentives, bonuses, assistance (whether financial or otherwise) and accommodation in such manner and on such terms as the company thinks fit to, and to make payments for or towards the insurance of
 - (a) any individuals who are or were at any time in the employment of, or directors or officers of (or held

comparable or equivalent office in), or acted as consultants or advisers to or agents for

- (i) the Company or any company which is or was its parent company or is or was a subsidiary undertaking of the Company or any such parent company; or
 - (ii) any person to whose business the Company or any subsidiary undertaking of the Company is, in whole or in part, a successor directly or indirectly; or
 - (iii) any person otherwise allied to or associated with the Company;
- (b) any other individuals whose service has been of benefit to the Company or who the Company considers have a moral claim on the Company; and
- (c) the spouses, widows, widowers, families and dependants of any such individuals as aforesaid; and
- (2) to establish, provide, carry on, maintain, manage, support and provide financial or other assistance to welfare, sports and social facilities, associations, clubs, funds and institutions which the company considers likely to benefit or further the interests of any of the aforementioned individuals, spouses, widows, widowers, families and dependants;
- (o) to establish, maintain, manage, support and contribute (in cash or in kind) to any schemes or trusts for the acquisition of shares in the Company or its parent company by or for the benefit of any individuals who are or were at any time in the employment of, or directors or officers of, the Company or any company which is or was its parent company or is or was a subsidiary undertaking of the Company or any such parent company, and to lend money to any such individuals to enable them to acquire shares in the Company or in its parent company and to establish, maintain, manage and support (financially or otherwise) any schemes for sharing profits (if any) of the Company or any other such company as aforesaid with any such individuals;
- (p) to subscribe or contribute (in cash or in kind) to, and to promote or sponsor, any charitable, benevolent or useful object of a public character or any object which the Company considers may directly or indirectly further the interests of the Company, its employees or its members;
- (q) to pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered, in connection with the formation, promotion and flotation of the Company and the underwriting or placing or issue at any time of any securities of the Company or of any other person;
- (r) to the extent permitted by law, to give any kind of financial assistance, directly or indirectly, for the acquisition of shares in the Company or

any parent company of the Company or for the reduction or discharge of any liability incurred for the purpose of such an acquisition;

- (s) to issue, allot and grant options over securities of the Company for cash or otherwise or in payment or part payment for any real or personal property or rights therein purchased or otherwise acquired by the Company or any services rendered to, or at the request of, or for the benefit of, the Company or as security for, or indemnity for, or towards satisfaction of, any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Company, or in consideration of any obligation or liability (even if valued at less than the nominal value of such securities) or for any other purpose;
- (t) to procure the Company to be registered or recognised in any part of the world;
- (u) to promote any other company or entity for the purpose of acquiring all or any of the property or undertaking or any of the liabilities of the Company, or both, or of undertaking any business or activity which may appear likely to assist or benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company or entity as aforesaid;
- (v) to dispose by any means of the whole or any part of the assets of the Company or of any interest therein;
- (w) to distribute among the members of the Company in kind any assets of the Company;
- (x) to do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise;
- (y) to do all such other things as may be deemed, or as the Company considers, incidental or conducive to the attainment of the above objects or any of them;

AND IT IS HEREBY DECLARED that in this clause:

- (A) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (B) unless the context otherwise requires, a reference to a person includes a reference to a body corporate (including, without prejudice to the generality of that term, any company which is a parent company of the Company, or is a subsidiary undertaking of the Company or any such parent company, or is associated in any way with the Company) and to an unincorporated body of persons;
- (C) a reference to any property, right or asset includes a reference to any interest in it, and a reference to any liability includes a reference to any loss;
- (D) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;

- (E) a reference to anything which the Company thinks fit or desirable or considers or which may seem (whether to the Company or at large) expedient, conducive, calculated or capable, or to any similar expression connoting opinion or perception, includes, in relation to any power exercisable by or matter within the responsibility of the directors of the Company, a reference to any such thing which the directors so think or consider or which may so seem to the directors or which is in the opinion or perception of the directors;
 - (F) the expressions "subsidiary undertaking" and "parent company" have the same meaning as in section 258 of and Schedule 10A to the Companies Act 1985 or any statutory modification or re-enactment of it;
 - (G) nothing in any of the foregoing paragraphs of this clause is to be taken (unless otherwise expressly stated) as requiring or permitting the Company to exercise any power only for the benefit of the Company or only in furtherance of any of its objects;
 - (H) the objects specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects of the Company and accordingly shall not be in any way limited or restricted (except so far as otherwise expressly stated in any paragraph) by reference to or inference from the terms of any other paragraph or the order in which the paragraphs occur or the name of the Company, and none of the paragraphs shall be deemed merely subsidiary or incidental to any other paragraph.
- 4. The liability of the members is limited.
 - 5. The Company's share capital is £500,000 divided into 500,000 shares of £1.00 each.
 - 6. The shares in the original or any increased capital of the Company may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting return of capital or otherwise as the Company may from time to time determine. The rights and privileges attached to any of the shares of the Company may be modified, varied, abrogated or dealt with in accordance with the provisions from the time being of the Company's Articles of Association.

I, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum and I agree to take the number of shares shown opposite my name.

Names and Addresses of Subscribers	Number of shares taken by Subscriber
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BRIGHTON DIRECTOR LIMITED 3 MALBOROUGH ROAD LANCING BUSINESS PARK LANCING WEST SUSSEX BN15 8UF	One
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Total shares taken	One
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Dated: 27th May 2002

THE COMPANIES ACT 1985-1989

ARTICLES OF ASSOCIATION

of

GEMSERV LIMITED ("The Company")

(Registered No. 04419878)

(adopted by Written Resolution passed on 18th June 2002 and
amended by Written Resolution passed on 29 July 2003)

1. Adoption of Table A

The regulations contained in Table A shall apply to the Company, save insofar as they are excluded or modified by, or are inconsistent with these Articles.

2. Interpretation

2.1 Words and expressions that bear particular meanings in Table A or the Act shall bear the same meanings in these Articles.

2.2 In these Articles unless the context requires otherwise:

"Act" means the Companies Act 1985 as amended from time to time;

"Affiliate" in respect of a body corporate, means any holding company of that body corporate, any subsidiary of that body corporate or any subsidiary of a holding company of that body corporate and in each case "holding company" and "subsidiary" shall have the meanings given to them in sections 736, 736A and 736B of the Act.

"Articles" means these articles of association as amended from time to time;

"Authority" means the Gas and Electricity Markets Authority established by section 1(1) of the Utilities Act 2000;

"Corporate Group" means a Shareholder and its Affiliates;

"Electricity Act" means the Electricity Act 1989 as amended by Utilities Act 2000;

"Electricity Distribution Licence" means a licence to distribute electricity granted by the Authority under section 6(1)(c) of the Electricity Act;

"Electricity Supply Licence" means a licence to supply electricity granted by the Authority under section 6(1)(d) of the Electricity Act;

"Insolvent Member" shall have the meaning given to that term in Article 11.1;

"Licence Holder" means a holder of an Electricity Distribution Licence, or an Electricity Supply Licence that has not been, nor is in the process of being, revoked by the Authority.

"Ordinary Share" means an ordinary share in the capital of the Company;

"Retiring Shareholder" has the meaning given to that term in Article 10.5;

"Shareholder" means the holder of a share or shares in the Company;

"Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended and in force prior to the date of adoption of these Articles; and

- 2.3 References in these Articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form.
- 2.4 Headings are for convenience only and shall not affect construction.
- 2.5 If, and for so long as, the Company has only one member, these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company.
- 2.6 In these Articles a reference to an Article is to a clause of these Articles and a reference to a Regulation is to a regulation in Table A.
- 2.7 In these Articles, unless expressly provided to the contrary, a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it and to any subordinate legislation made under it in each case for the time being in force.
- 2.8 In these Articles unless the context otherwise requires:
 - (a) words in the singular include the plural and vice versa;
 - (b) words importing any gender include all genders; and
 - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.

3. **Share Capital**

The authorised share capital of the Company is £500,000 divided in 500,000 Ordinary Shares of £1 each.

4. **Restriction on Share Ownership**

- 4.1 Subject to the provisions of these Articles no person shall hold an Ordinary Share other than a Licence Holder or its nominee provided that such nominee is an Affiliate of the Licence Holder.

4.2 Subject to the provisions of these Articles no Ordinary Share shall be allotted on terms that the right to take up the Ordinary Shares allotted may be renounced in favour of, or assigned to another person and no person entitled to the allotment of an Ordinary Share may direct that such share may be allotted or issued to another person.

4.3 With the direction of an ordinary resolution of the Company, any of the restrictions in this Article 4 may be waived or varied by the directors.

5. Rights Attaching to Ordinary Shares

5.1 The right to vote on the matters set out in Article 5.2 shall constitute rights attaching to the Ordinary Shares.

5.2 Without prejudice to any other provision of these Articles, none of the following shall occur unless the Company by ordinary resolution consents in accordance with the provisions of these Articles and the Act:

- (a) the acquisition or disposal by the Company of any share capital or other securities of any person other than subsidiaries of the Company,
- (b) the reduction of the Company's share capital, any variation of the rights attaching to any class of shares in its capital or any redemption, purchase or other acquisition by the Company of any shares or other securities of the Company.
- (c) the making by the Company of a material claim, disclaimer, surrender, election or consent for tax purposes;
- (d) the presentation of any petition for the winding-up of the Company or the making of any application for an administration order in relation to the Company or for the appointment of an administrator or receiver of the Company;
- (e) the commencement, settlement or defence of any litigation, arbitration or other proceedings brought by or against the Company in an amount in excess of £100,000;
- (f) the entering into of an agreement of a type or length which is unusual in the context of the business of the Company.

5.3 Each Shareholder shall be entitled to dividends (if any) in respect of its Ordinary Shares calculated in proportion to the amounts paid up on the number of Ordinary Shares held by each Shareholder. For the avoidance of doubt, Article 13.2 shall not apply in calculating a Shareholder's entitlement to dividends (if any). Regulation 104 of Table A shall be modified accordingly.

5.4 Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or in so far as the resolution does not make specific provision, as the directors may decide. Regulation 2 of Table A shall not apply.

- 5.5 Subject to the provisions of the Act shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as the directors may see fit. Regulation 3 of Table A shall not apply.

6. Unissued Shares

Subject to the provisions of the Act and to these Articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may (subject to Article 4) offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as they may determine.

7. Initial Authority to Issue Relevant Securities

Subject to any direction to the contrary which may be given by the Company in general meeting and to Article 4, the directors are unconditionally authorised to exercise all powers of the Company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of incorporation of the Company or such other amount as may from time to time be authorised by the Company in general meeting. The authority conferred on the directors by this Article shall remain in force for a period of five years from the date of adoption of these Articles but may be revoked varied or renewed from time to time by the Company in general meeting in accordance with the Act.

8. Exclusion of Rights to Offers on a Pre-emptive Basis

Sections 89 and 90 of the Act shall not apply to the allotment of any equity securities by the Company.

9. Lien

- 9.1 In Regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted. The lien conferred by Regulation 8 of Table A shall attach to all shares registered in the name of any person indebted or under liability to the Company (or in the name of the nominee or bare trustee for any such person) whether he is the sole registered holder thereof or one of two or more joint holders and shall include a lien in respect of such indebtedness or liability. Regulation 8 shall be modified accordingly.
- 9.2 The Company may transfer to a nominee, selected by the directors, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share, demanding payment and stating that if the notice is not complied with the share may be sold. For the avoidance of doubt the restrictions set out in Article 4 shall not apply to such nominee and Regulation 9 of Table A shall not apply to the Company.
- 9.3 To give effect to a transfer pursuant to Article 9.2 the directors may authorise a person to execute an instrument of transfer in respect of the shares to be transferred. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to a transfer pursuant to Article 9.2. Regulation 10 of Table A shall not apply to the Company.

10. Transfer of Shares

- 10.1 The right to transfer Ordinary Shares shall be subject to the rights and restrictions set out in this Article 10. Regulation 23 of Table A shall be modified accordingly.
- 10.2 The instrument of transfer of a member's share that is not fully paid need not be executed by or on behalf of the transferee.
- 10.3 Otherwise than in accordance with Articles 10.4 and 10.5 no Shareholder shall:
- (a) pledge, mortgage (whether by way of fixed or floating charge) or otherwise encumber its legal or beneficial interest in its shares; or
 - (b) sell, transfer or otherwise dispose of any of such shares (or any legal or beneficial interest therein); or
 - (c) enter into any agreement in respect of the votes attached to shares; or
 - (d) agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing.
- 10.4 A member may transfer its shares to an Affiliate at any time.
- 10.5 If any Shareholder ceases to be a Licence Holder for any reason or no longer wishes to be a Shareholder (the "**Retiring Shareholder**"), it shall give written notice of such to the Company as soon as practicable. Within 28 days of receipt of such notice the Company shall give written notice to the Retiring Shareholder directing the Retiring Shareholder to transfer at the market value to a nominee selected by the directors, the shares held by the Retiring Shareholder. The Retiring Shareholder shall transfer the shares in accordance with such directions and all costs and expenses of such transfer shall be for the account of the Retiring Shareholder. For the avoidance of doubt the restrictions set out in Article 4 shall not apply to the nominee.
- 10.6 If a Retiring Shareholder shall fail or refuse to transfer any of its shares in accordance with its obligations under Article 10.5 the directors may authorise the Company to execute and deliver a transfer from the Retiring Shareholder to a nominee on behalf of the Retiring Shareholder. The Company may accept the consideration for the transfer and hold it on trust for the Retiring Shareholder, which acceptance shall be a good discharge to the nominee and may set off such amount against the costs and expenses of the transfer. The directors shall cause the transferee to be registered as the holder of such shares and following the registration of the transfer the validity of the proceedings shall not be questioned by any person.
- 10.7 The nominees referred to in Articles 9.2, 10.5, 10.6 and 11.1 shall hold the shares transferred to them on behalf of all Shareholders (other than a Retiring Shareholder or an Insolvent Member) until such time as each of them is directed by the directors to transfer them (or some of them) to one or more parties. For the avoidance of doubt, wherever in these Articles a

percentage figure of the number of shares in issue is referred to, this figure shall be calculated as if all shares held by the nominee were not in issue.

- 10.8 The directors shall be entitled to decline to register the transfer of one or more Ordinary Shares if, in their reasonable opinion, such registration would result in the provisions of Article 4 being breached. Regulation 24 of Table A shall be modified accordingly.
- 10.9 With the direction of an ordinary resolution of the Company any of the restrictions or provisions of this Article 10 may be waived or varied by the directors in relation to any proposed transfer of Ordinary Shares.

11. **Transmission of Shares**

- 11.1 If a person becomes entitled to a share in the Company as a consequence of a member having a receiver, administrator or liquidator appointed ("**Insolvent Member**") then the Insolvent Member shall give written notice to the Company as soon as practicable of such person's entitlement. Within 28 days of receipt of such notice the Company shall give written notice to the Insolvent Member directing it to transfer at the market value to a nominee selected by the directors, the shares held by it. The Insolvent Member shall transfer the shares in accordance with such directions and all costs and expenses of such transfer shall be for the account of the Insolvent Shareholder. For the avoidance of doubt the restrictions set out in Article 4 shall not apply to nominee selected pursuant to this Article.
- 11.2 If an Insolvent Member fails or refuses to transfer any of its shares in accordance with its obligations under Article 11.1 the directors may authorise the Company to execute and deliver a transfer from the Insolvent Member to a nominee on behalf of the Insolvent Member. The Company may accept the consideration for the transfer and hold it on trust for the Insolvent Member, which acceptance shall be a good discharge to the nominee and may set off such amount against the costs and expenses of the transfer. The directors shall, notwithstanding any other provision of these Articles, cause the transferee to be registered as the holder of such shares and following the registration of the transfer the validity of the proceedings shall not be questioned by any person.
- 11.3 Regulations 29, 30 and 31 of Table A shall be modified accordingly.

12. **Proceedings at General Meetings**

- 12.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and remains present during the transaction of business. Two (2) persons entitled to vote upon the business to be transacted, each being a member or a proxy of a member or a duly authorised representative of a corporation, and who in aggregate represent 50% or more of the total number of Ordinary Shares issued shall be a quorum.
- 12.2 If within half an hour from the time appointed for holding any general meeting a quorum is not present or during the course of a meeting the meeting becomes inquorate, the meeting shall be adjourned to a time and place reasonably determined by the chairman and, where the meeting is

adjourned until later the same day, communicated to those present at the meeting. Where the meeting is adjourned to another date, notice of the adjourned meeting shall be given to all Shareholders, as if it were a new meeting. If, where the meeting is adjourned to another date, at the adjourned meeting a quorum is not present within half an hour from the time appointed, those parties represented at the adjourned meeting shall constitute a quorum. Regulation 41 of Table A shall not apply to the Company.

- 12.3 The chairman at a general meeting at which a quorum is present may, with the consent of the meeting (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, provided that no business shall be transacted at any adjourned meeting other than the business left unfinished at the previous meeting. When a meeting is adjourned to another date, notice of the adjourned meeting shall be given as if it were a new meeting, but it shall otherwise not be necessary to give notice of an adjourned meeting. Regulation 45 of Table A shall be modified accordingly.
- 12.4 If, and for so long as, the Company has only one member, that member or the proxy for that member or, where that member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the Company. Regulation 40 of Table A shall be modified accordingly.
- 12.5 The chairman at any general meeting shall not be entitled to a second or casting vote. Regulation 50 of Table A shall not apply.
- 12.6 In the case of a corporation a resolution in writing may be signed on its behalf by a director or the secretary of the corporation or by its duly appointed attorney or duly authorised representative. Regulation 53 of Table A shall be extended accordingly.
- 12.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by
- (a) the chairman;
 - (b) by not less than five members having the right to vote at the meeting;
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all members having the right to vote at the meetings; or
 - (d) by a member or members holding shares in the Company conferring the right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

and a demand by a person as proxy for a member shall be the same as a demand by the member. Regulation 46 of Table A shall not apply to the Company.

13. Voting Rights

13.1 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or who (being a body corporate) is present by a duly authorised representative entitled to vote or by Proxy, shall have one vote and on a poll every member shall, subject to Article 13.2, have one vote for every share of which the member is the holder.

13.2 If the number of votes of a member or the aggregate number of votes of each member in a Corporate Group is greater than twenty percent (20%) of the total number of Ordinary Shares issued then:

- (a) the aggregate number of votes for the member, or the members of that Corporate Group as the case may be, shall be deemed to be the equivalent of twenty percent (20%) of the total number of Ordinary Shares issued; and
- (b) the directors shall, in their discretion, decide which member or members of the Corporate Group shall have its votes reduced in order for the Corporate Group to comply with this Article 13.2 and shall notify the relevant members of the Corporate Group of their decision.

13.3 Regulations 54 and 57 of Table A shall not apply to the Company.

14. Delivery of Proxies

The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the directors, may be delivered to the office (or to such other place or to such person as may be specified or agreed by the directors) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to act or, in case of a poll taken subsequently to the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll, and an instrument of proxy which is not so delivered shall be invalid. The directors may at their discretion treat a faxed or other machine made copy of an instrument appointing a proxy as such an instrument for the purpose of this Article. Regulation 62 of Table A shall not apply.

15. Number of Directors

Unless otherwise determined by ordinary resolution, the number of directors shall be not more than ten (10) nor less than two (2), of whom at least one shall be an executive director.

16. Initial Directors

The initial non-executive directors of the Company shall be John Sykes, Geoff Huckerby and Paul Tonkinson. The initial executive director of the Company shall be Nigel Bromley who shall also hold the position of chief executive of the Company.

17. Alternate Directors

Alternate directors may be appointed as set out in Regulations 65-69 of Table A.

18. Delegation of Directors' Powers

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such person or persons (whether directors or not) as they may resolve. Any such committee shall exercise only powers expressly delegated to it and shall comply with any regulations imposed on it by the directors. Regulation 72 of Table A shall be modified accordingly and references in Table A to a committee of directors or to a director as a member of such a committee shall include a committee established under this Article or such person or persons.

19. No Age Limit or Share Qualification

19.1 Neither a director nor an alternate director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his having attained any particular age.

19.2 Neither a director nor an alternate director shall require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of any class of shares of the Company.

20. Appointment and Removal of Directors

20.1 The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, and may remove from office any director however appointed. Regulations 76, 77, and 78 of Table A shall not apply to the Company.

20.2 In the event that the a person vacates the position of Chief Executive of the Company then such person shall cease to be an executive director of the Company. Regulation 81 of Table A shall apply as modified to the Company.

21. Directors' Gratuities and Pensions

Regulation 87 of Table A shall not apply to the Company.

22. Notice and Conduct of Board Meetings

Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or sent in writing to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given in this manner to all directors including any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

23. Voting and Casting Vote

All resolutions of the Board shall be made by a majority of votes of executive and non-executive directors and a majority of the non-executive directors, present or participating by conference in accordance with Article 25. In the case of an equality of votes, the chairman shall not have a second or casting vote. Regulation 88 of Table A shall be modified accordingly

24. Quorum for Board Meetings

The quorum for meetings of the board shall be constituted by the attendance of at least fifty percent (50%) of all the directors (or their alternates) in person or participating by conference in accordance with Article 25 throughout such meeting. Regulation 89 of Table A shall not apply.

25. Participation in Board Meetings

A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates in the meeting is able:

- a) to hear each of the other participating directors addressing the meeting; and
- b) if he so wishes, to address each of the other participating directors simultaneously,

whether directly, by conference telephone or by any other form of audio or audio-visual communication equipment (whether in use when this Article 25 is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting.

26. Resolution in Writing

A resolution in writing executed by all the directors or by all the members of a committee for the time being shall be as valid and effective as a resolution passed unanimously at a meeting of the board or, as the case may be, of the committee properly convened and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned. A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. Regulation 93 of Table A shall not apply.

27. Directors May Vote When Interested

A director (including an alternate director) who has duly declared his interest therein to the Board pursuant to section 317 of the Act may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom and if he so votes his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration. Regulations 94 and 95 of Table A shall not apply.

28. Official Seal

The Company may exercise all the powers conferred by the Act with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

29. Notices

Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by post addressed to the member at his registered address or by fax or telex to a number provided by the member for this purpose, or by e-mail to an appropriate e-mail address or by leaving it at his registered address addressed to the member, or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall not apply.

30. Time of Service

Any notice or other document, if sent by the Company by post, shall be deemed to have been served or delivered twenty four hours after posting and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left by the Company at a registered address otherwise than by post, or sent by fax, telex, or e-mail, or other instantaneous means of transmission, shall be deemed to have been served or delivered when it was so left or sent. Regulation 115 of Table A shall not apply.