

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

JOYCOUNT LIMITED

Passed on 7 March 2003

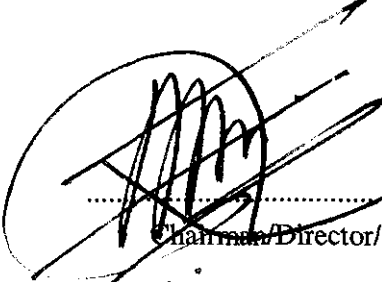


On 7th 2003 the following was duly passed as a written resolution of the Company:

RESOLVED that:

- (A) each of the 1 issued and 999 unissued shares in the capital of the Company be subdivided into 100 shares of 1 pence each;
- (B) each of the 100 issued and 99,800 of the unissued shares in the capital of the Company be redesignated as an Ordinary Share, having the rights set out in the articles of association adopted by this resolution;
- (C) each of 100 unissued shares in the capital of the Company be redesignated as an 'A' Ordinary Share, having the rights set out in the articles of association adopted by this resolution;
- (D) the share capital of the Company be increased from £1,000 to £6,440 by the creation of 200,000 Preference Shares of 1 pence each, 233,000 'A' Ordinary Shares of 1 pence each and 111,000 'B' Ordinary Shares of 1 pence each, each having the rights set out in the articles of association adopted by this resolution;
- (E) the directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") during the period of 5 years from the date of this resolution to exercise all the powers of the Company to allot relevant securities (as defined in the Act) up to an aggregate nominal amount equal to the aggregate nominal amount of the unissued share capital of the Company as increased by this resolution and within that period to make any offer or agreement which would or might require such securities to be allotted after the expiry of this authority and all authorities previously conferred on the directors pursuant to section 80 of the Act be and are hereby revoked;

- (F) the directors be and are hereby empowered to allot equity securities (within the meaning of section 94 of the Act) pursuant to this general authority for the purposes of section 80 of the Act as if section 89(1) of the Act did not apply to such allotment and to make any offer or agreement which would or might require such securities to be allotted after the expiry of the authority and all powers previously conferred on the directors pursuant to section 95 of the Act be and are hereby revoked; and
- (G) the regulations contained in the document attached to the resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.



.....
Chairman/Director/Secretary

Company No. 4627313

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

JOYCOUNT LIMITED

OLSWANG

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Ref: AAB/CAM/12037-2

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ARTICLES OF ASSOCIATION

- of -

JOYCOUNT LIMITED (the "Company")

(Adopted by written resolution passed
on 7 March 2003)

1. DEFINITIONS AND INTERPRETATION

- 1.1 The regulations contained in Table A apply to the Company except to the extent that they are excluded or modified by these Articles, and those regulations (so far as applicable) and the following provisions of these Articles together constitute the Articles of Association of the Company.
- 1.2 References in these Articles to any Regulation are to the relevant numbered regulation of Table A.
- 1.3 Table A shall apply as if the words "these regulations" were deleted (wherever appearing) and were replaced by the words "these Articles".
- 1.4 In these Articles, the following words and expressions have the following meanings:

"A Loan Notes"	the £1,300,000 principal sum variable rate secured loan notes 2004 of the Company constituted by an instrument of the same date as the date of adoption of these Articles;
"A Ordinary Shareholders"	the holder or holders from time to time of A Ordinary Shares;
"A Ordinary Shares"	the A ordinary shares of £0.01 each in the capital of the Company;
"Acceptance Notice"	a notice accepting an offer made in a Sale Notice;
"acting in concert"	the meaning given in The City Code on Takeovers and Mergers;
"Annual Business Plan"	the annual business plan of the Company as defined in the Investment Agreement;
"Associate"	in relation to any company, any other company which is for the time being a holding company of that company or a subsidiary undertaking of that company or of any such holding company;

"B Loan Notes"	the £2,467,000 principal sum variable rate secured loan notes 2010 of the Company constituted by an instrument of the same date as the date of adoption of these Articles;
"B Ordinary Shareholders"	the holder or holders from time to time of B Ordinary Shares;
"B Ordinary Shares"	the B ordinary shares of £0.01 each in the capital of the Company;
"Business Day"	a day on which banks are open for business in London, other than Saturday or Sunday;
"Business Plan"	the business plan of the Company as defined in the Investment Agreement;
"company"	a body corporate, wherever incorporated;
"Company Share Scheme"	any employees' share scheme as defined in section 743 of the Act, provided that for the purposes of this definition, references in that section to "employees" shall be construed as references to "employees and/or directors (whether or not holding an executive office) and/or consultants";
"Compulsory Transfer Event"	one of the events referred to in Article 8.1;
"Compulsory Transfer Notice"	(in relation to a member referred to in Article 8.3) a notice offering to sell all the shares (other than any Preference Shares) registered in that member's name, unless the Majority Holders determine in writing that a Compulsory Transfer Notice deemed to be given by a member shall be in respect of some only of that member's shares, that determination to be made on or before the last day for giving notice of the deemed Compulsory Transfer Notice to the members pursuant to Article 8.3;
"Connected Person"	in relation to any member, a person to whom that member's shares may be transferred pursuant to any of Articles 7.1.5 to 7.1.7;
"Connected Person Transfer"	a transfer to a Connected Person;
"Connected Person Transferor"	in relation to a Connected Person Transfer, the transferor or (in the case of a series of Connected Person Transfers) the first transferor in the series;

	Person Transfers) the first transferor in the series;
"control"	the meaning set out in section 840 of ICTA;
"Deferred Shareholders"	the holder or holders from time to time of Deferred Shares;
"Deferred Shares"	the deferred shares of £0.01 each in the capital of the Company;
"Defined Group"	Sand Aire Private Equity Limited and its subsidiaries and any partnership of which any of them is general partner, manager or adviser, any unit trust or fund of which any of them is trustee, manager, adviser or general partner and any unit trust, partnership or fund the managers of which are advised by any of them, in each case from time to time;
"Employee Member"	an individual who is a director and/or an employee of the Company or any of its subsidiaries or whose services are made available to the Company or any of its subsidiaries under the terms of an agreement between that company and that individual or between that company and a third party to cause that individual's services to be supplied to that company;
"Employee Trust"	a trust approved in writing by the Majority Holders, the beneficiaries of which are the bona fide directors or employees of the Company or any of its subsidiaries;
"Family Trust"	a trust (excluding a trust arising under a testamentary disposition or on an intestacy) under which: <ul style="list-style-type: none"> (i) no beneficial interest in the trust property is vested or permitted to be vested in any person other than the settlor or any of his or her Privileged Relations; and (ii) no power of control over any trust property is or is capable of being exercised by, or is subject to the consent of, any person other than the settlor, any of his or her Privileged Relations or the trustees of the trust;
"financial year"	the meaning set out in section 223 of the Act;

"ICTA"	the Income and Corporation Taxes Act 1988;
"Investment Agreement"	the agreement relating to, inter alia, loan note and share subscriptions in the Company dated 7 March 2003 between the Company (1), Nigel Brewster and Antony Roestenburg (2), Sand Aire Private Equity Limited (3) and Sand Aire Equity Harvest Fund (4);
"Investors"	those persons who are "Investors" within the meaning of that expression in the Investment Agreement or any nominee of any such person and "Investor" means any of them;
"Leaver"	an individual who for any reason ceases to be, and does not remain as, an employee or a director of or engaged by the Company or any subsidiary of the Company, and for the purposes of these Articles an individual shall (without limitation) be regarded as ceasing to be an employee of a company on termination of any agreement providing for a third party to cause that individual's services to be supplied to that company;
"Listing"	the admission of part of or the entire issued share capital of the Company (or any holding company of the Company) to listing on the Official List of the UK Listing Authority and to trading on the market for listed securities of London Stock Exchange plc, or to trading on the Alternative Investment Market of London Stock Exchange plc;
"Majority Holders"	the holders of not less than 50% in nominal value of the A Ordinary Shares and B Ordinary Shares then in issue;
"Material Default"	means any of the following situations: <ul style="list-style-type: none"> (a) the Company being in material breach of the Investment Agreement; or (b) the Company failing at any time after the date 6 months after the date of adoption of these Articles to meet the financial projections contained in the Business Plan or in the Annual Business Plan from time to time as determined in accordance with clauses 10.7 and 10.9 of the Investment Agreement; or (c) any payment of interest or redemption

monies pursuant to the terms of the A Loan Notes or the B Loan Notes being in arrears;

"Net Profit"	the meaning given in Article 3.15;
"Ordinary Shareholders"	the holder or holders from time to time of Ordinary Shares;
"Ordinary Shares"	the ordinary shares of £0.01 each in the capital of the Company;
"Participating Dividend"	the dividend payable on the A Ordinary Shares in accordance with Article 3.4;
"Participating Dividend Payment Date"	the meaning given in Article 3.14;
"Permitted Issue"	the issue (on one or more occasions) of warrants to subscribe for B Ordinary Shares to any holder of A Loan Notes (or its nominee);
"Preference Dividend"	the dividend payable on the Preference Shares in accordance with Article 3.2;
"Preference Dividend Payment Date"	the meaning given in Article 3.3;
"Preference Shareholders"	the holder or holders from time to time of Preference Shares;
"Preference Shares"	the preference shares of £0.01 each in the capital of the Company;
"Privileged Relation"	in relation to any transfer of shares, any spouse or child, including an adopted child or stepchild, of either (a) the transferor or (b) (if the transferor holds shares by reason of a Connected Person Transfer pursuant to Article 7.1.5, and to the exclusion of (a)) the Connected Person Transferor, and for the purposes of these Articles, any individual who becomes divorced shall on the grant of the decree absolute in respect of that divorce cease to be a Privileged Relation of his or her former spouse;
"Sale"	the acquisition of shares or an interest in shares conferring in aggregate more than 50% of the total voting rights conferred by all the issued shares in the Company;
"Sale Notice"	a notice to the Company offering to sell the legal and beneficial interest in that number of shares

and beneficial interest in that number of shares specified in the notice and registered in the name of the member giving that notice to each member who is not a Connected Person of the member giving that notice;

"Sale Price"

the meaning given in Article 9.2.2;

"Sale Shares"

the number of shares registered in the Seller's name which the Seller wishes to transfer, being as specified in the relevant Sale Notice;

"Seller"

a member who gives a Sale Notice;

"share"

a share in the capital of the Company from time to time, unless otherwise specified;

"Subscription Price"

in relation to any share, the total amount paid up on that share including any premium; and

"Table A"

Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, SI 1985/805, as in force at the date of adoption of these Articles.

2. SHARE CAPITAL

2.1 At the date of adoption of these Articles, the authorised share capital of the Company is £6,440, divided into 200,000 Preference Shares, 233,100 A Ordinary Shares, 111,000 B Ordinary Shares and 99,900 Ordinary Shares.

2.2 Regulation 2 shall not apply.

3. SHARE RIGHTS

3.1 Except as expressly provided otherwise in these Articles, the A Ordinary Shares, the B Ordinary Shares and the Ordinary Shares shall rank pari passu in all respects. The Preference Shares and the Deferred Shares shall have the rights set out in these Articles.

Preference Shares

3.2 The Preference Shares shall confer on the Preference Shareholders the right to receive, payable without any resolution of the directors or of the Company, in priority to the payment of any other dividend of the Company, a fixed cumulative preferred cash dividend at the rate of 7% per annum (plus the benefit of any associated tax credit) on the aggregate Subscription Price of the Preference Shares held by them ("**Preference Dividend**") **PROVIDED THAT** the Preference Shares held by (i) an individual who becomes a Leaver (or a Connected Person of that Leaver) or (ii) a Preference Shareholder who holds such shares on the terms of a Family Trust in which an individual who becomes a Leaver holds a beneficial interest, in each case in

circumstances other than those set out in Article 12.2.2, shall cease to confer on the holder the right to receive the Preference Dividend with effect from the date on which that individual becomes a Leaver. The right of each of the Preference Shareholders to receive the Preference Dividend in respect of the period prior to the individual becoming a Leaver shall not be affected by the proviso in this Article.

- 3.3 The Preference Dividend shall accrue from day to day throughout each financial year of the Company. The first payment of the Preference Dividend shall be paid not more than four months after the end of each successive financial year of the Company commencing with the financial year of the Company ending 30 April 2005 (or such other accounting reference date as may be specified by the Company from time to time) or not more than 14 days after the auditors' report on the group accounts (as defined in section 227 of the Act) of the Company for the financial year in question is signed by the Company's auditors, whichever is the first to occur ("**Preference Dividend Payment Date**"). On the first and second Preference Dividend Payment Dates, an amount equal to 50% of the Preference Dividend accrued in respect of that financial year shall be paid and the balance shall be paid at the time of payment of the Preference Dividend on the third Preference Dividend Payment Date. In all subsequent financial years, 100% of the Preference Dividend accrued in respect of that financial year shall be paid. Any amount of the Preference Dividend not paid on the relevant Preference Dividend Payment Date after the second Preference Dividend Payment Date (whether or not there are sufficient profits of the Company available for distribution within the meaning set out in Part VIII of the Act to pay the instalment in full) shall be carried forward and be payable in priority to the Preference Dividend payable on any later date. No Preference Dividend shall be payable on a specific Preference Dividend Payment Date unless all interest due to have been paid on the A Loan Notes and the B Loan Notes on or before that Preference Dividend Payment Date has been paid and all redemptions due to have been made of the A Loan Notes and the B Loan Notes on or before that Preference Dividend Payment Date have been made.
- 3.4 On a liquidation, reduction of capital, dissolution, winding up or other return of capital of the Company, the assets of the Company available for distribution among the members shall be applied, in priority to any rights of the holders of any other class of shares, in paying each Preference Shareholder:
- 3.4.1 first, an amount equal to the aggregate Subscription Price of the Preference Shares held by it; and
 - 3.4.2 second, an amount equal to any accrued but unpaid Preference Dividend, calculated down to and including the date of return of capital.
- 3.5 The Preference Shares shall not confer any further right of participation in the profits or assets of the Company.
- 3.6 The Company may at any time redeem all the Preference Shares then in issue or tranches of not less than 50,000 Preference Shares for a cash payment to be made by the Company to each Preference Shareholder whose Preference Shares are then being redeemed of the aggregate of:

3.6.1 an amount equal to the aggregate Subscription Price of the Preference Shares held by it; and

3.6.2 an amount equal to any accrued but unpaid Preference Dividend, to be calculated down to and including the date of return of capital,

by serving notice of redemption (a "**Redemption Notice**") upon the Preference Shareholders specifying a date upon which redemption is to take place being not less than 14 days nor more than 30 days from the date of such notice and stating the number of Preference Shares held by each such Preference Shareholder to be redeemed.

3.7 Each redemption of some but not all of the Preference Shares shall be made amongst the Preference Shareholders pro rata as nearly as possible to their then holdings of Preference Shares.

3.8 Upon the date specified in the Redemption Notice (the "**Redemption Date**") the Subscription Price of the Preference Shares to be redeemed and any Preference Dividend due thereon ("**redemption monies**") shall become a debt due and payable by the Company to the relevant Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon the Redemption Date pay the redemption monies to the appropriate Preference Shareholder.

3.9 On redemption the Company shall cancel the share certificate of the Preference Shareholder concerned and, in the case of a redemption of part of the Preference Shares included in the certificate, without charge issue a fresh certificate for the balance of Preference Shares not redeemed.

3.10 As from the relevant Redemption Date the Preference Dividend shall cease to accrue on the Preference Shares so redeemed unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the Company fails to make payment of the redemption monies in which case the Preference Dividend shall be deemed to have continued and shall continue to accrue from the Redemption Date to the date of payment.

3.11 The Company shall:

3.11.1 redeem all the outstanding Preference Shares immediately prior to a Sale or Listing (as the case may be);

3.11.2 redeem all the Preference Shares held by an individual who becomes a Leaver and to whom Article 8.1.6 applies (or a Connected Person of that Leaver) or held by a Preference Shareholder who holds such shares on the terms of a Family Trust in which an individual who becomes a Leaver holds a beneficial interest, in each case in the circumstances set out in any of Articles 12.2.2.1 to 12.2.2.7, on the day falling 30 days after such person becoming a Leaver;

3.11.3 redeem all the outstanding Preference Shares on the later of: (i) 30 April 2010; and (ii) the date on which all interest due to have been paid on the A Loan Notes and the B Loan Notes has been paid and all redemptions due to have been made of the A Loan Notes and the B Loan Notes have been made; (the "**Final Redemption Date**");

in each case for a cash payment to be made by the Company to each Preference Shareholder of the aggregate of:

- (a) an amount equal to the aggregate Subscription Price of the Preference Shares held by it; and
- (b) an amount equal to any accrued but unpaid Preference Dividend, to be calculated down to and including the date of return of capital.

The provisions of Articles 3.7 to 3.10 inclusive shall have effect mutatis mutandis to any such redemption save that the Redemption Date shall be (as the case may require) (i) the date of such Sale or Listing; or (ii) the day falling 30 days after such individual becomes a Leaver; or (iii) the Final Redemption Date (as defined in Article 3.11.3).

3.12 Preference Shareholders shall be entitled to receive notice of and to attend and speak but not to vote at general meetings of the Company.

A Ordinary Shares and B Ordinary Shares

3.13 The A Ordinary Shares shall confer on the holders the right to receive, payable without any resolution of the directors or of the Company, a cumulative dividend of a cash sum equal to the following percentages of the Net Profit for the relevant financial year of the Company (plus the benefit of any associated tax credit) ("**Participating Dividend**");

Financial Year	%
Year ending 30 April 2006 (or such other accounting reference date as may be specified by the Company from time to time)	5%
Year ending 30 April 2007 (or such other accounting reference date as may be specified by the Company from time to time) and all subsequent financial years.	10%

3.14 The Participating Dividend shall accrue from day to day throughout each financial year of the Company referred to in Article 3.13 and shall be paid not more than four months after the end of each successive financial year of the Company or not more than 14 days after the auditors' report on the group accounts (as defined in section 227 of the Act) of the Company for the financial year in question is signed by the Company's auditors, whichever is the first to occur ("**Participating Dividend Payment Date**"). Any amount of the Participating Dividend not paid on the relevant date (whether or not there are sufficient profits of the Company available for distribution within the meaning set out in Part VIII of the Act to pay the Participating

Dividend in full) shall be carried forward and be payable in priority to the Participating Dividend payable on any later date.

3.15 For the purposes of these Articles the "**Net Profit**" for any financial year of the Company means the consolidated profit (if any) of the Company and its subsidiary undertakings (as defined in section 258 of the Act) as shown by the consolidated profit and loss account contained in the group accounts of the Company for the relevant financial year (rounded down to the nearest £1) but adjusted by:

3.15.1 adding back an amount equal to any payment of or provision for payment of any distribution (including the Preference Dividend);

3.15.2 adding back an amount equal to any payment in respect of or provision for corporation tax (or any other tax equivalent to corporation tax in the case of any overseas subsidiary undertaking) attributable to the relevant profit and any other tax (whether of the United Kingdom or otherwise) which may be imposed on or by reference to profits, gains, income or distributions;

3.15.3 adding back an amount equal to any amortisation of goodwill or other intangible assets;

3.15.4 adding back any amount charged in respect of interest paid or payable, other than loan interest on the A Loan Notes or the B Loan Notes;

3.16 The Company's auditors shall, at the written request of the Majority Holders given to the Company at any time before the payment of the Participating Dividend, be requested to certify the Net Profit for any financial year of the Company specified in that written request. In so certifying the Company's auditors shall act as experts and not as arbitrators, their certification shall, save in the case of manifest error, be final and binding on the Company and on all the members, and their costs shall be borne by the Company. The Company shall ensure that a copy of any such certification is promptly supplied to each A Ordinary Shareholder.

3.17 The Participating Dividend shall be pro-rated in respect of any period of less than a financial year of the Company during which the A Ordinary Shares are in issue. Where the Participating Dividend falls to be pro-rated, the pro-rata amount of the Participating Dividend from the date of the commencement of the then current financial year of the Company up to and including the date on which the Participating Dividend is payable (being for the purposes of this Article the "**relevant date**") shall be calculated on the relevant date on the basis set out in Article 3.13 save that "**Net Profit**" for this purpose shall be:

$$\frac{X}{Y} \times Z$$

where:

X is the Net Profit (as defined in Article 3.15) (provided that for the purposes of this Article 3.17 the Net Profit shall be calculated by reference to the latest available unaudited consolidated management accounts of the Company and

its subsidiary undertakings for the period from the start of the then current financial year of the Company to the latest practicable date prior to the relevant date);

Y is the number of days in the period to which such management accounts relate; and

Z is the number of days from the date of the start of the then current financial year of the Company to the relevant date.

3.18 An amount of the Participating Dividend which is not paid on the relevant Participating Dividend Payment Date (whether or not there are sufficient profits of the Company available for distribution within the meaning set out in Part VIII of the Act to pay the instalment in full) shall bear interest at 10% per annum on each day on which that amount remains unpaid. Interest shall accrue from day to day and shall be payable in respect of the period commencing with the date on which the relevant amount of the Participating Dividend becomes due and ending with the date on which it is paid on each Participating Dividend Payment Date.

3.19 If, due to delays in the preparation of the group accounts (as defined in section 227 of the Act) for the financial year of the Company in question or delays in the preparation of the auditors' report on those accounts, the Participating Dividend cannot be calculated by the Participating Dividend Payment Date, an interim dividend of an amount equal to the last Participating Dividend payable shall, without any resolution of the directors or of the Company, be paid to the A Ordinary Shareholders in place of all or part (as determined pursuant to the remaining provisions of this Article) of the Participating Dividend on the Participating Dividend Payment Date. In the event that any such interim dividend is paid, and following the determination of the amount of the Participating Dividend which would otherwise be payable (after the auditors' report on the group accounts of the Company for the financial year in question is signed by the Company's auditors):

3.19.1 to the extent that the interim dividend represents an underpayment of that Participating Dividend, the balance of the Participating Dividend shall be paid to the A Ordinary Shareholders; or

3.19.2 to the extent that the interim dividend represents an overpayment of the Participating Dividend for the financial year in question, the Participating Dividend for the subsequent financial year(s) shall be reduced to take account of the amount of such overpayment.

3.20 If the Company has insufficient profits available for distribution (within the meaning set out in Part VIII of the Act) to pay any amount of the Participating Dividend in full on any Participating Dividend Payment Date:

3.20.1 the Company shall on the Participating Dividend Payment Date in question pay to the A Ordinary Shareholders on account of the relevant amount (in proportion to the number of A Ordinary Shares held by them on that Participating Dividend Payment Date, the amount of profits then available

for distribution together with accrued but unpaid interest (if any) on that amount; and

- 3.20.2 the Company shall pay on the last day of each period of three months thereafter (and may pay at any time between those dates) on account of the balance of the relevant amount remaining outstanding, the amount of profits then available for distribution together with accrued but unpaid interest on that amount until that balance and accrued interest is paid in full.
- 3.21 No dividend shall be declared or paid to the Ordinary Shareholders in respect of any financial year of the Company without the written consent of the Majority Holders. Subject thereto, the A Ordinary Shares and the B Ordinary Shares shall participate *pari passu* with the Ordinary Shares in any dividend not being a Participating Dividend or a Preference Dividend that is declared by the Company as if the same constituted one class of share.
- 3.22 The Company shall ensure that each of its subsidiaries (if any) which has profits available for distribution shall from time to time and to the extent that it may lawfully do so declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any dividend. The Company shall ensure that all accounts are prepared which may be necessary for it to pay dividends or make distributions pursuant to these Articles.

Capital

- 3.23 On a liquidation, reduction of capital, dissolution, winding up or other return of capital of the Company, the assets of the Company available for distribution among the members shall, subject to the application of Article 3.4, be applied in the following order of priority:
- 3.23.1 first in paying to each A Ordinary Shareholder and each B Shareholder an amount equal to the aggregate Subscription Price of the A Ordinary Shares and the B Ordinary Shares held by it and an amount equal to any accrued but unpaid Participating Dividend, calculated down to and including the date of return of capital;
- 3.23.2 second in paying to each Ordinary Shareholder an amount equal to the aggregate Subscription Price of the Ordinary Shares held by it.

Thereafter the remaining assets of the Company available for distribution among the members (if any such assets remain) shall be distributed among the holders of the A Ordinary Shares, the B Ordinary Shares and the Ordinary Shares *pari passu* as if the same constituted one class of share provided that once the A Ordinary Shareholders, the B Ordinary Shareholders and the Ordinary Shareholders have received the sum of £1,000,000 per share, the holders of the Deferred Shares shall be entitled to a payment of £1 per Deferred Share after which the balance of such assets shall be distributed amongst the holders of the A Ordinary Shares, the B Ordinary Shares and the Ordinary Shares *pari passu*.

- 3.24 If, within 30 days of the completion of a sale of all or substantially all of the assets of the Company, the requisite resolutions have not been passed to wind up the Company or otherwise return capital to the members, the Company shall, subject to the application of Article 3.4, make a distribution (of all of its profits available for distribution (within the meaning set out in Part VIII of the Act), payable without any resolution of the directors or of the Company, in the order of priority set out in Article 3.23.
- 3.25 Article 3.26 shall only apply if on Exit the Investors achieve a return on the Investment of not less than the Target IRR.
- 3.26 Immediately prior to an Exit, there shall be converted into Deferred Shares such number of A Ordinary Shares as would leave the holders of the A Ordinary Shares and the Ordinary Shares (each respectively as a class) holding that percentage of the issued Equity Share Capital as would result in a division of the Ordinary Share Value as follows:
- 3.26.1 in respect of the Ordinary Share Value up to and including the Relevant Ordinary Share Value, on the basis of their holdings of A Ordinary Shares and Ordinary Shares immediately prior to Conversion; and
- 3.26.2 in respect of the Ordinary Share Value in excess of the Relevant Ordinary Share Value, as to 33.34% to the A Ordinary Shareholders as a class and as to 66.66% to the Ordinary Shareholders as a class.
- 3.27 The IRR of the Investors shall be calculated as follows:
- 3.27.1 in respect of each day from the date of the Investment Agreement to the Exit Date inclusive there shall be ascertained:
- 3.27.1.1 the total amount of cash paid to the Company by way of subscription for shares and Loan Notes on that day by the Investors or their nominees; and
- 3.27.1.2 the total amount of cash paid (including net dividends and interest) for or in respect of Loan Notes and shares on that day to the Investors or their nominees, including any repayments or purchases of loans or share capital but excluding any fees payable at or at any time after the date of the Investment Agreement;
- with the figure resulting from deducting the amount calculated under Article 3.27.1.1 from the amount calculated under Article 3.27.1.2 being referred to below as the "cashflow for that day";
- 3.27.2 for the purpose of this Article 3.27:
- 3.27.2.1 it shall be assumed that the Investment still remains, save to the extent that any part of it has been repaid or purchased by the Company;

3.27.2.2 in calculating the cashflow arising on the Exit Date, the Investment shall be deemed to have been received by the Investors or their nominees in cash on that day, and accordingly there shall be included in the figure to be ascertained under Article 3.27.1.2:

- (i) that part of the Ordinary Share Value attributable to the A Ordinary Shares after the operation of Article 3.26; and
- (ii) the redemption monies paid on redemption of the Loan Notes including any accrued interest thereon;

3.27.3 the IRR is "r" where "r" is the percentage such that the sum of the amounts calculated in accordance with the following formula and ascertained pursuant to Article 3.27.1 for each day from the date of the Investment Agreement to the Exit Date inclusive is zero:

Cashflow for that day t
 $(1+r)^{(t-1)}$

365

where t is 1 in respect of the date of the Investment Agreement (such that, for the avoidance of doubt, t equals 366 for the first anniversary of the date of the Investment Agreement).

3.28 Any Conversion of A Ordinary Shares pursuant to Article 3.26 shall be made on the following terms:

3.28.1 Conversion shall take effect immediately before (but conditional upon the occurrence of) an Exit at no cost to the A Ordinary Shareholders and the shares to be Converted pursuant to Article 3.26 shall be apportioned rateably (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the A Ordinary Shareholders;

3.28.2 the certificate of the Valuer as to the number of A Ordinary Shares to be Converted shall (save in the case of manifest error) be conclusive and binding on the Company and its members; and

3.28.3 forthwith after Conversion the Company shall issue to the persons entitled thereto certificates for the Deferred Shares resulting from the Conversion and for the remaining A Ordinary Shares and the holders thereof shall be bound to deliver up to the Company for cancellation the certificates in respect of their pre-conversion holdings of A Ordinary Shares.

3.29 In Articles 3.25 to 3.28 the following additional definitions apply:

"Cash Equivalent"

in relation to any consideration payable otherwise than in cash or on deferred

terms, the sum agreed between the holders of not less than 50% of the A Ordinary Shares and the holders of not less than 50% of the Ordinary Shares (in each case in issue prior to Conversion) or, failing such agreement, certified on the instruction of any member by the Valuer as being in their opinion:

- (a) (in relation to consideration payable on deferred terms) the current value of the right to receive that consideration; and
- (b) (in relation to any consideration payable otherwise than in cash) the current market value of that non-cash consideration;

"Conversion"

the conversion, without the need for any board or shareholder resolution, of A Ordinary Shares into Deferred Shares in accordance with Article 3.26 (and "Converted" shall be construed accordingly);

"Equity Share Capital"

the A Ordinary Shares and the Ordinary Shares;

"Exit"

the occurrence of a Listing or the completion of a Sale;

"Exit Date"

- (a) where the Exit is by way of Listing, the date on which dealings are permitted to commence under the rules of the relevant investment exchange in respect of the shares for which Listing has been obtained; or
- (b) where the Exit is by way of Sale, the date of receipt from the purchaser(s) of the consideration payable on completion of the Sale;

"Investment"

the subscription price of all A Ordinary Shares, B Ordinary Shares and Loan Notes acquired by or on behalf of the

	Investors;
"IRR"	Internal Rate of Return, as determined pursuant to Article 3.27;
"Loan Notes"	all loan notes issued by the Company to the Investors (or any of them or to any nominee of any of them) from the date of the Investment Agreement until Exit, including the A Loan Notes and the B Loan Notes;
"Ordinary Share Value"	<p>(a) (in relation to a Listing) the price per share at which any ordinary shares of the Company are sold, offered to be sold or offered at a Listing Date and in connection with Listing (in the case of an offer for sale, being the underwritten price or, if applicable, the minimum tender price, and in the case of a placing, being the price at which ordinary shares are sold under the placing) multiplied by the number of Relevant Ordinary Shares at the relevant time;</p> <p>(b) (in relation to a Sale) the cash consideration for the Relevant Ordinary Shares pursuant to the Sale (plus, to the extent that consideration is payable otherwise than in cash or is payable on deferred terms, the Cash Equivalent of that consideration) multiplied by the number of Relevant Ordinary Shares in issue at the date of Sale.</p>
"Relevant Ordinary Shares"	the Ordinary Shares, the A Ordinary Shares and the B Ordinary Shares (or any ordinary shares of the Company derived therefrom by conversion) in issue at the time of the relevant Sale or Listing excluding any ordinary shares issued or to be issued by the Company in connection with a Listing;

"Relevant Ordinary Share Value"	the Ordinary Share Value where the Target IRR is achieved;
"Target IRR"	an IRR of 30%;
"Valuer"	the Company's auditors from time to time or (in the event of their being unwilling or unable to act or, at the written request of the Company or the holders of not less than 50% of the A Ordinary Shares and the holders of not less than 50% of the Ordinary Shares (in each case in issue prior to the Conversion)) an independent firm of Chartered Accountants appointed by the President for the time being of the Institute of Chartered Accountants of England and Wales (or his equivalent from time to time) in each case acting as an expert and not as an arbitrator and whose costs shall be paid by the Company.

Deferred Shares

- 3.30 The Deferred Shares shall:
- 3.30.1 not entitle the holders (in that capacity) to receive notice of or to attend or vote at any general meeting of the Company;
 - 3.30.2 save as provided in Article 3.23 not entitle the holders (in that capacity) to participate in any profits or assets of the Company; and
 - 3.30.3 be capable of transfer to any person to whom an A Ordinary Shareholder may transfer A Ordinary Shares pursuant to these Articles.
- 3.31 Conversion of A Ordinary Shares into Deferred Shares shall be deemed to confer an irrevocable authority on the Company at any time to appoint any one or more of the Directors to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to transfer the same for no consideration to the Company.
- 3.32 The Company shall, subject to the Act, be authorised to make a payment in respect of the redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

4. ALLOTMENTS OF SHARES

- 4.1 Subject to the provisions of these Articles, section 89(1) and section 90(1) to (6) inclusive of the Act shall apply to any allotment of the Company's equity securities, save that:

- 4.1.1 for the purposes of those sections the A Ordinary Shares, B Ordinary Shares and the Ordinary Shares shall be treated as one class of shares;
 - 4.1.2 references in this Article and in sections 89 to 96 inclusive of the Act to "equity securities" shall be construed in accordance with section 94 of the Act, save that shares to be allotted pursuant to a Company Share Scheme (and a right to subscribe for such shares) shall not constitute equity securities;
 - 4.1.3 section 90(6) of the Act shall apply as if the period specified in that section were 14 days, not 21 days; and
 - 4.1.4 the holders of equity securities ("**Equity Shareholders**") who accept shares shall be entitled to indicate that they would accept shares that have not been accepted by other Equity Shareholders ("**Excess Shares**") on the same terms on which such shares were originally offered to all Equity Shareholders. Any Excess Shares shall be allocated to the Equity Shareholders who have indicated they would accept Excess Shares in the numbers in which they have been accepted by Equity Shareholders or, if the number of Excess Shares is insufficient for all Equity Shareholders to be allocated all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allocated as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder has indicated he would accept bears to the aggregate number of Excess Shares applied for by all the Equity Shareholders. Fractional entitlements to equity securities shall be ignored.
- 4.2 In the event that an offer made pursuant to Article 4.1 fails to become unconditional because the aggregate number of equity securities applied for is less than any minimum number of equity securities specified in the offer, then the offer shall lapse.
5. **LIENS, CALLS AND FORFEITURE**
- 5.1 The Company shall have a first and paramount lien on every share registered in the name of any person indebted to or under any liability to the Company (whether such person is the sole registered holder or the joint holder of such shares) for all moneys (whether or not due and payable) owing by such person to the Company. The Directors may at any time (with the written consent of the Majority Holders) declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it. Regulation 8 shall not apply.
- 5.2 Regulation 18 shall apply as if the words "and all expenses that may have been incurred by the Company by reason of such non-payment" were inserted at the end of the first sentence of that Regulation.
6. **TRANSFER AND TRANSMISSION OF SHARES**
- 6.1 No member may transfer any share except in accordance with Articles 7 (Permitted Transfers), 8 (Compulsory Transfers), 9 (Pre-emption on the Transfer of Shares), 10

(Tag Rights) or 11 (Drag Rights) and any purported transfer in breach of this Article 6.1 shall be of no effect.

- 6.2 References in Article 6.1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party.
- 6.3 The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these Articles, and a transfer of shares to a minor, a bankrupt or a person of unsound mind.
- 6.4 The directors may from time to time require any member, or in the case of any proposed transfer, any proposed transferee, to supply to the Company such information as they may reasonably think relevant for the purpose of determining whether (a) there has been a breach of the Articles, (b) a Compulsory Transfer Event has occurred or (c) the proposed transfer is permitted under the Articles. Unless that information is supplied within 30 days of the date of the request, the directors may declare the shares in question to be subject to the restrictions set out in section 454 of the Act until such time as that information is supplied or (as the case may be) may refuse to register the relevant transfer.
- 6.5 Unless pursuant to these Articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these Articles within 30 days of the following being lodged at the office or such other place as the directors may appoint:
- 6.5.1 the duly stamped transfer;
 - 6.5.2 the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors;
 - 6.5.3 (where the proposed transferee is the trustee of a Family Trust who is to receive the relevant shares in that capacity pursuant to a transfer pursuant to Articles 7.1.5 or 7.1.6) evidence reasonably satisfactory to the directors that the trustee has the capacity to give warranties or indemnities (subject to reasonable limitations on its liability) in the event of a sale of those shares.
- 6.6 Regulations 24, 26 and 30 shall not apply.

7. PERMITTED TRANSFERS

- 7.1 A transfer of any share, other than one which in accordance with these Articles is declared to be subject to the restrictions set out in section 454 of the Act, may, unless otherwise provided in these Articles, be made at any time in the following cases:
- 7.1.1 with the prior written consent of members including the transferor(s) holding shares representing not less than 75% of the voting rights attaching to the

Ordinary Shares and 75% of the voting rights attaching to the A Ordinary Shares (excluding any issued shares which have been declared to be subject to the restrictions set out in section 454 of the Act), subject to the fulfilment of any conditions on the basis of which any such consent is given;

- 7.1.2 a transfer of the legal or beneficial interest in any share by any A Ordinary Shareholder or B Ordinary Shareholder to another A Ordinary Shareholder or B Ordinary Shareholder;
- 7.1.3 a transfer of the legal or beneficial interest in any share by any A Ordinary Shareholder or B Ordinary Shareholder to an Associate;
- 7.1.4 a transfer of the legal or, as the case may be, beneficial interest in any share by:
 - 7.1.4.1 any member of the Defined Group to any other member of the Defined Group or to any trustee or nominee for any such member;
 - 7.1.4.2 any A Ordinary Shareholder or B Ordinary Shareholder which is (or is holding on behalf of) a unit trust or partnership or other unincorporated association or fund to the holder or holders of units in such unit trust or partners in such partnership or members of such unincorporated association or investors in such fund from time to time or to trustees for any such person;
 - 7.1.4.3 any A Ordinary Shareholder or B Ordinary Shareholder which is a nominee or trustee, whether directly or indirectly, for an approved scheme or schemes as defined in section 612 of ICTA to any other nominee or trustee, whether direct or indirect, for the same approved scheme or schemes;
 - 7.1.4.4 any A Ordinary Shareholder or B Ordinary Shareholder which is a nominee or trustee of a partnership to the partnership or to any new nominee or trustee for such partnership;
 - 7.1.4.5 any A Ordinary Shareholder or B Ordinary Shareholder which is (or is holding on behalf of) a partnership, unit trust, investment trust, unincorporated association or other fund or corporation to another partnership, unit trust, investment trust, unincorporated association or other fund or corporation which is managed or advised by the same manager or adviser as the transferor or by a holding company of such manager or adviser or any subsidiary company of such holding company;
 - 7.1.4.6 any A Ordinary Shareholder or B Ordinary Shareholder to a person whose business is (whether in whole or in part) to make, manage or advise on investments ("**Institutional Investor**") (or its nominee) with the prior written consent of the Majority Holders;

- 7.1.5 a transfer of the entire legal and beneficial interest in any share by a member (being an individual who does not hold the shares concerned as a trustee): (i) to a Privileged Relation aged 18 or over; or (ii) to trustees of a Family Trust acting in that capacity provided that if the proposed transfer would result in the transferor holding less than 50% in nominal value of the Ordinary Shares originally issued or transferred to him no such transfer shall be made without the written consent of the Majority Holders;
- 7.1.6 a transfer of the legal interest in any share by any trustee(s) of a Family Trust acting in that capacity to any other or new trustee(s) of that Family Trust acting in that capacity; or
- 7.1.7 a transfer of the entire legal and beneficial interest in any share by any trustees of a Family Trust acting in that capacity to any beneficiary of that trust aged 18 or over who has become absolutely entitled to the share proposed to be transferred or to any Privileged Relation of the settlor;
- 7.1.8 a transfer of the legal interest in any share by any trustee(s) of an Employee Trust (subject to the written consent of the Majority Holders) to an Employee Member.

8. **COMPULSORY TRANSFERS**

- 8.1 For the purposes of these Articles, a Compulsory Transfer Event shall occur in relation to an Ordinary Shareholder:

if that Ordinary Shareholder (being an individual, other than one who holds shares as trustee of a Family Trust):

- 8.1.1 makes any proposal under Part VIII Insolvency Act 1986 for a composition in satisfaction of his/her debts or a scheme of arrangement of his/her affairs, or makes any arrangement or compromise with his/her creditors generally;
- 8.1.2 is adjudicated bankrupt;
- 8.1.3 dies (unless that member is a joint holder);
- 8.1.4 becomes a patient (as defined in section 145(1) of the Mental Health Act 1983);
- 8.1.5 (being someone who holds shares pursuant to a Connected Person Transfer) ceases to be a Privileged Relation by reason of divorce;
- 8.1.6 becomes a Leaver, unless the Majority Holders determine in writing within 30 days of the individual becoming a Leaver that this Article 8.1.6 shall not apply, and where this Article 8.1.6 applies it shall do so to the exclusion of the other provisions of this Article 8.1;

or if that Ordinary Shareholder (being a person who holds shares as trustee of a Family Trust):

- 8.1.7 ceases to hold those shares on the terms of a Family Trust (other than in consequence of a transfer pursuant to Article 7.1.7) or holds them on trust for an individual in relation to whom a Compulsory Transfer Event has occurred, unless the Majority Holders determine in writing within 30 days of the Trigger Date (as defined in Article 8.3) that this Article 8.1.7 shall not apply.
- 8.2 If a Compulsory Transfer Event occurs: (i) in relation to a member; or (ii) in the case of a member who holds shares by reason of a Connected Person Transfer, in relation either to that member or to the Connected Person Transferor, then the member in question (or any person becoming entitled to that member's shares on a transmission of those shares) shall promptly notify the directors that the Compulsory Transfer Event has occurred.
- 8.3 Any member who is required to give notice pursuant to Article 8.2, and all other members who hold shares by reason of a Connected Person Transfer where that member was the Connected Person Transferor, shall be deemed to have given a Compulsory Transfer Notice. Notice of the Compulsory Transfer Notice shall, subject as set out below, be given to all the members during the period of 60 days starting on the date when the directors receive notice under Article 8.2 or (if no such notice is received during the period of 14 days starting on the date of the relevant Compulsory Transfer Event) starting on the date when the directors become aware of that Compulsory Transfer Event (the first of such dates to occur being the "**Trigger Date**").
- 8.4 Promptly after notice of a Compulsory Transfer Notice has been given, or, in the case of an offer in accordance with Article 8.5.1, promptly after that offer is declined in whole or in part, the Company shall require its auditors for the time being to determine in accordance with Article 12 the fair value of the shares which are the subject of the Compulsory Transfer Notice.
- 8.5 Any Compulsory Transfer Notice deemed to have been given shall be irrevocable and shall be deemed to offer unconditionally to sell all (subject to Article 8.5.3) of the shares in question for, in the case of an offer in accordance with Article 8.5.1, their par value, and, in any other case, their fair value as determined pursuant to Article 12. Any such offer shall be deemed to have been made:
- 8.5.1 (in the case of a Compulsory Transfer Event listed in Article 8.1.5) to the former spouse of the relevant member, who shall have the right to accept any or all of the shares offered to him or her by written notice to the Company given within 7 days of the date on which notice of the Compulsory Transfer Notice was given;
- 8.5.2 if or to the extent that any offer made pursuant to Article 8.5.1 is not accepted or in the case of any other Compulsory Transfer Event, to the Company, which shall have the right to accept any or all of the shares offered to it (if it is lawfully able to do so) by written notice given by it to all members within 14 days of the notification of the value of the relevant shares in accordance with Article 12.1;

8.5.3 if or to the extent that any offer made to the Company pursuant to Article 8.5.2 is not lawfully accepted by the Company and if the Majority Holders so determine in writing:

8.5.3.1 in respect of such number of shares comprised in the Compulsory Transfer Notice as the Majority Holders may determine, to a person or persons proposed by the Majority Holders to take the place of the Leaver, each of whom shall have the right to accept any or all of the shares offered to him by written notice given by him to the Company within 14 days of the notification of the value of the relevant shares in accordance with Article 12.1; or

8.5.3.2 (if no such person or persons as referred to in Article 8.5.3.1 is proposed, or if there are any shares which any such person does not accept, or in respect of the balance of the shares (if any) comprised in the Compulsory Transfer Notice) to an Employee Trust which shall have the right to accept any or all of the shares offered to it by written notice given by it to the Company within 14 days of the notification of the value of the relevant shares in accordance with Article 12.1;

8.5.4 if or to the extent that any offer made to the Company pursuant to Article 8.5.2 is not lawfully accepted by the Company and, if made, if or to the extent that any offer pursuant to Article 8.5.3 is not accepted first to the Ordinary Shareholders and, if there are any shares which these persons do not accept, thereafter to the A Ordinary Shareholders and the B Ordinary Shareholders *pari passu* as if the same constituted one class of share in each case whose names are entered in the register of members at close of business on the day immediately preceding the date on which notice of the Compulsory Transfer Notice was given (other than, in either case, any member also deemed to give or to have given a Compulsory Transfer Notice and any member who has given a Sale Notice in respect of all the shares registered in his name), who shall have the right to accept any or all of the shares offered to them by written notice to the Company given within 21 days of the notification of the value of the relevant shares in accordance with Article 12.1.

A person shall be deemed to have declined an offer made to it pursuant to the preceding provisions of this Article 8.5 to the extent that the offer is not accepted (or, in the case of the Company, lawfully accepted) in accordance with this Article within the relevant period of time. An accepting person's notice shall specify the number of shares applied for.

8.6 Each notice given by a person under Article 8.5 shall be irrevocable, and shall give rise to a legally binding and unconditional agreement between the person giving it and the member deemed to have given the Compulsory Transfer Notice. Under each such agreement, the relevant member shall be bound to buy, and the member deemed to have given the Compulsory Transfer Notice shall be bound to sell, that number of shares determined in accordance with the provisions of Articles 9.7 and 9.8 (which

shall apply mutatis mutandis as set out below in this Article 8.6). Articles 9.6 to 9.10 shall apply as if references to "Acceptance Notice" were to "notice under Article 8.5", to "Sale Shares" were to "shares", to "Sale Notice" were to "Compulsory Transfer Notice", to "Sale Price" were to "fair value as determined pursuant to Article 12" and to "Seller" were to "member deemed to have given the Compulsory Transfer Notice".

- 8.7 If the Company lawfully elects to buy any shares which are the subject of a Compulsory Transfer Notice, the directors (other than any director who is also the member deemed to have given the Compulsory Transfer Notice in question) shall determine (with the written consent of the Majority Holders) a timetable and procedure for such purchase and the members shall comply with any requirements of the directors (as to voting of their shares or otherwise) (subject to the written consent of the Majority Holders) to give effect to that purchase.
- 8.8 If any member is deemed to have given a Compulsory Transfer Notice, the shares which are the subject of that Compulsory Transfer Notice shall be subject to the restrictions set out in section 454 of the Act, notwithstanding Article 7, until sold pursuant to Article 8.6 or otherwise agreed by the Majority Holders.
- 8.9 Save in the event of a Compulsory Transfer Event listed in Article 8.1.6, this Article 8 shall not apply to any share in respect of which a transfer in accordance with Articles 7 or 9 has been lodged for registration before a Compulsory Transfer Notice in relation to that share is deemed to be given under Article 8.3. In the event of a Compulsory Transfer Event listed in Article 8.1.6, this Article 8 shall, unless the directors, with the written consent of the Majority Holders, resolve otherwise, continue to apply to any such share unless and until any such transfer is registered. The directors shall not register any such transfer without the written consent of the Majority Holders.
- 8.10 This Article 8 shall not apply to any share in respect of which a transfer in accordance with Articles 10 or 11 has been lodged for registration before a Compulsory Transfer Notice in relation to that share is deemed to be given under Article 8.3.

9. PRE-EMPTION ON THE TRANSFER OF SHARES

- 9.1 A member who wishes to transfer the entire legal and beneficial interest in any shares registered in its name, other than pursuant to Articles 7 (Permitted Transfers), 8 (Compulsory Transfers), 10 (Tag Rights) or 11 (Drag Rights) shall first give a Sale Notice to the Company. No Sale Notice may be given by an Ordinary Shareholder without the prior written consent of the Majority Holders.
- 9.2 The Sale Notice shall specify:
- 9.2.1 the number of Sale Shares; and
 - 9.2.2 a cash price per share at which the Sale Shares are offered for sale (which may be their fair value as determined by the Company's auditors under Article 12 if the Seller so chooses) ("**Sale Price**").

The Sale Notice shall also state whether or not the Seller's offer is conditional on acceptances being received for all (or any other specified percentage) of the Sale Shares, but may not otherwise be conditional.

- 9.3 The Sale Notice shall not be revocable except with the consent of the directors, and shall constitute the Company the agent of the Seller for the sale of the entire legal and beneficial interest in the Sale Shares to all members on the date of the Sale Notice (other than the Seller and any Connected Person of the Seller and any member deemed to give or to have given a Compulsory Transfer Notice and any member who has given a Sale Notice in respect of all the shares registered in his name) in accordance with this Article 9 at the Sale Price. If the Sale Price is specified by the Seller, pursuant to Article 9.2.2, to be the fair value as determined by the Company's auditors under Article 12 the Company shall require its auditors to make that determination as soon as reasonably practicable after the Sale Notice is given. Until the Seller's offer lapses or is declined or deemed declined by all members to whom it is made, and notwithstanding Article 7, the Seller may not make a Connected Person Transfer.
- 9.4 Promptly after the Sale Notice is received (or, where the Sale Price is determined by the Company's auditors pursuant to Article 12, promptly after the notice containing details of the determination is received) the directors shall send a copy of the Sale Notice to each member to whom the Sale Shares are to be offered. Each such member shall have the right to buy Sale Shares at the Sale Price by giving an Acceptance Notice (with a copy to the Seller) within 60 days of receipt of the Sale Notice specifying the number of Sale Shares applied for. In the event that a member gives no Acceptance Notice within that 60 days' period, it shall be deemed to have declined the offer made to it.
- 9.5 Each Acceptance Notice shall be irrevocable, and shall give rise to a legally binding agreement between the member giving it and the Seller. That agreement shall be conditional upon acceptances being received for all or any other specified percentage of the Sale Shares only if so provided by the Sale Notice, but shall not otherwise be conditional. Under each such agreement, the relevant member shall be bound to buy, and the Seller shall be bound to sell, a number of Sale Shares determined in accordance with the provisions of Articles 9.7 and 9.8. If the aggregate number of Sale Shares so to be sold does not satisfy any acceptance condition contained in the Sale Notice, each agreement to which an Acceptance Notice gives rise shall immediately lapse.
- 9.6 The Sale Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the Sale Price, and together with all rights attaching to the Sale Shares on or after the date of the Sale Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Sale Shares.
- 9.7 Each member giving an Acceptance Notice shall be allocated the number of Sale Shares applied for in that Acceptance Notice, except where the aggregate number of Sale Shares applied for by all members to whom the offer is made exceeds the number of Sale Shares. In those circumstances, the Sale Shares shall be allocated to

the applying members (whether A Ordinary Shareholders, B Ordinary Shareholders or Ordinary Shareholders) in proportion to the number of shares held by them on the date of the Sale Notice, provided that no member shall be allocated more Sale Shares than it has applied for, and any Sale Shares which cannot therefore be allocated to any applying member shall be allocated to the other applying members on the basis set out above until all Sale Shares are allocated. Fractional entitlements to Sale Shares shall be ignored.

- 9.8 Fractions of shares which would otherwise be allocated to members pursuant to Article 9.7 shall be consolidated and allocated by the drawing of lots in any manner thought appropriate by the directors, provided that no member shall be allocated more shares than it has applied for. For the purposes of Article 9.3, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of the Sale Notice shall be deemed to be a member of the Company and to hold those shares on that date.
- 9.9 The Company shall specify by notice to the relevant members a time and place for completion of the sale and purchase of the Sale Shares, being not less than 3 and not more than 14 days after the date of receipt of the final Acceptance Notice. Completion of that sale and purchase shall take place at the time and place specified in the Company's notice, when:
- 9.9.1 each buying member shall pay the Seller in cash the purchase price for the Sale Shares bought by that member; and
- 9.9.2 the Seller shall deliver to each such member a transfer in respect of the Sale Shares bought by it, duly executed in its favour by the Seller, together with the certificate(s) for the Sale Shares or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.
- 9.10 As security for the performance by the Seller of its obligations under Article 9.9.2, the Seller shall be deemed, on giving the Sale Notice, to appoint any director as its duly authorised agent to complete, execute and deliver a transfer of the Sale Shares pursuant to Article 9.9.2 and to give a good discharge for the purchase money. That money shall be held on trust by the Company for the Seller (without any obligation to account for interest on it) until the share certificate(s) or indemnity referred to in Article 9.9.2 is delivered to the Company.
- 9.11 If in respect of all or any Sale Shares the Seller's offer lapses, or is declined or deemed declined by all the members to whom it is made, then the directors shall promptly give written notice to the Seller (with copies to all other members, save for Connected Persons of the Seller) specifying the number of Sale Shares concerned. The Seller shall then be entitled, in pursuance of a bona fide sale, and subject to Article 6.3, to transfer the entire legal and beneficial interest in any of those Sale Shares or (if the Sale Notice stated that the Seller's offer was conditional on acceptances being received for all or any other specified percentage of the Sale Shares) not less than all or that specified percentage of the Sale Shares, to any person, in accordance with, and within the period referred to in, Article 9.12.

9.12 The consideration per share payable on a transfer of Sale Shares pursuant to Article 9.11 (after allowing for any deduction, rebate or allowance to the buyer other than one equal to any dividend or distribution declared, paid or made after the date of the Sale Notice and which is not to be received by the buyer):

9.12.1 (where the Sale Shares are being sold solely for a consideration which is payable in cash, including by means of a loan note) shall be not less than the Sale Price; or

9.12.2 (in any other case) shall have a value which before that transfer is made shall have been agreed or determined under Article 9.13 to be not less than the Sale Price.

The relevant transfer(s) shall be lodged for registration during the period of 45 days starting on the date of the directors' notice under Article 9.11 or, if applicable, on the date of any agreement or determination under Article 9.13.

9.13 If the Sale Shares are not being sold solely for a consideration which is immediately payable in cash, then the value of that consideration shall be determined by the Company's auditors unless agreed between the Seller and the directors before the date falling 7 days after the date of the directors' notice under Article 9.11. The Company's auditors shall act as experts and not as arbitrators, their decision shall, save in the case of manifest error, be final and binding on all the members, and their costs shall be borne by the Company. The Company shall ensure that details of any agreement or determination under this Article 9.13 are promptly supplied to each member.

10. TAG RIGHTS

10.1 Subject to Article 10.4, if:

10.1.1 any member or members holding A Ordinary Shares, B Ordinary Shares or Ordinary Shares ("**Selling Shareholder(s)**") wish(es) to transfer the entire legal or beneficial interest in any shares to any person; and

10.1.2 that transfer would (if registered) result in the transferee ("**Proposed Transferee**") and any person with whom he is acting in concert holding shares then representing more than 50% of the voting rights attaching to the issued share capital of the Company;

then the Selling Shareholder(s) shall notify the directors in writing of such intended transfer not less than 21 days prior to the date on which such sale is proposed to be made. That notice ("**Prospective Seller's Notice**") shall set out:

10.1.3 the number and class of shares which the Selling Shareholder(s) propose(s) to transfer;

10.1.4 (where the shares are to be transferred solely for a consideration payable in cash, including by means of a loan note) the nature and the amount of the consideration for the acquisition of the shares (expressed as a price per share)

or (in any other case, including a case where a choice of consideration is offered) the nature of the consideration payable per share and, in either case, the date on which the consideration would be payable;

10.1.5 the identity of the Proposed Transferee and (if it is a company or a partnership) the person(s) believed by the Selling Shareholder(s) to control that company; and

10.1.6 the date on which the sale is proposed to be made.

10.2 The Prospective Seller's Notice shall be accompanied by a written irrevocable offer by the Proposed Transferee to buy all the shares of each class (other than Preference Shares) held by each member other than the Selling Shareholder(s), and all the shares which shall be held by each person other than the Selling Shareholder(s) who at the date of such offer has rights (whether or not contingent) granted by the Company to acquire shares and who exercises those rights during the period for which the offer remains open for acceptance, such members and other persons being referred to below as "**Remaining Shareholders**". The price per share offered shall be the same price per share as that offered by the Proposed Transferee to the Selling Shareholder(s) and set out in the Prospective Seller's Notice.

10.3 The offer referred to in Article 10.2 shall remain open for acceptance for not less than 14 days after the date of the Prospective Seller's Notice and shall provide for the purchase of any shares to which it relates to be completed at the same time as the purchase of the shares held by the Selling Shareholder(s), which may not be earlier than the first Business Day falling not less than two days after the end of the period within which the offer is open for acceptance. The directors shall send a copy of the Prospective Seller's Notice and a copy of the written irrevocable offer by the Proposed Transferee to each Remaining Shareholder.

10.4 No sale of shares by a Selling Shareholder pursuant to a Prospective Seller's Notice shall be permitted unless it is agreed to in writing by the Majority Holders.

10.5 Any Remaining Shareholder may, within the period during which the offer referred to in Article 10.2 remains open for acceptance, notify the Selling Shareholder(s) that it wishes to accept that offer. For the avoidance of doubt, the Proposed Transferee's offer shall not require any Remaining Shareholder to give:

10.5.1 any warranties, representations, indemnities, covenants or other assurances other than those which relate to or are in respect of title to the shares registered in its name and its capacity to enter into the relevant agreement for the sale of those shares;

10.5.2 any restrictive covenants which in any way restrict it from carrying on any business;

and the aggregate liability of each Remaining Shareholder under any warranties, representations, indemnities, covenants or other assurances it may give shall be limited to the consideration payable by the Proposed Transferee to such Remaining Shareholder for the shares registered in its name.

- 10.6 For the purposes of this Article 10, an offer shall be regarded as at the same price per share only if the price offered:
- 10.6.1 to each A Ordinary Shareholder for each A Ordinary Share held by it is equal to the price offered to the Ordinary Shareholders per Ordinary Share together with an amount equal to any accrued but unpaid Participating Dividend on those A Ordinary Shares; and
 - 10.6.2 to each holder of Deferred Shares for each Deferred Share held by it is equal to 10p per share.
- 10.7 If the Proposed Transferee does not, at the time set in its offer for completion of the purchase of any shares, buy the relevant number of shares in respect of which notice has been given by a Remaining Shareholder under Article 10.5, no Selling Shareholder may sell any of the shares registered in its name to the Proposed Transferee and the directors shall refuse to register any transfer prohibited by this Article 10.7.
- 10.8 The provisions of this Article 10 shall not apply where the transfer which would otherwise cause this Article to apply is made by the Selling Shareholder pursuant to Articles 7 (Permitted Transfers), 8 (Compulsory Transfers) or 11 (Drag Rights).
- 10.9 Transfers of shares by the Selling Shareholder(s) and the Remaining Shareholders in accordance with this Article 10 are not subject to the provisions of Article 9 (Pre-emption on the Transfer of Shares).

11. DRAG RIGHTS

- 11.1 In this Article 11, a **"Qualifying Offer"** shall mean a bona fide offer on arm's length terms made at any time after the third anniversary of adoption of these Articles or at a time when the Company is in a state of Material Default, if earlier, to buy the entire issued share capital of the Company, at the same price per share of each class (treating the A Ordinary Shares, the B Ordinary Shares and the Ordinary Shares as one class for these purposes) and on the same terms in respect of each share of whatever class, by any person (**"Qualifying Offeror"**) provided that the price payable for each Preference Share shall be its Subscription Price plus an amount equal to any accrued but unpaid Preference Dividend and the price payable for each Deferred Share shall be 10p per share.
- 11.2 If a Qualifying Offer is accepted by the holders of more than 50% in nominal value of the A Ordinary Shares then in issue (**"Accepting Shareholders"**) the Company (at the direction of any one or more of the Accepting Shareholders) shall give written notice to all the members and all other persons who at the date of such notice have rights (whether or not contingent) granted by the Company to acquire shares, giving details of the Qualifying Offer and the acceptances given by the Accepting Shareholders. All such members and other persons shall, on the giving of that notice, cease to be entitled to give a Sale Notice pursuant to Article 9 or to transfer the legal or beneficial interest in any share pursuant to Article 7 (Permitted Transfers) or Article 10 (Tag Rights) and shall become bound to accept the Qualifying Offer and to transfer, on the date or dates specified by the Company for the purpose (being not less than 10

Business Days after the date of the Company's notice), the shares registered in their respective names (including any shares which become so registered before the date specified by the Company) to the Qualifying Offeror (or his nominee) with full title guarantee at the consideration per share payable by the Qualifying Offeror. The Company may specify more than one date in its notice if necessary for the purpose of ensuring that rights to acquire shares in the Company become exercisable. For the purposes of this Article 11, an offer shall be regarded as at the same price per share only if the price offered to each A Ordinary Shareholder for each A Ordinary Share held by it is equal to the price offered to the Ordinary Shareholders per Ordinary Share together with an amount equal to any accrued but unpaid Participating Dividend on those A Ordinary Shares.

- 11.3 If any member does not, on any relevant date specified by the Company in accordance with Article 11.2, execute and deliver to the Company transfers in respect of the shares held by it, and any other documents necessary to accept the Qualifying Offer and deliver to the Company the certificate(s) in respect of those shares (or an indemnity in lieu of those certificate(s) in a form satisfactory to the directors), then any Accepting Shareholder shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute the necessary transfer(s), other necessary documents and indemnities on that member's behalf and (where the Qualifying Offer provides for any election to be made between any forms of consideration) to make the relevant election on behalf of that member and, against receipt by the Company on trust for that member of the consideration payable for the relevant shares, deliver such transfer(s), other necessary documents and certificate(s) or indemnities to the Qualifying Offeror. Following receipt by the Company of the consideration payable for those shares, the Company shall (subject to the payment of any stamp duty) cause the Qualifying Offeror to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 11.4 Transfers of shares, whether by Accepting Shareholders or other members, in accordance with this Article 11 are not subject to the provisions of Article 9 (Pre-emption on the Transfer of Shares).

12. FAIR VALUE DETERMINATION

- 12.1 The fair value of any share to be determined under this Article shall be its open market value as determined by the Company's auditors for the time being as at the date when the Sale Notice is given or, as the case may be, the Compulsory Transfer Notice is deemed to be given. In making any such determination, the Company's auditors shall assume a willing seller and buyer at arm's length, shall further assume, if the Company is then carrying on business as a going concern, that it will continue to do so and shall recognise that the shares are not freely marketable. The directors shall use all reasonable efforts to ensure that the fair value is determined by the auditors and a notice containing details of their determination issued to all the members as quickly as possible. The auditors shall act as experts and not as arbitrators, their determination shall, save in the case of manifest error, be final and binding on the Company and all members, and their costs shall be borne by the Company. The Company shall ensure that a notice containing details of any determination under this Article 12.1 is promptly supplied to each member.

12.2 Notwithstanding Article 12.1, for the purposes of these Articles:

12.2.1 the fair value of each share held: (i) by an individual who becomes a Leaver (or a Connected Person of that Leaver); or (ii) by an Ordinary Shareholder on the terms of a Family Trust in which an individual who becomes a Leaver holds a beneficial interest, in each case in any circumstances other than those set out in Article 12.2.2 shall be the lower of the fair value determined by the auditors in accordance with Article 12.1 and the Subscription Price for that share;

12.2.2 the fair value of each share held by: (i) an individual who becomes a Leaver (or a Connected Person of that Leaver); or (ii) by an Ordinary Shareholder on the terms of a Family Trust in which an individual who becomes a Leaver holds a beneficial interest, in each case in any of the following circumstances:

12.2.2.1 death, illness or disability of the individual giving rise to permanent incapacity to continue in employment; or

12.2.2.2 wrongful dismissal of the individual (including, without limitation, due termination of his employment by the individual by reason of breach by the employing company, or any other circumstances amounting to constructive dismissal of that individual) other than dismissal on or after 1 May 2004 for reasons of material underperformance;

12.2.2.3 redundancy of the individual;

12.2.2.4 retirement of the individual on achieving the age of 65;

12.2.2.5 termination of the employment of the individual by his employing company without having grounds for summary termination (other than termination on or after 1 May 2004 for reasons of material underperformance);

12.2.2.6 termination of the employment of the individual by his employing company on or before 30 April 2004 for reasons of material underperformance; or

12.2.2.7 any other circumstance agreed in writing by the Majority Holders to be exceptional for the purposes of this Article 12.2;

shall be the fair value determined in accordance with Article 12.1;

12.2.3 the fair value of each share held by an individual who is deemed to have given a Compulsory Transfer Notice by reason of being a Connected Person of a Leaver shall be equal to the fair value of each share held by the Leaver as determined in accordance with this Article 12.2.

13. GENERAL MEETINGS

- 13.1 The Ordinary Shares, the A Ordinary Shares and the B Ordinary Shares confer on the holders of those shares the right to receive notice of and attend, speak and vote at general meetings.
- 13.2 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall be two members entitled to vote, one of whom holds A Ordinary Shares, present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy. Regulation 40 shall not apply.
- 13.3 Regulation 44 shall apply as if the words "and at any separate meeting of the holders of any class of share in the Company" were deleted.
- 13.4 The quorum at any adjourned meeting shall be any two members entitled to vote present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy.
- 13.5 In the case of an equality of votes at a general meeting, whether on a show of hands or a poll, the chairman shall not be entitled to a second or casting vote. Regulation 50 shall not apply.
- 13.6 Any member or other person entitled to attend and speak at general meetings may participate in any general meeting by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to see, hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall in the case of a member (other than, for the avoidance of doubt, any member all of whose shares have been declared to be subject to the restrictions set out in section 454 of the Act) be entitled to vote and be counted in the quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of that meeting is located.
- 13.7 Save as otherwise provided by the Act, the provisions of these Articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of the shares of any class required to take place by the Act or these Articles, except that the necessary quorum at any such meeting shall be two members entitled to vote holding shares of the relevant class present (in the case of an individual) in person or by proxy or (in the case of a company) by a duly authorised representative or by proxy. Notwithstanding the foregoing provisions of this Article, in the event that there is only one member holding shares of the relevant class, or only one such member entitled to vote, the quorum at any general meeting of the holders of the shares of that class shall be one member entitled to vote.
- 13.8 Regulation 37 shall apply as if the words "eight weeks" were deleted and replaced by the words "twenty-eight days".

14. VOTES OF MEMBERS

- 14.1 Subject to any rights or restrictions attached to any shares by these Articles, on a show of hands, every member who is present in person or by proxy (in the case of an individual) or by duly authorised representative or by proxy (in the case of a company) shall have one vote. On a poll each member present (in the case of an individual) in person or by proxy or (in the case of a company) by a duly authorised representative or by proxy shall have one vote for every share of which he is the holder. Regulation 54 shall not apply.
- 14.2 If the Company is in a state of Material Default, or there has been a firm indication that a Material Default of the kind set out in sub-paragraph (b) of that definition is imminent (a "**Trigger Event**"), and the Majority Holders have given a notice (a "**Voting Adjustment Notice**") to that effect to the Company then for so long as that Material Default or Trigger Event has occurred and is continuing without having been remedied to the satisfaction of the Majority Holders (notice of which shall be given to the Company in writing):
- 14.2.1 the voting rights attaching to the A Ordinary Shares shall be amended with effect from the date of the Voting Adjustment Notice to the effect that if on a poll the holders of not less than 75% in nominal value of the A Ordinary Shares then in issue vote against any resolution which is put to the vote, the votes recorded against that resolution shall in aggregate carry a number of votes equal to 50.01% of the number of votes capable of being so cast and if the holders of not less than 75% in nominal value of the A Ordinary Shares then in issue vote in favour of any resolution which is put to the vote, the votes recorded in favour of that resolution shall in aggregate carry a number of votes equal to 75.01% of the number of votes capable of being so cast. Such voting rights shall remain in effect until the holders of not less than 75% in nominal value of the A Ordinary Shares then in issue have given notice in writing to the Company cancelling the Voting Adjustment Notice;
- 14.2.2 in the circumstances of a Trigger Event, the Majority Holders shall be entitled to call an extraordinary general meeting of the Company for the purpose of considering a resolution or resolutions to approve the terms of any additional capital support for the Company and/or any of its subsidiaries, and for this purpose to consider a resolution or resolutions to appoint additional directors and any and all resolutions required by the terms of the additional capital support including, without limitation, a resolution or resolutions constituting, allotting and issuing a new class or classes of share in the capital of the Company; Regulation 37 shall apply as if the words "and in the circumstances specified in Article 14.2.2, the Majority Holders may call a general meeting" were inserted at the end of that Regulation; and
- 14.2.3 at any meeting called pursuant to Article 14.2.2 the quorum shall be members together holding shares, or representing members holding shares, representing not less than 50% in nominal value of the A Ordinary Shares then in issue, present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy.

- 14.3 The Majority Holders shall have the right to determine the terms and timing of the additional capital support referred to in Article 14.2.2 at their discretion.
- 14.4 The provisions of sections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to the Company in relation to any allotment of shares pursuant to Article 14.2.2.
- 14.5 Regulations 60 and 61 shall apply as if the following sentence was added at the end of each of those Regulations: "Any such instrument shall be deemed to confer authority to demand or join in a demand for a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit".
- 14.6 Regulation 62 shall apply as if:
- 14.6.1 the words "not less than forty-eight hours" in each of paragraphs 62(a) and 62(aa) were deleted and replaced by the words "at any time";
- 14.6.2 paragraphs 62(b) and (c) were deleted and replaced with the words:
- "(b) in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll"; and
- 14.6.3 the words: "Any valid appointment of proxy shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting" were inserted at the end of that Regulation.
- 14.7 A special resolution shall be effective for any purpose for which an ordinary or an extraordinary resolution is required.

15. ALTERNATE DIRECTORS

- 15.1 Any director (other than an alternate director) may appoint any other director who is willing to act, to be an alternate director and may remove from office as an alternate director any alternate appointed by him. Regulation 65 shall not apply.
- 15.2 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and committees of directors. Regulation 66 shall apply as if the last sentence were deleted.
- 15.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director. Regulation 67 shall not apply.
- 15.4 Regulation 68 shall apply as if the following words were added at the end of that Regulation: "and shall take effect when the notice is received or at any later time specified for the purpose in the notice".
- 15.5 The appointment of any alternate director shall terminate automatically on the happening of any event which, if he were a director, would cause him to vacate his office as a director.

- 15.6 A person may be appointed as the alternate director of more than one director, and in those circumstances that alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote in respect of every director by whom he has been appointed in addition to his own vote (if any) as a director. Any such person may be counted more than once for the purpose of determining whether or not a quorum is present.

16. DELEGATION OF DIRECTORS' POWERS

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such individuals (whether directors or not) as they think fit. The first sentence of Regulation 72 shall not apply.

17. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

- 17.1 Unless and until otherwise determined by ordinary resolution, the minimum number of directors (other than alternate directors) shall be two. Regulation 64 shall not apply.

- 17.2 The holders of shares representing more than 50% of the voting rights attaching to the issued share capital of the Company may, if the Company is in a state of Material Default: (i) appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director; and (ii) remove from office any director. Any appointment or removal of a director shall be made by notice to the Company signed by the holder or holders in question. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice. Regulation 78 shall not apply.

- 17.3 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. Regulation 79 shall not apply.

- 17.4 Regulation 81 shall apply as if paragraph (e) were deleted and replaced by the following:

"(e) he is removed from office in accordance with Article 17.2 or the directors resolve, with the written consent of the Majority Holders, that his office be vacated".

- 17.5 A person may be appointed a director whatever his age, and no director shall be required to vacate his office by reason of attaining or having attained the age of 70 or any other age.

- 17.6 Regulations 73 to 77 and 80 shall not apply.

18. DIRECTORS' APPOINTMENTS AND INTERESTS

- 18.1 Regulation 84 shall apply as if the last sentence were deleted.

18.2 Regulation 85 shall apply as if the word "material" were deleted.

19. DIRECTORS' GRATUITIES AND PENSIONS

The directors may exercise any power conferred by the Act to make provision for the benefit of any employees or former employees of the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

20. PROCEEDINGS OF DIRECTORS

20.1 Regulation 88 shall apply as if the third sentence were deleted and replaced by the following: "Notice of every meeting of the directors and of every meeting of a committee of the directors shall be given to every director and alternate director, provided that any one or more of the directors or alternate directors may waive his right to receive notices either generally or in respect of any particular meeting or while absent from the United Kingdom, and prospectively or retrospectively (in the latter case within 7 days of the start of the meeting or any longer period determined by the Company by ordinary resolution)".

20.2 No business may be transacted at any meeting of the directors or a committee of the directors unless a quorum is present. Unless otherwise stated in these Articles, the quorum for the transaction of the business of the directors or a committee of the directors shall be any two directors. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Regulation 89 shall not apply.

20.3 Unless otherwise stated in these Articles, at any meeting of the directors or a committee of the directors each director present (in person or by alternate) shall have one vote. Resolutions put to the vote of a meeting shall be passed by simple majority. Regulation 88 shall apply as if the fourth sentence were deleted.

20.4 The Majority Holders may from time to time appoint the chairman of the board of directors from among the directors and remove from the office of chairman any person so appointed. The director so appointed shall preside at every meeting of directors at which he is present, but if that director is not present within twenty minutes after the time appointed for any meeting of directors, the directors present may appoint one of their number to be chairman of the meeting. Regulation 91 shall not apply.

20.5 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director shall, subject to the remaining provisions of this Article, be entitled to vote and to be counted in the quorum in respect of any resolution concerning a matter in which he has, directly or indirectly, an interest. A director shall not, except with the consent of the Majority Holders be entitled to vote (but may count in the quorum) in respect of any resolution concerning his own appointment to or removal from office with or employment or engagement by the Company (or any of its subsidiaries) or the terms or approval of any agreement or arrangement to be entered into by the Company (or any such subsidiary) in respect of such appointment or removal (including, without limitation,

the terms or approval of any agreement or arrangement providing for a third party to cause that director's services to be supplied to the Company or any such subsidiary). Regulations 93, 94 and 97 shall not apply.

- 20.6 Unless otherwise agreed by the chairman of the board of directors (if any), not less than seven days' prior notice shall be given of each meeting of the directors or a committee of the directors, accompanied by a written agenda specifying in reasonable detail the matters to be discussed at that meeting and accompanied, so far as practicable, by copies of all documents which are to be discussed at that meeting.
- 20.7 Unless otherwise agreed by the chairman of the board of directors (if any) no business shall be discussed or voted on at any meeting of the directors or a committee of the directors or at any adjournment of any such meeting, unless included in the agenda accompanying the notice convening that meeting.
- 20.8 Detailed minutes of every meeting of the directors or a committee of the directors shall be kept by the secretary, and shall be circulated to each director within one week of each such meeting and shall be tabled for approval at the next meeting.
- 20.9 Notice of a meeting of the directors may be given to a director either personally or by word of mouth or in writing or by electronic communication, or by any other means authorised by the director concerned.
- 20.10 All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and/or be counted in a quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is located.
- 20.11 A resolution in writing signed by each director (or his alternate) entitled to vote on that resolution or by each member of a committee of the directors (whether as one instrument or as several identical instruments) shall be as valid as if it had been passed at a duly convened and held meeting of the directors or (as the case may be) that committee. Regulation 93 shall not apply.
- 20.12 If any question arises at any meeting of directors or of a committee of directors as to the right of any director to vote, and that question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting). The ruling of the chairman in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and binding. Regulation 98 shall not apply.

21. OFFICIAL SEAL

The Company may exercise all the powers conferred by the Act with regard to having any official seal, and those 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.

22. ACCOUNTS

Regulation 109 shall apply as if the words "or pursuant to any shareholders' agreement or other legally binding obligation entered into by the Company with that member from time to time" were inserted at the end of that Regulation.

23. CAPITALISATION OF PROFITS

Regulation 110(c) shall apply as if the words "or ignore fractions altogether" were inserted after the words "distributable under this regulation in fractions".

24. NOTICES

24.1 Regulation 111 shall apply as if the words "(including, without limitation, any consent, approval or other document)" were inserted after the words "Any notice" in the first sentence of that Regulation and as if the words "given personally or by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail" were inserted after the words "in writing" in the first sentence of that Regulation.

24.2 Notices given by a company pursuant to these Articles may be signed on its behalf by an officer of the company or by its duly appointed attorney.

24.3 Notices to the Company shall be sent to the office, marked for the attention of the secretary.

24.4 Regulation 112 shall apply as if the words "first class" were inserted after the word "prepaid" in the first sentence of that Regulation and as if the words "or (in the case of a registered address outside the United Kingdom) by airmail in a prepaid envelope" were inserted after the words "sending it by post in a prepaid envelope" and as if the words "but otherwise no such member shall be entitled to receive any notice from the Company" were deleted. Regulation 115 shall apply as if the last sentence was deleted.

24.5 Regulation 116 shall apply as if the words "within the United Kingdom" were deleted.

25. INDEMNITY

25.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director and other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without limitation) a liability incurred:

25.1.1 defending proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted, or which are otherwise

disposed of without the finding or admission of material breach of duty on his part, or

- 25.1.2 in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

Regulation 118 shall not apply.

- 25.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director or other officer or employee, or former director, alternate director, officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of any pension fund or retirement, death or disability scheme or another trust in which a director, alternate director, officer or employee or former director, alternate director, officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.