

**SPIN SPG LIMITED**

**Written resolution of the Company pursuant to  
section 381A of the Companies Act 1985**

We being the holder of the entire issued share capital of the Company and being the sole member of the Company who at the date of this resolution would be entitled to attend and vote at a general meeting of the Company, HEREBY PASS the following resolution as a written resolution of the Company:-

**RESOLUTION**

THAT:-

- 1 the regulations contained in the printed document marked "A" attached to this written resolution be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company;
- 2 the one issued and 99 authorised but unissued Ordinary Shares of £1 each in the capital of the Company be and they are hereby subdivided into and re-designated as one hundred issued and 9,900 unissued A Ordinary Shares of 1 pence each in each case having the rights and being subject to the restrictions set out in the new Articles of Association of the Company adopted pursuant to paragraph 1 above;
- 3 the authorised share capital of the Company be and is hereby increased from £100 to £5,716,229 by the creation of an additional 375,000 A Ordinary Shares of 1 pence each, 615,000 Ordinary Shares of 1 pence each, 5,118,625 A Preference Shares of £1 each and 587,604 B Preference Shares of £1 each in the capital of the Company such shares having, in each case, the respective rights and being subject to the respective restrictions set out in the new Articles of Association of the Company adopted pursuant to paragraph 1 above; and
- 4 the Directors be and they are hereby generally and unconditionally authorised, for the purposes of Section 80 of the Companies Act 1985 ("the Act"), to allot and issue relevant securities (as defined in Section 80(2) of the Act) of up to an aggregate of £5,716,228. This authority shall expire on the fifth anniversary of this written resolution, unless previously revoked, renewed or varied by the Company in general meeting.

.....  
Alchemy Partners Nominees Limited

11 July 2003



**THE COMPANIES ACT 1985**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

- of -

**SPIN SPG LIMITED**

Incorporated on 1 April 2003

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**ADOPTED BY WRITTEN RESOLUTION**

**Passed on      11      July 2003**

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Macfarlanes  
10 Norwich Street  
London EC4A 1BD

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**THE COMPANIES ACT 1985**

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**INTERPRETATION**

1.1 In these Articles:-

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

**Alchemy:** means Alchemy Partners (Guernsey) Limited;

**Alchemy Director:** means the director appointed as such under the Shareholders Agreement;

**A Ordinary Shareholders:** means the Investors as holders of the A Ordinary Shares;

**Asking Price:** means the price specified in a Sale Notice;

**Auditors:** the auditors for the time being of the Company;

**A Preference Shareholders:** means the holders of the A Preference Shares;

**B Preference Shareholders:** means the holders of the B Preference Shares;

**Bad Leaver:** means an Excluded Shareholder who is not a Hardship Leaver;

**Completion Date:** the date of adoption of the Articles, being • •, 2003;

**Connected Transferee:** means any person to whom an Individual Member shall have transferred shares pursuant to Article 7, whether directly or through a series of two or more transfers;

**Excluded Shareholder:** an Ordinary Shareholder:-

- (i) who is an employee of the Company or any of its 51% subsidiaries and whose employment is subject to notice of termination; or
- (ii) who was, but has ceased to be, an employee of the Company or any of its 51% subsidiaries; or
- (iii) who is someone who provides services (whether personally or through a corporate entity and whether through consultancy, half-commission or other arrangements) to the Company or any of its 51% subsidiaries whose services are subject to notice of termination; or
- (iv) who was, but has ceased to be someone who provides services (whether personally or through a corporate entity and whether through consultancy, half-commission or other arrangements) to the Company or any of its 51% subsidiaries; or
- (v) who is a Connected Transferee of a person referred to in (i) to (iv) above;

**Family Members:** means the spouse, parents and every child and remoter descendant of an Individual Member (including stepchildren and adopted children);

**Family Trust:** in relation to any Individual Member, means trusts established by that Individual Member provided that only such Individual Member and/or Family Member of that Individual Member are capable of being beneficiaries thereof;

**Hardship Leaver:** means an Excluded Shareholder who (i) dies; (ii) has suffered a mental or physical deterioration which the board reasonably considers is sufficiently serious to prevent the person following his usual employment or which prejudices his earning capacity; (iii) retires at normal retirement age; (iv) voluntarily resigns as an employee of the Company to care for a spouse, live-in partner, child or stepchild suffering from severe illness and requiring substantially full time care;

**Income Distribution:** the distribution of income by the Company to Members whether by way of dividend or otherwise;

**Individual Member:** means an Ordinary Shareholder who is an individual;

**the Investors:** means the holders at any time of the A Ordinary Shares and/or the A Preference Shares;

**Investor Cost:** means the amount subscribed and paid up by the Investors on the date of adoption of these Articles in respect of A Ordinary Shares and A Preference Shares, the amount advanced under the A Short Term Loan Agreement plus any additional amounts invested by the Investors in the Company and/or its subsidiaries from time to time;

**the Investor Percentage:** means the percentage calculated in accordance with the following formula:

$$100\% - \frac{((61.5\% \times RP) + (35\% \times X))}{RP} \times 100\%$$

where

RP = the Realisation Proceeds

X = (i) if the Investor Return is less than or equal to the Target Investor Return, 0; or

(ii) if the Investor Return is greater than the Target Investor Return, the amount by which the Investor Return exceeds the Target Investor Return.

The Certificate of the Auditors as to the Investor Percentage shall (save in the case of a manifest error) be conclusive and binding on the Company and its Members.

**Investor Return:** means the aggregate of:-

- (a) amounts received by the Investors from the Company on an Income Distribution in respect of the A Ordinary Shares and/or A Preference Shares held by them;
- (b) amounts received by the Investors from the Company on a Return of Capital in respect of the A Ordinary Shares and/or A Preference Shares held by them;
- (c) (in the event of a Listing) the value, at the Pre Ratchet Price, of any A Ordinary Shares held by the Investors (including those A Ordinary Shares held by them immediately prior to the redemption and/or conversion of A Ordinary Shares in accordance with Article 6.1);
- (d) (in the event of a Sale) the aggregate Pre Ratchet Price of all A Ordinary Shares held by the Investors (calculated immediately prior to the issue (if any) of Ordinary Shares in accordance with Article 6.1.1);
- (e) interest received by the Investors in respect of the A Short Term Loan held by them;
- (f) amounts received by the Investors from the Company on the redemption or repayment of the A Short Term Loan held by them;
- (g) any other amount received by the Investors from the Company in respect of the A Ordinary Shares, the A Preference Shares and A Short Term Loan;

less the aggregate of the direct costs of the Investors attributable to making and/or realising (in whole or in part) their investment in A Ordinary Shares, the A Preference Shares and A Short Term Loan;

**Listing:** means the listing of the Company's, or any holding company's, entire issued share capital on a recognised investment exchange in respect of which a recognition order has been made under the Financial Services and Markets Act 2000, section 290;

**Management Pool Participant:** means any employee of the Company or any of its 51% subsidiaries who holds Ordinary Shares, other than either of the Managers;

**Managers:** means Keith Harris and Richard Feigen;

**Management Director:** means the director appointed as such pursuant to the Shareholders' Agreement;

**Member:** a holder of Shares;

**Ordinary Share Capital:** together the issued A Ordinary Shares and the issued Ordinary Shares;

**Ordinary Shareholders:** means the holders of Ordinary Shares;

**paid up amount:** means the amount paid in respect of the subscription of any share whether by way of nominal value or premium;

**Preference Shares:** means the A Preference Shares and the B Preference Shares;

**Preference Shareholders:** means the holders of the Preference Shares;

**Pre Ratchet Price:** the Realisation Proceeds divided by the number of A Ordinary Shares and Ordinary Shares in issue immediately prior to the issue of Ordinary Shares (if any) in accordance with Article 6.1.1;

**Profits:** means the consolidated profits after tax of the Company and its subsidiary and associated undertakings for the financial year in question;

**Put Completion:** means completion of the Put Option as defined in the Shareholders' Agreement;

**Realisation:** means a Listing or a Sale;

**Realisation Date means:**

- (a) in the case of a Listing, the date on which dealings commence in respect of the shares the subject of the Listing; or
- (b) in the case of a Sale, completion of the Sale;

**Realisation Proceeds means:**

- (a) in the event of a Listing, the value placed on all the A Ordinary Shares held by the Investors (including those held by them immediately prior to the issue of Ordinary Shares (if any) in accordance with Article 6.1.1) and the Ordinary Shares (excluding, for the avoidance of doubt, any shares to be issued by the Company on the Listing to raise additional finance for the Company);

- (b) in the event of Sale, the value of the consideration due pursuant to a Sale in respect of all the A Ordinary Shares held by the Investors (immediately prior to the issue of Ordinary Shares (if any) in accordance with Article 6.1) and the Ordinary Shares, provided that if the consideration for the Sale comprises wholly or in part the issue of securities (not accompanied by a cash alternative) (aa) if the securities will rank pari passu with a class of securities already publicly traded, the value of such securities determined by reference to the closing mid market price of the securities on the latest practical day prior to the Realisation Date, or (bb) if the securities are not of such a class, the value of such securities determined by an independent investment bank (selected by the Company) in a certificate obtained for the purpose and addressed to the Company;

**Relevant Shares:** (so far as the same remain held by a Family Member or the trustees of any Family Trusts) the Ordinary Shares originally transferred to the Family Member or trustees in question and any additional Ordinary Shares issued to such Family Member or trustees by way of capitalisation or acquired by such Family Member or trustees in exercise of any right or option granted or arising by virtue of the holding of the Ordinary Shares or any of them or the membership thereby conferred;

**Return of Capital:** the return of capital by the Company to Members whether by liquidation or otherwise;

**Sale:**

- (a) the sale of the whole of the issued Ordinary Shares (including those arising on the conversion of A Ordinary Shares) to a single purchaser (or to one or more purchasers as part of a single transaction); or
- (b) the sale of less than the whole of the issued Ordinary Shares (and the Ordinary Shares arising on the conversion of A Ordinary Shares) in circumstances where the Company has received advice satisfactory to it that the purchaser or purchasers is or are (or will upon the agreement or agreements for such sale becoming unconditional be) entitled to acquire that part of the issued Ordinary Shares (and the Ordinary Shares arising on the conversion of A Ordinary Shares) not agreed to be acquired pursuant to such agreement or agreements in accordance with the provisions of Part XIII A of the Companies Act 1985 or pursuant to Article 11.1;

**Sale Notice:** means a written notice served by a Selling Shareholder on the Company in accordance with Article 9.1;

**Selling Shareholder:** means a holder of A Ordinary Shares who wishes to transfer Shares or any beneficial interest therein to a person to whom Article 8 does not apply;

**Shareholder:** means a holder of Shares;

**Shareholders Agreement:** means the agreement of • April 2003 made by Keith Harris and Richard Feigen (1); Nigel Wray (2); Alchemy (3); and the Company (4) as amended from time to time;



**Shares:** the A Ordinary Shares, the Ordinary Shares, the Preference Shares and the Deferred Shares or any of them;

**A Short Term Loan:** shall have the same meaning as in the Shareholders Agreement;

**B Short Term Loan:** shall have the same meaning as in the Shareholders Agreement;

**Specified Percentage:** means 50% until Put Completion and thereafter 40%.

**the Target Investor Return:** means the amount of the Investor Cost multiplied by 3;

**Year:** means each year following the Completion Date.

- 1.2 Words and expressions defined in the Act have the same meanings in these Articles, unless inconsistent with the context.
- 1.3 Any reference to 51% subsidiaries is to be construed in accordance with section 838(1)(a) Income and Corporation Taxes Act 1988.
- 1.4 The renunciation of a right to be allotted shares shall be treated as if it were a transfer of those shares and therefore shall be governed by Articles 7 to 12.

#### **TABLE A**

- 2 The Regulations contained or incorporated in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) Amendment Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 ("Table A") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 2.1 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" where it first appears in the last paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation.
- 2.2 The first sentence of regulation 24 and regulations 64, 73 to 78, 80, 81, 90, 94, 95, 115 and 118 of Table A do not apply.

#### **PRIVATE COMPANY**

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

#### **SHARE CAPITAL**

- 4 The share capital of the Company at the date of adoption of these Articles is £5,716,229 divided into 385,000 A convertible ordinary shares of 1p each ("A Ordinary Shares"), 615,000 ordinary shares of 1p each ("Ordinary Shares"), 5,118,625 non-cumulative redeemable A preference shares of £1 each ("A

Preference Shares”) and 587,604 non-cumulative redeemable B preference shares of £1 each (“B Preference Shares”).

## **SHARE RIGHTS**

- 5 The A Ordinary Shares, Ordinary Shares, the A Preference Shares and the B Preference Shares shall have, and be subject to, the following rights and restrictions:

5.1 **Income**

5.1.1.1 The Preference Shareholders have the right to receive a fixed cash non-cumulative dividend (“Preference Dividend”) at a yearly rate of 10% on the paid up amount of each Preference Share together with (and not inclusive of) any associated tax credit.

5.1.1.2 The Preference Dividend accrues from day to day and shall be paid every year on 20 September in respect of the period from 1 October in each year to 30 September in each year, except that the first Preference Dividend shall be paid on 20 September 2004 and calculated in respect of the period from the Completion Date to and including 30 September 2004.

5.1.1.3 Holders of the majority of the Preference Shares in issue shall be entitled to require, by serving notice on the Company, the Company to procure that its subsidiary undertakings distribute to the Company sufficient profits to enable the Company to pay the Preference Dividend.

5.1.1.4 If for any reason the Company is unable to pay in any year the Preference Dividend a sum equal to 12% on the paid up amount of each Preference Share in issue at the time the Preference Dividend should have been paid (but in respect of which and to the extent that the Preference Dividend was not paid) shall be added to the Preference Share Redemption Premium (as referred to in Article 5.5.4.3).

- 5.1.2 In the event only that all of the Preference Shares, A Short Term Loan and the B Short Term Loan have been redeemed in full the A Ordinary Shareholders and the Ordinary Shareholders shall be entitled to receive in aggregate an amount by way of dividend equal to 65% of Profits on the basis that each A Ordinary Shareholder or Ordinary Shareholder shall be entitled to participate in such aggregate amount in proportion to the number of A Ordinary Shares or Ordinary Shares (as the case may be) held by him at the time that such dividend is paid (the “Ordinary Dividend”). Upon a Realisation any Ordinary Dividend not yet distributed shall be distributed pursuant to this Article 5.1.2 and not pro rata the shares in issue upon conversion and/or redemption under Article 6.

- 5.1.3 The Ordinary Dividend shall (subject to the provisions of the Act) become payable within 14 days of the adoption by the Company at its annual general meeting of its audited consolidated accounts for the financial year in question.

- 5.1.4 The right of Preference Shareholders, A Ordinary Shareholders and Ordinary Shareholders to receive their pro rata proportion of the Preference Dividend

and/or the Ordinary Dividend (as the case may be) is limited for all purposes to the extent that following such payment the Company continues to meet the financial resource requirements required of the Company under applicable law or regulation from time to time.

## **5.2 Capital**

On a Return of Capital, the surplus assets of the Company remaining after payment of its liabilities shall be distributed as follows:

- 5.2.1 first, in paying to the A Preference Shareholders, in priority to any payment to the holders of any other class of shares, the amount that would have been paid in accordance with Article 5.5.4.2 had the A Preference Shares been redeemed upon the date of the return of capital;
- 5.2.2 second, in paying to the B Preference Shareholders, in priority to any payment to the holders of any other class of shares other than the A Preference Shareholders, the amount that would have been paid on each B Preference Share in accordance with Article 5.5.4.2 had the B Preference Shares been redeemed upon the date of the return of capital;
- 5.2.3 third, if Put Completion shall not have occurred for any reason whatsoever within the period of three months commencing on the date on which it was first required to have occurred pursuant to Clause 14.3 of the Shareholders Agreement (other than where the Put Notice (as defined in the Shareholders Agreement) has been withdrawn pursuant to Clause 14.3.6(i) of the Shareholders Agreement) (and notwithstanding that it may be unable for any legal or regulatory reason so to do) in distributing amongst the A Ordinary Shareholders the sum of £1.43 million; and
- 5.2.4 fourth, the balance (if any) shall be distributed amongst the A Ordinary Shareholders and the Ordinary Shareholders in proportion to the number of A Ordinary Shares and Ordinary Shares held by them respectively.

## **5.3 Sale**

On a Realisation, the proceeds arising on such Realisation shall be distributed amongst the Preference Shareholders, A Ordinary Shareholders and the Ordinary Shareholders in accordance with Articles 5.2.1 to 5.2.4.

## **5.4 Voting**

- 5.4.1 On a show of hands every A Ordinary Shareholder and Ordinary Shareholder who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote and on a poll every A Ordinary Shareholder and Ordinary Shareholder who is present in person or by a proxy or (being a corporation) by a representative shall have one vote, for every A Ordinary Share or Ordinary Share of which he is the holder.
- 5.4.2 Preference Shareholders who are not Excluded Shareholders (or Connected Transferees thereof) are entitled to receive notice of and to attend and speak at general meetings of the Company but may not vote unless at the time of the meeting the Company (regardless of any legal or regulatory impediment) has failed to redeem the Preference Shares as required under Article 5.5.1.1 in which

case each Preference Shareholder shall be entitled to one vote per Preference Share held.

## **5.5 Redemption of Preference Shares**

### **5.5.1 Scheduled Redemption**

5.5.1.1 The Company shall redeem the A Preference shares on the seventh anniversary of the Completion Date.

5.5.1.2 The Company shall redeem the B Preference Shares on the eighth anniversary of the Completion Date.

### **5.5.2 Early Redemption**

5.5.2.1 The Company may redeem all or 50,000 multiples of A Preference Shares at any time by serving notice on the A Preference Shareholders.

5.5.2.2 Following redemption in full of the A Preference Shares, the Company may redeem all or 50,000 multiples of B Preference Shares at any time by serving notice on the B Preference Shareholders.

### **5.5.3 Redemption on Sale or Listing**

5.5.3.1 The Company shall redeem all the A Preference Shares immediately before a Sale or Listing;

5.5.3.2 Immediately following redemption in full of the A Preference Shares, the Company shall redeem all the B Preference Shares immediately before a Sale or a Listing;

5.5.3.3 For the purposes of this Article 5.5.3:

- (i) the Redemption Date on a Sale is the date of the Sale; and
- (ii) the Redemption Date on a Listing is the day immediately before the Listing and the redemption money is to be paid immediately after the Listing.

### **5.5.4 Provisions applying to all Redemptions**

5.5.4.1 When only some of the Preference Shares are being redeemed, the redemption shall take place in proportion as nearly as possible to each Preference Shareholder's holding of Preference Shares.

5.5.4.2 On the Redemption Date the Company shall pay the following amount in cash in respect of each Preference Share to be redeemed:

- (i) the paid up amount on the share;

- (ii) the Preference Share Redemption Premium calculated in accordance with Article 5.5.4.3; and
- (iii) a sum equal to any accrued Preference Dividend for the period to and including the Redemption Date from the previous 1 October and payable whether or not the Company has enough profits available for distribution to pay such accrued Preference Dividend.

The amount payable in respect of all the A Preference Shares or B Preference Shares (as the case may be) to be redeemed comprises the "redemption money".

5.5.4.3 The Preference Share Redemption Premium shall be the aggregate of all sums which become payable following the failure by the Company to pay the Preference Dividend in any year (regardless of whether there was a legal, regulatory or other constraint in doing so) as provided for in Article 5.1.1.4.

5.5.4.4 On the Redemption Date the redemption money shall become a debt due and payable by the Company to the Preference Shareholders, whether or not the Company has enough profits available for distribution or other requisite funds to pay the redemption money.

5.5.4.5 On the Redemption Date the redemption money shall be paid to each Preference Shareholder in respect of those of his Preference Shares which are to be redeemed against receipt of the relevant share certificate or an indemnity in a form reasonably satisfactory to the Company in respect of a share certificate which cannot be produced. If a Preference Shareholder produces neither the share certificate nor an indemnity the Company may retain his redemption money until delivery of the certificate or an indemnity.

5.5.4.6 The Company shall cancel share certificates in respect of redeemed Preference Shares and issue fresh certificates without charge in respect of any Preference Shares representing those Preference Shares remaining outstanding.

5.5.4.7 As from the relevant Redemption Date the Preference Dividend shall cease to accrue on the Preference Shares to be redeemed unless, despite presentation of the relevant share certificate or an indemnity, the Company fails to pay redemption money in respect of all the Preference Shares to be redeemed.

## 5.6 **Conversion**

The provisions of Article 6 shall apply in relation to the conversion of A Ordinary Shares.

## 5.7 **Variation of class rights**

5.7.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst

the Company is a going concern, or during or in contemplation of a winding up, with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class or, in the case of the Ordinary Shares, in accordance with Article 5.7.2. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply mutatis mutandis except that:-

- (a) the necessary quorum shall be at least two persons holding or representing by proxy one third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum; and
- (b) the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively.

5.7.2 Subject to Section 125(3) of the Act the special rights attaching to the Ordinary Shares as a class may be varied or abrogated by an ordinary resolution of the Company in general meeting.

5.7.3 The rights attached to any class of shares shall not (unless otherwise provided by the rights attached to the shares of that class) be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* therewith (but in no respect in priority thereto) or by the purchase or redemption by the Company of any of its own shares.

#### **CONVERSION OF A ORDINARY SHARES AND ISSUE OF ORDINARY SHARES ON REALISATION**

6 If a Realisation shall occur on or prior to the sixth anniversary of the Completion Date then immediately prior to such Realisation, the following shall occur:

6.1.1 such number of Ordinary Shares shall be issued to such persons as the board of the Company shall decide (whether by way of issue at nominal or nil value (directly or following the exercise of an option over such shares) or otherwise) which shall leave, following their conversion referred to in Article 6.1.2, the holders of the A Ordinary Shares holding the Investor Percentage of the Ordinary Share Capital;

6.1.2 the A Ordinary Shares in issue shall automatically convert into Ordinary Shares.

6.2 Any issue or conversion required to be made pursuant to this Article 6 shall be made on the following terms:

6.2.1 the certificate of the Auditors as to the number of Ordinary Shares to be issued shall (save in the case of a manifest error) be conclusive and binding on the Company and its Members;

6.2.2 upon any conversions of A Ordinary Shares in accordance with Article 6, the Company shall be obliged to issue substitute share certificates for the new Ordinary Shares arising on such conversions against surrender by the holder of the certificate representing the former holding of A Ordinary Shares.

- 6.3 The Ordinary Shares resulting from conversion shall, with effect from conversion, rank pari passu in all respects and form one class with the Ordinary Shares then in issue and fully paid.
- 6.4 If a Realisation shall occur after the sixth anniversary of the Completion Date, no issue of Ordinary Shares or conversion of A Ordinary Shares in accordance with this Article 6 shall take place.

#### **PROVISIONS APPLYING ON EVERY TRANSFER OF SHARES**

- 7 Shareholders are not entitled to transfer and the directors may not register a transfer of Shares unless:-
- 7.1.1 it is expressly permitted by Article 8 or has been made in accordance with Articles 9 10, 11 or 12 (as appropriate); and
- 7.1.2 (if required by the Board or, prior to Put Completion, by the Alchemy Director) the proposed transferee has entered into an agreement to be bound by the Shareholders Agreement in the form required by the Shareholders Agreement.
- 7.2 In the event of an infringement of this Article, the relevant shareholder shall be bound to give a Sale Notice in accordance with Article 9 in respect of all the Shares in which he is interested.
- 7.3 For the purpose of ensuring that a transfer of Shares is permitted under these Articles or that there has been no breach of these Articles, the directors (acting by a majority) may from time to time require any member or the legal personal representative of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after request, the directors shall be entitled to refuse to register the transfer in question or, in case no other transfer is in question, to require by notice in writing that a Sale Notice be given in respect of the Shares concerned. If such information or evidence discloses that a Sale Notice ought to have been given in respect of any shares, the directors may by notice in writing require that a Sale Notice be given in respect of the Shares concerned. In any case where the directors have duly required a Sale Notice to be given in respect of any Shares and such Sale Notice is not duly given within a period of 14 days, or such longer period as the directors may allow for the purpose, such Sale Notice shall (except and to the extent that a transfer permitted under these Articles of any such Shares shall have been lodged) be deemed to have been given on the date after the expiration of the said period as the directors may by resolution determine and the provisions of the Article relating to Sale Notices shall take effect accordingly save that the Asking Price shall be calculated as provided in Article 12.4.

#### **PERMITTED TRANSFERS OF SHARES**

- 8.1.1 A Management Pool Participant may transfer Shares to any person or persons of the nature specified in Article 12.1.1 to 12.1.4 (inclusive) but excluding the Managers, with the prior written consent of the Board.
- 8.1.2 The Managers may transfer Shares to any person or persons of the nature specified in Article 12.2.1 to 12.2.4 (inclusive) with prior written consent of the

Board (which consent for these purposes must, prior to Put Completion, include the written consent of the Alchemy Director).

- 8.2 A holder of Shares who is not a Manager or a Management Pool Participant may transfer Shares to any person or persons with the prior written consent of the Board (which consent for these purposes must, prior to Put Completion, include the written consent of the Alchemy Director).
- 8.3 A shareholder which is a body corporate may transfer Shares to a member of the same group (meaning a subsidiary or holding company of the body corporate or a subsidiary of a holding company of the body corporate) if the transferee gives an undertaking to the Company that if the transferee ceases to be a member of the same group, all its shares in the Company will, before the cessation, be transferred to another member of the same group.
- 8.4 A Member who holds Shares as nominee or trustee for a limited partnership or unit trust which is primarily a vehicle for institutional investors may transfer those Shares:-
- 8.4.1 to another nominee or trustee for the limited partnership or unit trust;
- 8.4.2 on a distribution in kind under the relevant partnership agreement or trust deed, to the partners of the limited partnership or their nominees or the holders of units in the unit trust or their nominees; or
- 8.4.3 to a nominee or trustee for a limited partnership, unit trust or investment trust which is primarily a vehicle for institutional investors and which is advised or managed by the adviser or manager of the former limited partnership or unit trust.
- 8.5 Each A Ordinary Shareholder may transfer all or part of its or his holding of A Ordinary Shares and an A Preference Shareholder may transfer all or part of its or his holding of A Preference Shares to the Company and/or other persons as provided for in Clause 14.3 of the Shareholders Agreement.
- 8.6 An employee benefit trust of the Company may transfer Shares to any person or persons of the nature specified in Article 12.1.1 to 12.1.4 (inclusive) but excluding the Managers, with the prior written consent of the Board.
- 8.7 An Individual Member (not being a holder of the shares concerned as a trustee) may at any time transfer any Ordinary Shares:-
- 8.7.1 to a Family Member of his; or
- 8.7.2 to trustees to be held on Family Trusts applicable to him
- provided, in each case, that the prior written consent of Alchemy has been obtained.
- 8.8 Where shares have been transferred under Article 8.7.1 or under Articles 8.7.2 to trustees of Family Trusts, the trustees and their successors may transfer all or any of the Relevant Shares as follows:-
- 8.8.1 on any change of trustees, the Relevant Shares may be transferred to the trustees for the time being of the Family Trusts concerned;



- 8.8.2 pursuant to the terms of such Family Trusts or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Relevant Shares may be transferred to the trustees for the time being of any other Family Trusts of the same Individual Member or deceased or former Individual Member or to any Family Member of the relevant Individual Member or deceased or former Individual Member who has become entitled to the Relevant Shares.
- 8.9 In the event that (i) a person holding Relevant Shares as a result of the provisions of Article 8.7 ceases to be a Family Member of the Individual Member concerned, or (ii) any Relevant Shares held either by trustees cease to be held on Family Trusts (otherwise, in each case, where an authorised transfer of those shares has been made) the member holding the shares shall notify the directors in writing that that event has occurred and the Relevant Shares the member shall be bound, if and when required in writing by the directors to do so, to give a Sale Notice in respect of the Relevant Shares (but without specifying an Asking Price), such Sale Notice, once given, to be irrevocable and the provisions of Article 12 shall apply in respect of the Relevant Shares.

#### **PRE-EMPTION RIGHTS**

- 9 Other than pursuant to Article 8 a Selling Shareholder shall serve a Sale Notice on the Company stating the number of shares he wishes to transfer (the "Sale Shares") and the Asking Price per Sale Share.
- 9.1 The Selling Shareholder may state in the Sale Notice that he is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them.
- 9.2 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the following terms, which the Company shall notify to the other Shareholders within seven days of receiving the Sale Notice:-
- 9.2.1 the price for each Sale Share is the Asking Price;
- 9.2.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them;
- 9.2.3 each of the other Members (except those who are Compulsory Sellers for the purposes of Article 12) is entitled to buy the Sale Shares in proportions reflecting, as nearly as possible, the nominal amount of their existing holdings of Ordinary Shares and A Ordinary Shares (as if the same were one class of share); a Member is entitled to buy fewer Sale Shares than his proportional entitlement;
- 9.2.4 Members may offer to buy any number of the Sale Shares that are not accepted by the other Members on the first offer (the "Excess Shares");
- 9.2.5 any additional terms specified pursuant to Article 9.2.
- 9.3 21 days after the Company's despatch of the terms for the sale of the Sale Shares (the "Closing Date"):-
- 9.3.1 the Sale Notice shall become irrevocable;

- 9.3.2 a Member who has not responded to the offer in writing shall be deemed to have declined it; and
- 9.3.3 each offer made by a Member to acquire Sale Shares shall become irrevocable.
- 9.4 If any Member declines (or is deemed to have declined) the offer (in whole or in part), each Member who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of Excess Shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received.
- 9.5 Within seven days after the Closing Date, the Company shall notify the Selling Shareholder and the Members who offered to buy Sale Shares of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer:-
- 9.5.1 the Company shall notify the Selling Shareholder of the names and addresses of the Members who are to buy Sale Shares and the number to be bought by each;
- 9.5.2 the Company shall notify each Member of the number of Sale Shares he is to buy; and
- 9.5.3 the Company's notices shall state a place and time, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed.
- 9.6 If the Selling Shareholder does not transfer Sale Shares in accordance with Article 9.6, the directors may authorise any director to transfer the Sale Shares on the Selling Shareholder's behalf to the buying Members concerned against receipt by the Company of the Asking Price per share. The Company shall hold the Asking Price in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the Asking Price shall be a good discharge to the buying Member. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Asking Price for the Sale Shares.
- 9.7 If, by the Closing Date, the Company has not received offers for all the Sale Shares, the Selling Shareholder may within the next two months transfer the Sale Shares for which offers were not received (or, if the Sale Notice stated that he was only willing to transfer all the Sale Shares, all the Sale Shares) to any person at no less than the Asking Price per share, with any other terms being no more favourable than those in the Sale Notice.
- 9.8 If a Selling Shareholder becomes an Excluded Shareholder the directors may at any time thereafter by notice in writing to such Selling Shareholder revoke any Sale Notice giving by such Selling Shareholder prior to that event and the provisions of Article 12 shall then apply, provided that such revocation shall be without prejudice to any sale of Sale Shares the subject of a Sale Notice completed prior to such revocation.

#### **TRANSFERS WHICH CHANGE CONTROL**

- 10.1 Subject to Article 10.4, Article 10 applies when a transfer of Shares made under Article 8.1 or Article 9 would, if registered, result in a person:-

- 10.1.1 who in relation to him is a connected person, as defined in section 839 of the Income and Corporation Taxes Act 1988, or with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers (and Alchemy's role or the role of any of its associates as investment adviser shall not be deemed to make its clients act in concert) (each a "member of the purchasing group") holding or increasing a holding to the Specified Percentage or more of the Shares in issue; or
- 10.1.2 purchasing all the Shares registered in Alchemy's name either in one transaction or a series of transactions.
- 10.2 No transfer to which Article 10 applies may be registered unless the proposed transferee has made an offer to buy all the other Shares (including any Shares issuable on the exercise of any then outstanding subscription rights) on the terms set out in Article 10.3.
- 10.3 The terms of the proposed transferee's offer shall be as follows:-
- 10.3.1 the offer shall be open for acceptance for at least 21 days;
- 10.3.2 the consideration for each Share shall be the consideration (whether in cash, securities or otherwise or in any combination) equivalent to that which is proposed to be paid for each Share whose proposed transfer has led to the offer.
- 10.4 At the option of the Specified Shareholders (as such term is defined in Article 11) the provisions of this Article 10 shall not apply where the provisions of Article 11 are proposed to be operated.
- 10.5 For the avoidance of doubt, this Article 10 shall not apply to a change of control arising from the exercise of the Put Option or the Call Option as defined in and pursuant to the Shareholders Agreement.

#### **DRAG-ALONG RIGHTS**

- 11 In the event that:
- 11.1.1 proposed transfers under Articles 8.1 and/or 10 would result in members of the purchasing group (as such term is defined in Article 10) holding or increasing their shareholding to the Specified Percentage or more of the Ordinary Share Capital;
- 11.1.2 the shareholders proposing to make such transfer or transfers ("the Specified Shareholders") procure that a member (or members) of the purchasing group has made an offer open for acceptance for at least 3 business days to purchase all of the issued Shares at a consideration for each Share (whether in cash, securities or otherwise or in any combination) equivalent to that which is proposed to be paid to the Specified Shareholders; and
- 11.1.3 in the case of an offer as referred to in Article 11.1.2 where Alchemy is not a Specified Shareholder made on or before the second anniversary of the Completion Date the Investor Return shall be at least equal to the Investor Cost multiplied by 2 and the provisions of Article 6 shall not apply;
- then following the expiry of such period the Specified Shareholders (or any of them) may give notice in writing to all holders of Shares (other than to Specified Shareholders and (if relevant) any member or members of the purchasing group)

("the Minority Shareholders") requiring them within 2 business days of the date of the notice to transfer all (but not some of) their holdings of Shares to the specified member or members of the purchasing group. Written notice under this Article 11.1 shall be accompanied by all documents required to be executed by the relevant Minority Shareholder to give effect to the required transfer.

- 11.2 If any Minority Shareholder shall fail to transfer shares as required by Article 11.1, the directors may authorise any individual to execute on behalf of and as attorney for the Minority Shareholder any necessary instruments of transfer and shall register the relevant member of the purchaser's group as the holder of the shares. The Company's receipt of the purchase money shall be a good discharge to the relevant member of the purchaser's group, and the Company shall thereafter hold the same on trust for the Minority Shareholder (without any requirement to account for interest thereon). After the name of the Minority Shareholder has been entered into the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 11.3 While Article 11 applies to a Minority Shareholder's shares, those shares may not be transferred otherwise than under Article 11.
- 11.4 For the avoidance of doubt the pre-emption rights contained in Article 9 shall not apply to any transfer or proposed transfer to which this Article 11 relates.

#### **MANAGEMENT POOL TRANSFERS**

- 12.1 Article 12 applies when an Ordinary Shareholder or a person who has transferred Ordinary Shares to a Connected Transferee becomes an Excluded Shareholder.
- 12.2 Within two months from the date on which such person in question becomes an Excluded Shareholder, the Board (or, prior to Put Completion in the case of the Managers, the Alchemy Director) may serve notice requiring such person (or his personal representatives in the case of his death) and any person who in relation to such employee is a Connected Transferee (or his personal representatives in the case of his death) (a "Compulsory Seller") to offer in aggregate such number of Ordinary Shares as equals the Compulsory Transfer Percentage of all of the Ordinary Shares together held by him and his Connected Transferee(s):-
- 12.2.1 a person or persons intended to take such person's place;
- 12.2.2 any of the existing employees of or provider of services to the Company or any of its 51% subsidiaries;
- 12.2.3 participants or potential participants in, or trustees of an employees' share scheme of the Company and its 51% subsidiaries; and/or
- 12.2.4 any other person or persons approved by resolution of the directors
- (together the "Offerees").
- 12.3 The Compulsory Seller shall then offer the Shares the subject of the notice referred to in Article 12.2 and (if he so wishes) any other Shares held by him ("Sale Shares") to the Offerees free from all liens, charges and encumbrances together with all rights attaching to them on the following terms:-

- 12.3.1 the price for the Sale Shares shall be the price at which the Compulsory Seller acquired the Sale Shares;
- 12.3.2 and:-
- 12.3.2.1 the Company shall notify the Compulsory Seller of the names and addresses of the Offerees and the number of Sale Shares to be offered to each;
- 12.3.2.2 the Company shall notify each Offeree of the number of Sale Shares on offer to him; and
- 12.3.2.3 the Company's notices shall specify the price per share and state a date, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed (the "Completion Date").
- 12.4 By the Completion Date the Compulsory Seller shall deliver stock transfer forms for the Sale Shares, with the relevant share certificates, to the Company. On the Completion Date the Company shall pay the Compulsory Seller, on behalf of each of the Offerees, the price for the Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Compulsory Seller without any obligation to pay interest.
- 12.5 To the extent that Offerees have not, by the Completion Date, put the Company in funds to pay the price, the Compulsory Seller shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares and the Compulsory Seller shall have no further rights or obligations under Article 12 in respect of those Sale Shares.
- 12.6 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the Completion Date, the directors may (and shall, if requested by the Alchemy Director) authorise any director to transfer the Sale Shares on the Compulsory Seller's behalf to each Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the agreed or certified price for the Sale Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.
- 12.7 While Ordinary Shares are liable to be Sale Shares by virtue of Article 12.2, they may not be transferred under Articles 8 or 9 which shall not apply during such period.
- 12.8 For the purpose of this Article 12, the Compulsory Transfer Percentage shall mean 100% in respect of an Excluded Shareholder who is a Bad Leaver and in respect of an Excluded Shareholder who is a Hardship Leaver shall mean in respect of Ordinary Shares which have at the date on which the Hardship Leaver in question becomes an Excluded Shareholder been held by that Excluded Shareholder and/or his Connected Transferee(s) for the period set out in column 1 below, the percentage set out opposite such period in column 2 below.

<b>1</b>	<b>2</b>
<b>Period (in years) for which Ordinary Shares held</b>	<b>Compulsory Transfer Percentage</b>
2 years or less	100%
More than 2 years but 5 years or less	75%
More than 5 years	50%

- 12.9 In the event that Mr Harris shall be a Hardship Leaver (falling within subparagraphs (i), (ii) and (iv) of that definition) and the Board or (if prior to Put Completion) the Alchemy Director exercises its or his rights under Article 12.1 then provided that such repayment of principal and/or accrued interest would be permitted under the tests contained in Clauses 8.4 to 8.7 of the Shareholders Agreement the Company shall within a period of 3 months following the acquisition of some or all of Mr Harris' Ordinary Shares the Company shall repay or redeem a pro rata amount of Mr Harris' B Preference Shares and B Short Term Loan.

## **GENERAL PROVISIONS**

### **13 Shareholders' meetings and resolutions**

- 13.1.1 Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days" and by the insertion of the words "or the Alchemy Director acting alone" after the second word of that regulation.
- 13.1.2 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.
- 13.1.3 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly.
- 13.1.4 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 13.1.5 Regulation 53 of Table A is modified by the addition at the end of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly."
- 13.1.6 Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".
- 13.1.7 Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it."

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

13.2 **Number of directors**

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

13.3 **Alternate directors**

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

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

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

13.4 **Appointment, retirement and removal of directors**

13.4.1 The directors are not subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation is to be disregarded.

13.4.2 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

13.4.3 A person appointed by the directors to fill a vacancy or as an additional director need not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A are deleted.

13.4.4 The holders of a majority of the shares giving the right to vote at general meetings may at any time and from time to time by serving notice on the Company remove any director from office and appoint any person to be a director. A removal or appointment takes effect when the notice is received by the Company or on a later date specified in the notice.

Article 13.4.4 does not apply to the removal or appointment of an Alchemy Director.

13.5 **Disqualification and removal of directors**

13.5.1 The office of a director shall be vacated if:-

13.5.1.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;

- 13.5.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - 13.5.1.3 he resigns his office by notice in writing to the Company;
  - 13.5.1.4 he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during such period attended any such meetings instead of him, and the directors resolve that his office be vacated; or
  - 13.5.1.5 (other than in the case of the Alchemy Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors.
- 13.5.2 A person voting against a resolution under section 303 of the Act to remove the Alchemy Director is deemed, in respect of that resolution, to have five times the votes of a person voting in favour of the resolution and regulation 54 of Table A is modified accordingly.
- 13.6 **Proceedings of directors**
- 13.6.1 Regulation 88 of Table A is modified by the deletion of the third sentence and the substitution for it of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting either prospectively or retrospectively."
- 13.6.2 The quorum for the transaction of the business of the directors shall be the Alchemy Director unless the Alchemy Director has been given at least 5 days written notice of such meeting, waives that right to attend or has appointed an alternate director who attends or similarly waives his right to attend, and the Management Director (unless the Management Director has given at least 5 days written notice of such meeting, waives that right to attend or has appointed an alternate director who attends or similarly waives his right to attend). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine. If at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, or if during such meeting such quorum ceases to be present, the quorum for the transaction of business at that meeting shall be the Alchemy Director (or his alternate). Regulation 89 of Table A is amended accordingly.
- 13.6.3 Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of the directors is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors although fewer than two directors or alternate directors are physically present at the same place. The



meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

13.6.4 Meetings of the board of directors shall take place no less frequently than once per calendar month and at least five working days' notice shall be given to each director provided that with the consent of the Alchemy Director, board meetings may be held less frequently and convened on less notice.

13.6.5 If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the Articles by resolution in writing signed by him, and regulations 88, 89, 91 and 93 of Table A and Article 13.6.2 shall not apply.

13.6.6 Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, any interest or duty. The director shall be counted in the quorum present when any such resolution is under consideration and if he votes his vote shall be counted.

### 13.7 **Borrowing powers of directors**

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

### 13.8 **Dividends**

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

### 13.9 **Capitalisation of profits**

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

### 13.10 **Notices**

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

13.10.2 A notice sent by post to an address within the United Kingdom is deemed to be given 24 hours after posting, if pre-paid as first class, and 48 hours after posting, if pre-paid as second class. A notice sent by post to an address outside the United Kingdom is deemed to be given four days after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post

but left at a member's registered address is deemed to have been given on the day it was left.

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

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

#### 13.11 **Indemnity**

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

13.11.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director, secretary or auditor, or former director, alternate director, secretary or auditor, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefit scheme or another trust in which a director, alternate director or secretary or former director, alternate director or secretary is or has been interested, indemnifying him 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.