

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARI

WRITTEN RESOLUTIONS

of

FONEBAK GROUP LIMITED



In accordance with section 381A of the Companies Act 1985, we resolve that:

1. the 180,000 of the 271,000 authorised but unissued ordinary shares of two pence each be redesignated as "A" ordinary shares having the rights set out in the articles of association to be adopted at resolution 2; and
2. the draft regulations attached and initialled by a director for identification purposes be adopted as the articles of association of the Company to the exclusion of and in substitution for the existing articles of association of the Company.

This written resolution shall take effect as a special resolution of the Company.

Signed by, or by duly authorised representatives on behalf of, all the members of the Company who as at the date of this resolution would be entitled to attend and vote at a general meeting of the Company had the resolution been put to such a meeting.

Signed by Gordon Shields:..... Dated: 15 September 2004

Signed by Stephen Shields:..... Dated: 15 September 2004

Signed by Daniel Shields:..... Dated: 15 September 2004

acting by his duly authorised attorney

Signed by Kathleen Woodward:..... Dated: 15 September 2004

Signed by Arthur Crocker:..... Dated: 15 September 2004

Signed by Dominic Wing:..... Dated: 15 September 2004

acting by his duly authorised attorney

Signed by Gregoire Dumoulin:..... Dated: 15 September 2004

acting by his duly authorised attorney

Signed by David Challis:..... Dated: 15 September 2004

acting by his duly authorised attorney

Document No. 104

DATED

2004



(1) FONEBAK GROUP LIMITED

ARTICLES OF ASSOCIATION

Adopted on 15 September 2004

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Company No. 5113820

COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

FONEBAK GROUP LIMITED

(adopted by Special Resolution of the Company

passed on /5 September 2004)

1. TABLE A

Except as excluded or varied in these articles, Table A (as defined below) will apply to the Company and will be deemed to form part of these articles.

2. DEFINITIONS AND INTERPRETATION

2.1 In these articles the following words and expressions will have the following meanings:

"A Ordinary Share" means an A ordinary share of two pence in the Company;

"A Ordinary Shareholder" means a registered holder of any A Ordinary Shares;

"Accounts" means the audited consolidated accounts of the Group;

"Acting in Concert" has the meaning given to it in the City Code on Takeovers and Mergers;

"Allocation Notice" has the meaning given in Article 12.11;

"Approved Offer" has the meaning given in Article 15.2.1;

"Auditors" means the Company's incumbent auditors;

"Authorised Bank" means an authorised person (within the meaning of section 31(2) of the FSMA) with a Part IV permission (within the meaning of section 40(4)

of the FSMA) which includes accepting deposits, or otherwise authorised in respect of that activity under section 31(1) of the FSMA;

"Bad Leaver" means a Relevant Individual whose contract of employment or consultancy is terminated by the Company or any member of the Group:

- (a) in circumstances justifying summary dismissal; or
- (b) in circumstances where the Relevant Individual has wilfully breached the terms of his or her contract of employment or consultancy.

"Bank" means The Governor and Company of the Bank of Scotland;

"Board" means the incumbent board of Directors including the Investor Director(s) (if any);

"Business Day" means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday;

"Buyer" has the meaning give in Article 15.1.1;

"Cessation Date" means the date on which a Relevant Individual ceases to be an employee or director or consultant of any Group Member for any reason (including death or bankruptcy) or, if the Relevant Individual is still an employee or director or consultant of a Group Member, the date on which the Relevant Individual becomes eligible for benefits under a permanent health insurance policy or the date on which a Relevant Individual is given notice of termination of his contract of employment or consultancy or the date of occurrence of a repudiatory breach by him of such contract (whichever is the earlier);

"Commencement Date" means the date on which these articles are adopted;

"Companies Act" means the Companies Act 1985 (as amended);

"Compulsory Sale Notice" means a notice served on a Compulsory Seller pursuant to Article 14.3;

"Compulsory Seller" and **"Compulsory Sellers"** have the meanings given in Article 14.3;

"Connected Person" has the meaning given in section 839 of the Income and Corporation Taxes Act 1988;

"Controlling Interest" in relation to a person means the ownership by that person and his or its Connected Persons of Shares carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at a general meeting of the Company;

"Credited as Paid Up" means amounts paid up or credited as paid up on a Share including any premium;

"Directors" means the Company's incumbent directors;

"Drag Along Right" has the meaning given in Article 16.1;

"Employee Benefit Trust" means any trust which may be established for the benefit of the employees (which may include past employees) of the Company and/or any other member of the Group, and which satisfies the definition of an "employees' share scheme" set out in section 743 of the Companies Act;

"Equity Shares" means the issued Ordinary Shares and A Ordinary Shares at any time and all Shares derived from them (and any of them) whether by conversion, consolidation or subdivision or by way of rights or bonus issue or otherwise in issue;

"Extra Shares" has the meaning given in Article 12.8;

"Facility Agreement" means a facility agreement sated on the Commencement Date and made between, inter alia, the Bank and the Company;

"Family Trust" means a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual beneficial owner of the Shares held in trust and/or his Privileged Relations, and no power of control over the voting powers conferred by such Shares is exercisable at any time by or subject to the consent of any person other than the trustees as trustees or such individual beneficial owner or his Privileged Relations;

"Founders" means Gordon Shields, Stephen Shields and/or Daniel Shields;

"FSMA" means the Financial Services and Markets Act 2000;

"Good Leaver" means a Relevant Individual who ceases to be an employee and/or director or consultant of the Company or any Group Member and who is not a Bad Leaver.

"Group" means the Company and its subsidiaries (as defined by section 736 Companies Act) from time to time and references to a **"Member of the Group"** or a **"Group Member"** will be construed accordingly;

"Investment Agreement" means an agreement dated on the Commencement Date and made between (1) the Company (2) Gordon Shields and others (3) Uberior Investments plc and (4) Bank;

"Investor Director" means a director appointed as such pursuant to Article 30;

"Liquidation" means the passing of a resolution for the winding-up of the Company;

"Market Value" has the meaning given in Article 13;

"Member" means a registered holder of any Share as recorded in the Company's register of members;

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

"Ordinary Shareholder" means a registered holder of any Ordinary Shares;

"Original Member" means a beneficial owner (being an individual) of Shares;

"Other Shareholders" has the meaning given in Article 16.1;

"Privileged Relation" means in relation to any Member, the Member's spouse for the time being and all lineal descendants of that Member (including for this purpose any step-child, adopted child or illegitimate child of the Member or his lineal descendants) or any person who for the time being is married to any such lineal descendant but no lineal descendent may be a Privileged Relation whilst a minor;

"Proportionate Entitlement" has the meaning given in Article 12.8;

"Proposed Transferee" means a person to whom a Seller proposes to transfer Sale Shares;

"PRs" means the legal personal representatives of a deceased Member;

"Relevant Individual" means an employee or director of any Group Member;

"Sale Shares" means Shares which a Seller wishes to transfer;

"Seller" means any Member who wishes to transfer any Shares;

"Share" means a share in the Company;

"Table A" means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) and the Companies Act 1985 (Electronic Communications) Order 2000;

"Total Transfer Condition" means a condition in a Transfer Notice stipulating that such Transfer Notice is conditional upon all and not some only of the Sale Shares specified in it being sold;

"Transfer Notice" means a notice in writing by a Seller of his wish to transfer any Shares;

"Transfer Price" has the meaning given in Article 12.4.

2.2 Words and phrases which are defined or referred to in or for the purposes of the Companies Act or Table A have the same meanings in these articles unless a contrary intention appears.

2.3 In these articles, unless a contrary intention appears:

2.3.1 words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;

2.3.2 reference to a statute or a statutory provision includes reference to:

2.3.2.1 the statute or statutory provision as modified or re-enacted or both from time to time; and

- 2.3.2.2 any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above);
- 2.3.3 reference to a Regulation is to a regulation of Table A, and reference to an Article is to a provision of these articles;
- 2.3.4 reference to a **"transfer"** of Shares or any similar expression will be deemed to include (without limitation):
 - 2.3.4.1 any sale or other disposition of the legal or equitable interest in a Share (including any voting right attached to a Share) (**"Interest"**);
 - 2.3.4.2 the creation of any mortgage, charge, pledge or other encumbrance over any Interest;
 - 2.3.4.3 any direction by a Member entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and
 - 2.3.4.4 any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Member entitled to any such Share;
- 2.3.5 reference to a **"group undertaking"** means, in relation to any undertaking, its holding company (if any) and its subsidiaries (as such terms are defined by section 736 Companies Act) and any other subsidiaries of its holding company;
- 2.3.6 reference to an address for the purposes of any Electronic Communication means any number or address used for the purpose of such communication; and
- 2.3.7 reference to "written" or "in writing" includes any method of representing or reproducing words in a legible form including, for the avoidance of doubt, Electronic Communication.
- 2.4 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, whether to or in respect of, Market Value of Sale Shares under Articles 13 or otherwise pursuant to these

articles, will be referred immediately to the Auditors for final determination. If the Auditors decline to act in respect of any such referral, the matter will be determined by an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within five Business Days after the Auditors have declined to act, appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales. The Auditors or independent accountants (as the case may be) will act as expert and not as arbiter and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the Auditors/independent accountants. In the absence of any such direction, such costs will be borne equally between parties concerned. The written certificate of the Auditors/independent accountants (as the case may be) will be conclusive and binding on the Company and the Members (except in the case of fraud or manifest error).

- 2.5 The headings in these articles are included for convenience only and do not affect the meaning of these articles;
- 2.6 Where, for any purpose, an ordinary resolution of the Company is required, a special or an extraordinary resolution is also effective for that purpose, and where, for any purpose, an extraordinary resolution is required, a special resolution is also effective for that purpose.

3. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these articles is £72,000 divided into:

- 3.1 3,420,000 Ordinary Shares; and
- 3.2 180,000 A Ordinary Shares.

4. SHARE RIGHTS

Regulation 2 will not apply to the Company. The rights and restrictions attaching to the Ordinary Shares and A Ordinary Shares are set out in full in these articles.

5. SHARE RIGHTS - DIVIDENDS

- 5.1 Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the Directors.
- 5.2 Subject to the provisions of the Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.
- 5.3 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the nominal amount of the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the nominal amount of the Shares during any portion or portions of the period in respect of which the dividend is paid but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
- 5.4 The Directors may deduct from any dividend or other monies payable to any Member on or in respect of a Share any monies presently payable by him to the Company in respect of that Share.
- 5.5 A general meeting declaring a dividend may, on the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets, and may determine that cash shall be paid to any Member on the basis of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.
- 5.6 Any dividend or other monies payable on or in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled or , if two or more persons are the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of Members or to such person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct, and payment of the cheque shall be a good discharge

to the Company. Any joint holder or other person jointly entitled to such a Share may give receipts for any dividend or other monies payable in respect of the Share.

5.7 No dividend or other monies payable in respect of a Share shall bear interest as against the Company unless otherwise provided by the rights attached to the Share.

5.8 Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

6. SHARE RIGHTS - RETURN OF CAPITAL

6.1 On a return of capital of the Company on a Liquidation or otherwise (other than a redemption of shares or the purchase by the Company of its own shares), the surplus assets and retained profits of the Company available for distribution among the Members will be made amongst the holders of Shares pro rata as nearly as possible to their respective holdings of Shares.

6.2 Any return on some but not all of any Shares of a particular class will be made amongst their holders pro rata as nearly as possible to their respective holdings of Shares of that class.

7. SHARE RIGHTS - VOTING

The voting rights of Members set out in Article 21 are subject to Articles 14.8 and 14.9 (suspension of voting rights during compulsory transfer procedure).

8. VARIATION OF SHARE RIGHTS

8.1 The rights attached to the A Ordinary Shares and the Ordinary Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent of the holders of the issued Shares of that class given in accordance with Article 8.2.

8.2 The consent of the holders of a class of Shares may be given by:

8.2.1 a special resolution passed at a separate general meeting of the holders of that class; or

- 8.2.2 a written resolution in any form signed by or on behalf of the holders of not less than 75 percent in nominal value of the issued Shares of that class.

9. ISSUE AND ALLOTMENT OF NEW SHARES

- 9.1 Any new Shares will be offered by the Directors for subscription to the Members in such proportions as equal (as nearly as possible) the proportion of Equity Shares held by them respectively at that time. For the purpose of this Article, the Equity Shares will be treated as one class of Share.
- 9.2 The offer will be made by notice specifying the number and class of Shares offered, the price per Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the Shares so offered, the Directors will offer the declined Shares in the same proportions to the Members who have accepted all the Shares initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Directors, be limited to a period of 7 days after which it will (to the extent that any Shares remain unaccepted) be deemed to have been withdrawn.
- 9.3 Any Shares not taken up at the end of the procedure set out in Articles 9.1 and 9.2 may be offered by the Directors to a third party (to be approved by the holders of 75 per cent in nominal value of the Ordinary Shares) and, subject to these articles and the provisions of section 80 of the Companies Act, such Shares will be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit. However:
- 9.3.1 no Shares will be issued at a discount;
- 9.3.2 no Shares will be issued more than three months after the end of the period for acceptance of the last offer of such Shares under Articles 9.1 and 9.2 unless the procedure set out in those Articles is repeated in respect of such Shares; and
- 9.3.3 no Shares will be issued on terms which are more favourable than those on which they were offered to the Members.

- 9.4 If, due to any inequality between the number of new Shares to be issued and the number of Shares held by Members entitled to have the offer of new Shares made to them, any difficulty arises in the apportionment of any such new Shares amongst the Members, such difficulties will be determined by the Board.

10. TRANSFERS OF SHARES - PROHIBITED TRANSFERS

General Prohibitions

- 10.1 The Directors will not register any transfer of Shares to any of the following:
- 10.1.1 any person who, in the opinion of the Directors is carrying on business directly or indirectly in competition with the Company or any member of the Group, except this restriction will not apply to any transfer of Shares pursuant to Articles 15 and 16 (Tag Along Rights and Drag Along Rights); or:
 - 10.1.2 any person who does not have legal capacity to transfer such Shares or otherwise to comply fully with the provisions of these articles.

Prohibition unless in accordance with those articles

- 10.2 Subject to Article 10.1, the Directors will not register a transfer of Shares unless:
- 10.2.1 the transfer is permitted by Article 11, (Permitted Transfers), or has been made in accordance with Article 12 (Pre-emption); and
 - 10.2.2 the proposed transferee has entered into a deed of adherence to, and in the form required by the Investment Agreement.
- 10.3 For the purpose of ensuring that:
- 10.3.1 a transfer of shares is permitted under these articles; or
 - 10.3.2 no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given; or
 - 10.3.3 no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 15

the Board may require any Member to procure that any person whom the Board reasonably believes to have information relevant to such purpose provides the Company with such information and evidence as the Board think fit. Pending the provision of such information the Board will be entitled to refuse to register any relevant transfer.

10.4 Regulations 24 and 26 will not apply to the Company.

11. PERMITTED TRANSFERS

11.1 Where any Shares are the subject of a Transfer Notice, no transfers of any such Shares shall be permitted pursuant to this Article 11.

11.2 Subject to Article 11.1, and to Articles 11.3 to 11.5 (inclusive), any Share may be *transferred*:

11.2.1 subject to Article 10.3, by its beneficial owner to a person shown to the reasonable satisfaction of the Directors to be a nominee for such beneficial owner only, and by any such nominee to the beneficial owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the beneficial owner only; or

11.2.2 *subject to Article 10.3, by its beneficial owner (being an individual) to the trustee or trustees of a Family Trust, and by any such trustee(s) to the beneficial owner, or to any other person or persons shown to the reasonable satisfaction of the Directors to be a trustee or trustees for the time being (on a change of trustee) of the Family Trust in question; or*

11.2.3 subject to Article 10.3, by an Original Member to his or her Privileged Relation(s), and by any such Privileged Relation(s) to the Original Member, or to any other person or persons shown to the reasonable satisfaction of the Directors to be a Privileged Relation of the Original Member; or

11.2.4 when required by, and in accordance with, Article 14 (Compulsory Transfers); or

11.2.5 to a Buyer in acceptance of an Approved Offer pursuant to Article 15 (Tag Along Rights) or Article 16 (Drag Along Rights);

11.2.6 in the case of Shares held by an undertaking, subject to Article 10.3, to a group undertaking of the transferor; or

11.2.7 in the case of any Shares held by an Employee Benefit Trust, to any beneficiary of that trust or to any replacement trustees or into the joint name of the existing and any new or additional trustees.

Further transfers by privileged relatives, group members etc.

11.3 Where Shares are held by one or more nominees of their beneficial owner, or by a trustee or trustees on a Family Trust or by one or more Privileged Relations of an Original Member and any such person ceases to be:

11.3.1 a nominee of the beneficial owner of the Shares; or

11.3.2 a trustee of the Family Trust of the beneficial owner of the Shares; or

11.3.3 a Privileged Relation of the Original Member

such person will on or before the cessation transfer such Shares to a transferee permitted (as the case may be) under Article 11.2.1, Article 11.2.2 or Article 11.2.3.

11.4 Where Shares have been transferred under Article 11.2.6 (transfers to group undertakings) and the transferee ceases to be a group undertaking of the transferor, it will, on or before the cessation, transfer such Shares to the original transferor or to another group undertaking of the original transferor;

11.5 If a Member fails or refuses to execute and deliver any transfer in respect of any Shares pursuant to its obligations under Article 11.3 or Article 11.4, the Board may authorise any Director to execute and deliver the necessary transfer(s) on the defaulting Member's behalf. The Board will authorise registration of the transfer, and of the transferee as the holder of the Shares so transferred, once appropriate stamp duty (if any) has been paid. After registration, the title of the transferee as registered holder of such Shares will not be affected by any irregularity in or invalidity of such proceedings, which, will not be questioned by any person.

12. PRE-EMPTION

Transfer Notices

- 12.1 Except in the case of a transfer pursuant to Article 11 (Permitted Transfers), and subject to the prohibitions on transfers set out in Article 10, a Seller must give a Transfer Notice to the Company.
- 12.2 Each Transfer Notice will (except as provided in Article 14 (Compulsory Transfers) relate to one class of Shares only and will specify:
- 12.2.1 the number and class of Sale Shares;
 - 12.2.2 the identity of the Proposed Transferee (if any);
 - 12.2.3 the price per Share at which the Seller wishes to transfer the Sale Shares; and
 - 12.2.4 whether or not the Transfer Notice is subject to a Total Transfer Condition. In the absence of any such stipulation it will be deemed not to be so conditional. No Total Transfer Condition will apply in respect of any Transfer Notice deemed to have been given pursuant to Article 14.
- 12.3 No Transfer Notice will be capable of variation or cancellation without the consent of the Board.

Transfer Price

- 12.4 The Transfer Notice will constitute the Company as the agent of the Seller for the transfer of the Sale Shares in accordance with this Article 12 at the following price ("**Transfer Price**"):
- 12.4.1 the price specified in the Transfer Notice; or
 - 12.4.2 if no price is specified in the Transfer Notice, the price as may be agreed between the Seller and the Board within 10 Business Days after the date of service or deemed service of the Transfer Notice; or
 - 12.4.3 in default of agreement under Article 12.4.1 the lower of:
 - 12.4.3.1 the price per Share specified in the Transfer Notice; and

12.4.3.2 if the Board elects within 15 Business Days after the date of service or deemed service of the Transfer Notice to instruct the Auditors for the purpose, the Market Value of the Sale Shares as at the date of service or deemed service of the Transfer Notice, and as determined in accordance with Articles 2.4 and 13.

First offer to Company/EBT etc (at discretion of Board)

12.5 The following provisions of this Article 12.5 will apply to any transfer of any Shares by any Member:.

12.5.1 Within 10 Business Days after the later of:

12.5.1.1 the receipt by the Company of a Transfer Notice; and

12.5.1.2 the determination of the Transfer Price

the Board may direct the Company (in its capacity as agent for the Seller) immediately to offer at the Transfer Price such number of Sale Shares as they may determine to:

12.5.1.3 the Company pursuant to the provisions of part V of the Companies Act; and/or)

12.5.1.4 any person who will hold the Sale Shares for the benefit of existing or future employees including (without limitation), any Employment Benefit Trust of any Group Member or any professional trustee, in any such case to hold the Sale Shares upon the terms of a discretionary trust for the benefit of the class of beneficiaries which includes (without limitation) employees and directors of any Group Member.

12.5.2 If any offeree of the Sale Shares pursuant to this Article 12.5 applies for any of them within 10 Business Days after the date of the offer, the Company will allocate to such offeree the number of Sale Shares applied for on the later of:

12.5.2.1 the fifteenth Business Day following receipt of the Transfer Notice; and

12.5.2.2 the date on which the Transfer Price is determined.

12.5.3 If all of the Sale Shares are so allocated, the provisions of Articles 12.6 to 12.9 will not apply. If none or some only of the Sale Shares are so allocated, the provisions of Articles 12.6 to 12.9 will have effect as if reference to Sale Shares was to those not allocated in accordance with this Article 12.5.

Offer to Members

12.6 Subject to Article 12.5, within 10 Business Days after its receipt of a Transfer Notice or, where later, on the determination of the Transfer Price, the Company (in its capacity as agent for the Seller) will give notice in writing to each of the Members (other than the Seller and any other Member who has served or who is deemed to have served a Transfer Notice in respect of his entire holding of Shares pursuant to which the sale of such Shares has not then been concluded) offering the Sale Shares for sale at the Transfer Price in accordance with Articles 12.7 and 12.8. The notice will specify that the Members will have a period of up to 20 Business Days from the date of such notice within which to apply for some or all of the Sale Shares.

Pre-emption Procedure

12.7 It will be a term of any offer made pursuant to Article 12.6 that, if Members holding Shares of more than one class apply for some or all of the Sale Shares, the Sale Shares of a particular class specified in column (1) in the table below will be treated as offered:

12.7.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and

12.7.2 to the extent not accepted by persons in column (2) (whether as part of their Proportionate Entitlement or as Extra Shares), to all persons in the category set out in the corresponding line in column (3) in the table below:

(1)	(2)	(3)
Class of Sale Shares	First Priority	Second Priority
Ordinary Shares	Ordinary Shareholders	A Ordinary Shareholders
A Ordinary Shares	A Ordinary Shareholders	Ordinary Shareholders

- 12.8 It will be a further term of the offer that, if there is competition within any class of shareholder for the Sale Shares offered to that class, such Sale Shares will be treated as offered among the holders of such class in proportion (as nearly as possible) to their existing holdings of Shares of that class ("**Proportionate Entitlement**"). However, the offer will also invite Members to indicate in their applications for Sale Shares, whether they would be willing to buy Shares in excess of their Proportionate Entitlement should any such Shares be available and, if so, how many ("**Extra Shares**").

Allocation of Shares

- 12.9 After the expiry of the offer period specified in Article 12.6, (or, if sooner, upon valid applications being received for all of the Sale Shares in accordance with that Article), the Board will allocate the Sale Shares as follows:

- 12.9.1 if the total number of Sale Shares applied for (including Extra Shares) is equal to or less than the available number of Sale Shares, each offeree will be allocated the number applied for in accordance with his application (subject to Article 12.13); or
- 12.9.2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each offeree will be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which he has applied for; and
- 12.9.3 applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition within any class of shareholder, among those applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares of the same class held by such offerees.

- 12.10 Allocations of Sale Shares made by the Company pursuant to this Article 12 will constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Sale Shares which he has indicated to the Company he is willing to purchase.

Completion of sale and purchase of Sale Shares

- 12.11 The Company will immediately upon allocating any Sale Shares (whether pursuant to Article 12.5.2 or Article 12.9) give notice in writing ("**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been allocated specifying:

12.11.1 the number of Sale Shares so allocated;

12.11.2 the aggregate price payable for them;

12.11.3 any additional information required by Article 12.13.1 (if applicable); and

12.11.4 (subject to Article 12.13.1) the place and time (being not later than five Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares will be completed.

- 12.12 Subject to Article 12.13, completion of the sale and purchase of Sale Shares in accordance with the Allocation Notice will take place at the place and time specified in the Allocation Notice when the Seller will, upon payment of the due price, transfer those Sale Shares specified in the Allocation Notice and deliver the relevant Share certificates to the persons to whom they have been allocated.

- 12.13 If the Transfer Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares:

12.13.1 the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 28 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares; and

12.13.2 completion of the transfer in accordance with the preceding paragraphs of this Article 12 will be conditional upon all such Sale Shares being so allocated.

Default by the Seller

12.14 Except in the case of an acquisition of Sale Shares by the Company, if the Seller fails by the due completion date to execute and deliver transfers in respect of any of the Sale Shares which he is due to transfer, the Board may authorise any Director to:

12.14.1 *execute the necessary transfer(s) on the Seller's behalf; and*

12.14.2 against receipt by the Company of the Transfer Price payable for the relevant Sale Shares (to be held on trust for the Seller without interest) (the receipt being a good discharge to the offeree who will not be bound to see to the application of it), deliver such transfer(s) to the relevant offeree(s).

The Board will authorise registration of the transfer(s), and of the offeree(s) as the holder(s) of the Sale Shares so transferred, once appropriate stamp duty has been paid. After registration, the title of such offeree(s) as registered holder(s) of such Sale Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person.

12.15 In the case of an acquisition of Sale Shares by the Company, if the Seller fails by the due completion date to transfer and/or to deliver the certificates (or a suitable indemnity) in respect of any Sale Shares, the Board may authorise any Director to execute, complete and deliver the necessary transfer and indemnity to the Company on the Seller's behalf. When that instrument has been duly stamped, the Company will ensure that such share capital is cancelled in accordance with the Companies Act, and will hold the purchase monies on trust (without interest) for the Seller.

Exhaustion of pre-emption rights - rights and restrictions with regard to sale to third party

12.16 Immediately after the exhaustion of any pre-emption process followed in accordance with these articles, if any Sale Shares remain unallocated, the Company will notify the Seller of that fact. The Seller may, at any time within one calendar month after receiving such notice (but not otherwise unless the pre-emption procedure set out in these articles is repeated), transfer any unsold Sale Shares to the Proposed Transferee at any price which is not less than the Transfer Price, except that:

12.16.1 the Board will refuse registration of any transfer to a Proposed Transferee who is a person to whom Shares may not be transferred by virtue of Articles 10.1.1 or 10.1.2;

12.16.2 if any such transfer would, if made and registered, result in the Proposed Transferee obtaining or increasing a Controlling Interest, the Board will refuse registration of such transfer until such time as an Approved Offer has been made and the provisions of Article 15 (Tag Along Rights) complied with;

12.16.3 if the Seller included a Total Transfer Condition in the Transfer Notice which has not been satisfied, the Seller will be entitled to transfer all (but not some only) of the Sale Shares;

12.16.4 any such transfer must be in good faith and the Board may require to be satisfied (in such manner as it may reasonably think fit) that the Sale Shares are being sold at a price which is not less than the Transfer Price without any deduction, rebate or allowance whatsoever. If not so satisfied, the Board may refuse to register the transfer; and

12.16.5 in the case of any deemed transfer process pursuant to Article 14, the Compulsory Seller will not be entitled to transfer any unsold Sale Shares to any third party.

13. VALUATION

Determination of "Market Value"

If the Auditors (or, by virtue of Article 2.4, independent accountants) are required to determine Market Value pursuant to Article 12.4.3.2, the provisions set out below will apply.

13.1 Market Value will be determined by the Auditors or, as the case may be, independent accountants, first valuing the Company as a whole:

13.1.1 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;

- 13.1.2 assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion;
 - 13.1.3 taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding;
 - 13.1.4 taking account of any bona fide offer for the Company received from an unconnected third party within six months prior to the Transfer Notice being served or deemed to have been served; and
 - 13.1.5 recognising that in any other circumstances the Shares are not freely marketable.
- 13.2 Having valued the Company as a whole, the Auditors or, as the case may be, independent accountants will determine the Market Value of the Shares concerned:
- 13.2.1 disregarding whether the Shares concerned represent a majority or a minority interest; and
 - 13.2.2 disregarding the rights and restrictions attached to the Shares concerned in respect of income, capital and transfer.
- 13.3 The costs and expenses of the Auditors (or independent accountants) for reporting on their opinion of the Market Value will be borne as to one half by the Seller and as to other half by the purchasing Shareholders pro-rata to the number of Sale Shares purchased by them unless:
- 13.3.1 the Seller revokes the transfer notice under Article 12.3; or
 - 13.3.2 none of the Sale Shares are purchased by Members pursuant to Article 12
- in which case the Seller will pay all such costs and expenses.

14. COMPULSORY TRANSFERS

Circumstances which trigger compulsory transfer

- 14.1 This Article 14 applies when:
 - 14.1.1 a Relevant Individual is an Ordinary Shareholder; and/or

14.1.2 a Relevant Individual has established a Family Trust which holds Ordinary Shares; and/or

14.1.3 an Ordinary Shareholder holds Ordinary Shares as the nominee of a Relevant Individual; and/or

14.1.4 Ordinary Shares are held by a Privileged Relation or other person to whom the Relevant Individual is permitted to transfer Shares under Article 11; and/or

14.1.5 Ordinary Shares are held by a company, any part of the issued share capital of which is beneficially owned by the Relevant Individual or a Privileged Relation, Family Trust or other person to whom the Relevant Individual is permitted to transfer Shares under Article 11

and the Relevant Individual ceases for any reason (including death or bankruptcy) to be an employee and/or director or consultant of any member of the Group or, though still an employee or director or consultant of a member of the Group, becomes eligible for benefits under a permanent health insurance policy.

14.2 For the purposes of this Article, the Relevant Individual will cease to be an employee and/or director or consultant of a member of the Group on the Cessation Date.

Compulsory Pre-emption Procedure

14.3 Within four weeks after the Cessation Date the Board may serve notice ("**Compulsory Sale Notice**") on the Relevant Individual and/or any holder of Ordinary Shares referred to in Article 14.1 (or the PRs of any deceased Member or the trustee in bankruptcy of any bankrupt Member) (each a "**Compulsory Seller**" and together "**Compulsory Sellers**") requiring each such person to offer such number as the Board may decide of the Shares registered in his or their name(s) or to which he is or they are or may become entitled whether as a result of his or their holding of Shares or otherwise.

14.4 The Shares which are the subject of the Compulsory Sale Notice will at the sole discretion of the Board within three months of the date of the Compulsory Sale Notice either:

14.4.1 be purchased by the Company (subject and pursuant to the provisions of the Companies Act) and/or by a person or persons who will hold the Sale Shares for the benefit of existing or future employees including (without limitation), any Employment Benefit Trust of any Group Member or any professional trustee, in any such case to hold the Sale Shares upon the terms of a discretionary trust for the benefit of the class of beneficiaries which includes (without limitation) employees and directors of any Group Member; or

14.4.2 be offered for sale to the Members holding Ordinary Shares (other than to any Compulsory Seller or any other Members who has served or who is deemed to have served a Transfer Notice in respect of Shares which is still outstanding;

and the provisions of Article 12 shall apply as if set out in full in this Article except to the extent that they are varied by the provisions of this Article 14. The Board may also determine in its absolute discretion to revoke any Transfer Notice previously given or deemed to have been given by the Compulsory Seller(s) which is still outstanding at the Cessation Date.

Sale Price - Good Leaver/Bad Leaver

14.5 The price for the Sale Shares will be:

14.5.1 if the Relevant Individual is a Bad Leaver, the amount Credited as Paid Up on the Sale Shares; or

14.5.2 if the Relevant Individual is a Good Leaver, a price equal to £3.0694 per Sale Share;

14.5.3 if the Sale Shares have been the subject of any consolidation or subdivision, the price payable under Articles 14.5.1 or 14.5.2 as amended such that the aggregate amount payable would be the same after as before any such consolidation or subdivision

Exclusions

- 14.6 The provision of articles 14.1 to 14.5 (inclusive) shall not apply to the Founders or any Permitted Transferees of any of the Founders or any Shares held by the Founders or any Permitted Transferees of any of the Founders .
- 14.7 If the Relevant Individual is Kathleen Woodward the Board will always exercise its discretion under article 14.3 to serve a Compulsory Sale Notice.

Suspension of voting rights during compulsory transfer procedure

- 14.8 Unless the Board directs otherwise in writing, any Shares held by a Compulsory Seller on the Cessation Date (and any Shares issued to a Compulsory Seller after such date by virtue of the exercise of any right or option granted or arising by virtue of his holding of the Sale Shares) will cease to confer the right to be entitled to receive notice of, attend and vote at any general meeting of the Company, or any meeting of the holders of any class of Shares with effect from the Cessation Date (or, where appropriate, the date of issue of such Shares, if later), and such Shares will not be counted in determining the total number of votes which may be cast at any such meeting, or for the purposes of a written resolution of any Members or class of Members. That right will be restored immediately upon the Company registering a transfer of the Sale Shares in accordance with this Article 14.
- 14.9 For so long as any Shares are disenfranchised pursuant to Article 14.8, the voting rights attaching to the Equity Shares will be varied so that the holders of A Ordinary Shares and Ordinary Shares are each entitled (as a class) to cast such percentage of votes as they would otherwise have been entitled to cast prior to the suspension of voting rights of the disenfranchised Shares.

Transmission of Shares

- 14.10 Regulations 29 to 31 shall take effect subject to Articles 14.11 and 14.12.
- 14.11 Without prejudice to Articles 14.1 and 14.3 (the provisions of which, when operable, will override the provisions of this Article 14.11 and the provisions of Articles 14.10 and 15.11), a person entitled to a Share or Shares in consequence of the death, bankruptcy, receivership or liquidation of a Member or otherwise by operation of law shall be bound at any time, if called upon in writing to do so by the Directors not later than 90 days after the Directors receive notice from the person

concerned that he has become so entitled, to give a Transfer Notice (without specifying a Transfer Price) in respect of all of the Shares then registered in the name of the deceased or insolvent Member in accordance with the provisions of Article 12, which will apply as if set out in full in this Article.

- 14.12 If any such person fails to give a Transfer Notice in accordance with Article 14.11 within 10 Business Days after being called upon to do so:

14.12.1 the Board may authorise any Director to execute and deliver a transfer of the Shares concerned to a person appointed by the Directors as a nominee for the person entitled to the Shares; and

14.12.2 the Company may give a good receipt for the purchase price of such Shares, register the purchaser or purchasers as the holders of them and issue certificates for the same to such purchasers. After registration, the title of such purchaser or purchasers as registered holder(s) of such Shares will not be affected by any irregularity in, or invalidity of, such proceedings, which will not be questioned by any person. In any such case the person entitled to the Shares as a consequence of the death, insolvency or otherwise by operation of law will be bound to deliver up the certificates for the Shares concerned to the Company whereupon he will become entitled to receive the purchase price. In the meantime, the purchase price will be held by the Company on trust for such person without interest.

15. CHANGE OF CONTROL - TAG ALONG RIGHTS

- 15.1 With the exception of transfers of Shares pursuant to Article 11 (Permitted Transfers), no transfer of Shares which would result, if made and registered, in a person or persons Acting in Concert obtaining or increasing a Controlling Interest, will be made or registered unless:

15.1.1 an Approved Offer is made by the proposed transferee(s) ("**Buyer**") [or, at the Buyer's written request, by the Company as agent for the Buyer]; and

15.1.2 the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it.

15.2 For the purposes of this Article 15 and Article 16:

15.2.1 **"Approved Offer"** means an offer in writing served on all Members, offering to purchase all the Shares held by such Members (including any Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Shares in existence at the date of such offer) which:

15.2.1.1 is stipulated to be open for acceptance for at least 15 Business Days;

15.2.1.2 offers the same or equivalent consideration for each Share (whether in cash, securities or otherwise in any combination), provided that a reduction, withholding or retention of consideration to take account of tax payable or which might be payable by a Member or by his employing company in relation to the conversion of securities, the exercise of an option over Shares, and/or the disposal of Shares shall not prejudice the application of this paragraph;

15.2.1.3 includes confirmation from or on behalf of the Buyer that no other consideration, (whether in cash or otherwise) is to be received or receivable by any Member which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares to be sold by such Member, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of Shares; and

15.2.1.4 is on terms that the sale and purchase of Shares in respect of which the offer is accepted will be completed at the same time.

16. CHANGE OF CONTROL - DRAG ALONG RIGHTS

- 16.1 Whenever an Approved Offer is made, the holders of 51% or more of the Shares shall have the right ("**Drag Along Right**") to require (in the manner set out in Article 16.2) all of the other holders of Shares including persons who acquire Shares following the making of the Approved Offer pursuant to the exercise of options or conversion of securities ("**Other Shareholders**") to accept the Approved Offer in full.
- 16.2 The Drag Along Right may be exercised by the service of notice to that effect on the Other Shareholders at the same time as, or within five Business Days following the making of the Approved Offer (or, if later, within five Business Days following the acquisition by the relevant Other Shareholder of any Shares). Such notice will be accompanied by all documents required to be executed by the Other Shareholders to give effect to the relevant transfer.
- 16.3 On the exercise of the Drag Along Right, each of the Other Shareholders will be bound to accept the Approved Offer in respect of its entire holding of Shares and to comply with the obligations assumed by virtue of such acceptance.
- 16.4 If any of the Other Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of its Shares pursuant to the Approved Offer, or otherwise fails to take any action required of it under the terms of the Approved Offer, any holder of Shares or any persons so authorised by the Board may accept the offer on behalf of the Other Shareholder in question, or undertake any action required under the terms of the Approved Offer on the part of the Other Shareholder in question. In particular, such person may execute the necessary transfer(s) on that Other Shareholder's behalf; and against:
- 16.4.1 receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it); and
- 16.4.2 compliance by the Buyer and, where relevant, the Company with all other terms of the Approved Offer

deliver such transfer(s) to the Buyer (or its nominee). The Board will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the Shares so transferred. After registration, the title of the Buyer (or its nominee) as registered holder of such Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person. The Other Shareholder will in such a case be bound to deliver up its certificate for its Shares to the Company, or a statutory declaration of loss (as appropriate) whereupon the Other Shareholder will be entitled to receive the purchase price for such Shares.

17. SHARE CERTIFICATES

Regulation 6 is modified by adding after "Every certificate shall be sealed with the seal" the words "or executed in such other manner as the Directors authorise, having regard to the Companies Act,".

18. LIEN

18.1 Regulation 8 is modified by the deletion of the words "(not being a fully paid share)".

18.2 The lien conferred by Regulation 8 will apply to all Shares, whether fully paid or not, and to all Shares registered in the name of any person under a liability (whether actual or contingent), whether he is the sole registered holder of such Shares or one of two or more joint holders of such Shares.

19. GENERAL MEETINGS

19.1 Regulation 37 is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days".

19.2 A general meeting may consist of a conference between Members, some or all of whom are in different places if each Member who participates is able:

19.2.1 to hear each of the other participating Members addressing the meeting;
and

19.2.2 if he so wishes, to address all of the other participating Members simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.

A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Members required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Member indicating to the chairman (in such manner as the chairman may direct) whether the Member votes in favour of or against the resolution or abstains. References in this Article 19 to Members includes their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

20. PROCEEDINGS AT GENERAL MEETINGS

- 20.1 *Regulation 40 is modified so that the quorum for any general meeting (other than a separate class meeting) will include at least one Member present in person or by proxy from each class of Shareholder.*
- 20.2 *If any meeting is adjourned pursuant to Regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present will form a quorum. Regulation 41 is modified accordingly.*
- 20.3 *Regulation 46 is modified so that a poll may be demanded by the chairman or by any Member present in person or by proxy and entitled to vote at the meeting.*
- 20.4 *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. 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.*
- 20.5 *In the case of on equality of votes, whether on a show of hands or on a poll, the chairman will not be entitled to a casting vote in addition to any other vote which he may have. Regulation 50 will be modified accordingly.*

20.6 Regulation 51 is amended by replacing the first and second sentences with the following words: "A poll demanded will be taken immediately".

20.7 Regulation 53 is modified by the addition of the following sentence at the end: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it will have effect accordingly."

21. VOTES OF MEMBERS

21.1 Regulation 54 is modified so that:

21.1.1 a proxy will be entitled to vote whether on a show of hands or on a poll; and

21.1.2 a duly authorised representative of a corporate Member will be entitled to vote on its behalf whether on a show of hands or on a poll, and whether or not such duly authorised representative is also a Member entitled to vote.

21.2 Regulation 57 is modified by the inclusion after the word "shall" of the phrase", unless the Directors otherwise determine,".

21.3 Regulation 59 is modified by the addition of the following sentence at the end: "Deposit of an instrument of proxy will not preclude a Member from attending and voting at the meeting or at any adjournment of the meeting."

21.4 Regulation 62 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 to" and by the insertion at the end of the penultimate sentence of the Regulation (after the word "invalid") of the words "unless a majority of the Directors resolve otherwise".

22. NUMBER OF DIRECTORS

Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) will be not less than 2.

23. ALTERNATE DIRECTORS

23.1 The Investor Director may appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director. Regulation 65 is modified so that any such appointment does not need to be approved by resolution of the

Directors. In Regulation 67 the words "but, if" and the words which follow to the end of the Regulation are deleted.

- 23.2 Regulation 66 is modified so that an alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of Directors and of committees of Directors of which his appointor is a member. An alternate director may waive the requirement that notice be given to him of a meeting of Directors or of a committee of Directors of which his appointor is a member, either prospectively or retrospectively.
- 23.3 The first sentence of Regulation 66 is modified so that an alternate director will not be entitled as such to receive any remuneration from the Company although he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as his appointor may direct by notice in writing to the Company.
- 23.4 An alternate director will be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 23.5 An alternate director's appointment will determine if he resigns by written notice left at or sent to the registered office of the Company.
- 23.6 A director, or any other person mentioned in Regulation 65, may act as an alternate director to represent more than one Director, and an alternate director will be entitled at any meeting of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he will count as only one person for the purpose of determining whether a quorum is present.
- 23.7 Regulation 68 is modified by the addition at the end of the first sentence of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or another place designated for the purpose by the Directors."

24. DELEGATION OF DIRECTOR'S POWERS

Regulation 72 is modified by the addition at the end of the Regulation of the following sentence: "Where a provision of these articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision must be construed as permitting the exercise of the power, authority or discretion by the committee."

25. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 25.1 No person will be disqualified from being appointed a Director and no Director will be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age.
- 25.2 A Director will not retire by rotation and a Director appointed to fill a vacancy or as an additional director will not retire from office at the annual general meeting next following his appointment. Regulations 73 to 77 (inclusive) and 80 will not apply to the Company, reference in Regulations 67, 78 and 84 to retirement by rotation will be disregarded and the last two sentences of Regulation 79 are deleted.
- 25.3 Regulation 81(e) will not apply to the Investor Director.
- 25.4 The holder or holders of such number of Shares as give the right to a majority of votes at general meetings of the Company may, by giving notice on the Company, remove any Director from office and/or appoint any person to be a Director. The notice must be signed by or on behalf of such holder or holders (and may consist of several documents in similar form each signed by or on behalf of one or more holders) and must be left at or sent by post or fax to the registered office or such other place designated by the Directors for the purpose. Such removal or appointment will take effect when the notice is received by the Company or on such later date (if any) as may be specified in the notice. This Article 25.4 will not apply to the appointment or removal of an Investor Director. This Article 25.4 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director.

26. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a Director will be vacated if:

- 26.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- 26.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;

- 26.3 he becomes, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
- 26.4 he resigns his office by notice in writing to the Company;
- 26.5 (other than in the case of the Investor Director) 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 that period attended any such meetings instead of him, and the Directors resolve that his office be vacated;
- 26.6 (other than in the case of the Investor Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-Directors;
- 26.7 (other than in the case of the Investor Director) he is removed from office by notice given by a member or members under Article 25.4; or
- 26.8 being an executive Director he ceases, for whatever reason, to be employed by any member of the Group.

27. DIRECTORS' APPOINTMENTS AND INTERESTS

28. BORROWING POWERS

The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to section 80 of the Companies Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

29. PROCEEDINGS OF DIRECTORS

- 29.1 In the case of an equality of votes, the chairman will not have a second or casting vote. Regulation 88 will be modified accordingly.
- 29.2 Regulation 88 is modified by the exclusion of the third sentence and the substitution for it of the following sentences: "Every Director will 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 meeting of Directors or a committee of Directors, either prospectively or retrospectively" and by the addition of the word "not" between the words "shall" and "have" in the fourth sentence.

- 29.3 The quorum necessary for the transaction of business at any meeting of the Directors will be two. If any meeting of the Directors is inquorate then it will be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present will constitute a quorum.
- 29.4 Any Director or alternate may participate in a meeting of the Board or a committee of the Directors by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear and speak to each other throughout the meeting, and any Director or member of a committee participating in a meeting in this manner is deemed to be present in person at such meeting and will be counted when reckoning a quorum.
- 29.5 Without prejudice to the obligation of any Director to disclose his interest in accordance with section 317 of the Act, a Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The Director will be counted in the quorum present when any such resolution is under consideration and if he votes, his vote will be counted.

30. INVESTOR DIRECTOR

- 30.1 So long as any amounts are owing by the Company to the Bank under the Facility Agreement the Bank will have the right to appoint one person as a non-executive Director of the Company ("**Investor Director**") but:
- 30.1.1 not more than one person may hold such office at any one time;
- 30.1.2 any such appointment must be effected by notice in writing to the Company by the Bank who may in a similar manner remove from office any Investor Director appointed pursuant to this Article, and appoint any person in place of any Investor Director so removed or who had died or otherwise vacated office as such;
- 30.1.3 subject to section 303 of the Companies Act, on any resolution to remove an Investor Director, the A Ordinary Shares held by the Bank will together

carry one vote in excess of fifty per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed, and if any such Investor Director is removed pursuant to section 303 of the Companies Act or otherwise, the Bank may reappoint him or any other person as an Investor Director.

- 30.2 The Investor Director will be entitled to be appointed to the board of directors of any member of the Group and to any committee of the board of any member of the Group.

31. NOTICES

- 31.1 Any notice or other document to be served or delivered to or by any person pursuant to these articles (other than a notice calling a meeting of the Directors) shall be in writing and shall be delivered in accordance with Article 31.2.

- 31.2 Any notice or other document may only be served on, or delivered to, any Member by the Company or by any other Member:

31.2.1 personally;

31.2.2 by sending it through the post in a prepaid envelope addressed to the Member at his registered address (whether such address is in the United Kingdom or otherwise);

31.2.3 by delivery of it by hand to or leaving it at that address in an envelope addressed to the Member; or

31.2.4 except in the case of a share certificate and only if an address has been specified by the Member for such purpose, by Electronic Communication.

- 31.3 In the case of joint holders of a Share, all notices and other documents shall be given to the person named first in the register in respect of the joint holding, and notice so given shall be sufficient notice to all joint holders.

- 31.4 Any notice or other document may only be served on, or delivered to, the Company by anyone:

31.4.1 by sending it through the post in a prepaid envelope addressed to the Company or any officer of the Company at its registered office or such

other place in the United Kingdom as may from time to time be specified by the Company;

31.4.2 by delivering it by hand to its registered office or such other place in the United Kingdom as may from time to time be specified by the Company; or

31.4.3 if an address has been specified by the Company for such purpose (and in the case of an appointment of a proxy such address has been specified in a document or other communication referred to in Regulation 62), by Electronic Communication.

31.5 Any notice or other document (other than the appointment of a proxy):

31.5.1 addressed to the recipient in the manner prescribed by these articles shall, if sent by post, be deemed to have been served or delivered:

31.5.1.1 (if prepaid as first class) 24 hours after it was posted; and

31.5.1.2 (if prepaid as second class) 48 hours after it was posted;

31.5.2 not sent by post, but delivered by hand to or left at an address in accordance with these articles, shall be deemed to have been served or delivered on the day it was so delivered or left;

31.5.3 sent by Electronic Communication shall be deemed to have been served or delivered at the time it was sent, and in proving such service it shall be sufficient to produce (in the case of a fax) a transaction report or log generated by a fax machine which evidences the fax transmission and (in the case of an e-mail) a confirmation setting out the total number of recipients sent to or each recipient to whom the message was sent as the case may be.

31.6 Regulations 111, 112 and 115 will not apply to the Company.

32. INDEMNITIES

Subject to the provisions of the Companies Act but without prejudice to any indemnity to which he may otherwise be entitled every Director alternate director secretary and other officer or employee of the Company will be indemnified out of the assets of the Company against any liability sustained or incurred by him in defending any proceedings whether civil

or criminal relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Companies Act in which relief is granted to him by the Court. Regulation 118 will not apply to the Company.