

Company Number: 5385634

THE COMPANIES ACTS 1985 & 1989

A PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

- OF -



SECKLOE 260 LIMITED (the "Company")

We, the undersigned, being as of today's date the registered holders of all the issued shares of the Company conferring a right to attend and vote at a general meeting of the Company do in accordance with Article 53 of Table A of the Companies (Tables A to F) Regulations 1985 as incorporated in the Company's Articles of Association hereby RESOLVE as follows:

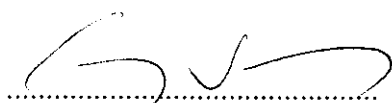
WRITTEN RESOLUTIONS

1. THAT the one issued and 8,819 of the Company's authorised but unissued ordinary shares of £1 each be converted into B Shares of £1 each having the rights and being subject to the restrictions set out in the Articles of Association to be adopted pursuant to Resolution 6 below.
2. THAT the authorised share capital of the Company be increased from £10,000 to £83,180 by the creation of 73,180 B Shares of £1 each ranking pari passu in all respects with the existing 8,820 B Shares of £1 each in the capital of the Company.
3. THAT the remaining 1,180 unissued ordinary shares of £1 each be sub-divided into 100 shares of £0.01p each and that such shares be converted into 118,000 A Shares of £0.01p each having the rights and being subject to the restrictions set out in the Articles of Association to be adopted pursuant to Resolution 6 below.

4. THAT, subject to the passing of Resolution 2 above, the Directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £83,179 at any time or times during the period of 5 years from the date of this Resolution and at any time thereafter pursuant to any offer or agreement made by the Company before the expiry of this authority.
5. THAT, subject to the passing of Resolution 2 above, the Directors be empowered pursuant to section 95(1) of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash or otherwise pursuant to the authority conferred by Resolution 2 above as if section 89(1) of the Act did not apply to any such allotment, provided that such authority shall be limited to the allotment of equity securities up to aggregate nominal amount of £83,179 at any time or times during the period of 5 years from the date of this Resolution and at any time thereafter pursuant to any offer or agreement made by the Company before the expiry of this authority.
6. THAT the regulations contained in the document now produced to the Meeting, and signed by the Chairman by way of identification, be and they are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.
7. THAT:
 - 7.1 a debenture to be entered into by the Company in favour of Bank of Scotland (the "Bank") creating fixed and floating charges over all the property, assets and undertaking of the Company, to secure all monies and liabilities due, owing or incurred from time to time by the Company to the Bank;
 - 7.2 an intercreditor agreement to be entered into between (1) the Bank (2) Gary Vicary and others (3) Barrington House Nominees Limited (4) the Company and (5) the Target regulating the repayment of indebtedness of the Target;
 - 7.3 a guarantee to be given by the Company in favour of the Bank guaranteeing the obligations of the Target and certain of its subsidiaries to the Bank; and
 - 7.4 an option agreement to be entered into by the Company with Uberior Trading Limited and others pursuant to which Uberior Trading Limited is granted an option to subscribe

for shares in the Company,
be and they are approved.

DATED: 18/5 2005

A handwritten signature in black ink, appearing to be 'GV', written over a horizontal dotted line.

GARY VICARY

No. 5385634

CV

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

- of -

SECKLOE 260 LIMITED

(Adopted by Written Resolution passed on 19th May 2005)

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No. 5385634

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

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COMPANIES HOUSE

0402
26/05/05

NEW ARTICLES OF ASSOCIATION - of -

SECKLOE 260 LIMITED

(Adopted by Written Resolution passed on *19th May* 2005)

1 Definitions

The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or varied by or are inconsistent with these Articles and such Regulations (save for such exclusions, variations or inconsistencies) and the Articles hereinafter contained shall be the articles of association of the Company and references in these Articles to a Regulation shall be to the Regulation of that number contained in Table A.

In these Articles, the following definitions apply:

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| "A Shares" | the A Ordinary Shares of 1p each in the capital of the Company; |
| "Act" | the Companies Act 1985 including any statutory modification or re-enactment of it for the time being in force; |
| "alternate director" | an alternate director appointed by any director in accordance with these Articles; |
| "Asset Sale" | the completion of any transaction whereby any person or group of persons purchases the whole or substantially the whole of the business and assets of the Group; |
| "Auditors" | the auditors for the time being of the Company; |
| "Bank Option" | has the meaning given to it by the Investment Agreement; |

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| "B Shares" | the B Ordinary Shares of £1 each in the capital of the Company; |
| "Board" | the board of directors of the Company from time to time; |
| "Business Plan" | the business plan as defined in the Investment Agreement; |
| "Chairman" | the chairman of the Board appointed pursuant to the Investment Agreement; |
| "connected persons" | shall have the meaning provided by section 839 of the Income and Corporation Taxes Act 1988; |
| "Default" | means the occurrence of any of the events referred to in Article 3.7(b); |
| "directors" | any director of the Company for the time being; |
| "Equity Shares" | the A Shares and the B Shares for the time being in issue together; |
| "Facilities Agreements" | the Bank Facilities (as such term is defined in the Investment Agreement); |
| "Fair Value" | the price payable for any shares in the Company determined (where required by Articles 6.2, 6.3 or 6.4) pursuant to Article 6.5; |
| "Family" | the spouse, child or remoter issue (including any step or adopted child); |
| "Family Trust" | a trust (whether arising under a settlement, declaration of trust, will or on an intestacy) established by a shareholder who is a director or employee of any Group Company of which any such shareholder and/or members of his Family are capable of being a beneficiary or beneficiaries thereof; |
| "Financial Year" | a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act; |

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| "Group Company" | the Company and any subsidiary or subsidiary undertaking for the time being of the Company or of any such subsidiary or subsidiary undertaking and Group shall be construed accordingly; |
| "holder" | in relation to shares means the member whose name is entered in the Register of Members as the holder of such shares; |
| "Interest Rate" | four per cent over the Base Rate from time to time of Bank of Scotland; |
| "Intercreditor Deed" | has the meaning given to such term by the Investment Agreement; |
| "Investment Agreement" | the Investment Agreement of the same date as the date of adoption of these Articles and made between (1) the Company (2) the Managers (as defined therein) and (3) Barrington House Nominees Limited as the same may be amended or supplemented from time to time; |
| "Investor Consent" | consent or approval (including any conditions to which such consent or approval is subject) in accordance with Clause 7 of the Investment Agreement; |
| "Investor Directors" | the directors appointed pursuant to Article 3.6 as the Investor Directors and on the terms set out in the Investment Agreement; |
| "Liquidation" | the liquidation of the Company on a members' voluntary winding up (other than for the purposes of reconstruction or amalgamation); |
| "Listing" | the unconditional granting of permission and such permission becoming effective for any of the Equity Shares (or any Ordinary Shares arising on conversion) to be dealt in on any recognised investment exchange (as defined in section 285 of the Financial Services Act and Markets Act 2000); |

"Majority Investors"

the holders for the time being of more than 50 per cent of the A Shares;

"member"

a person for the time being registered in the Register of Members as the holder of any shares in the capital of the Company;

"Net Profit"

means the consolidated profit of the Group as shown by the accounts for the relevant Financial Year

- (a) adding back to such profits the amount of any other dividend or any other distribution declared or paid by the Company;
- (b) before taking into account any transfer or proposed transfer to reserves;
- (c) before writing off any amount in respect of goodwill or other intangible assets;
- (d) before taking into account any payment in respect of or provision for corporation tax (including advance corporation tax) (or any other tax equivalent to corporation tax in the case of any overseas subsidiary) and any other tax (whether of the United Kingdom or otherwise) which may be imposed on or by reference to profits, gains income or distributions;
- (e) before accounting for any exceptional items; and
- (f) after adding back any payment in excess of any amount paid or payable to any member who is also a director or employee of any Group Company or to any of their connected persons in excess of the amounts which are payable under their respective contracts of employment (otherwise than with Investor Consent).

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| "Ordinary Shares" | the Ordinary Shares in the capital of the Company arising on conversion of any of the Equity Shares pursuant to Article 3.5; |
| "Permitted Transfer" | a transfer of shares in the Company permitted by Article 6.2; |
| "Sale" | the acceptance of an offer or the making of an agreement which upon the satisfaction of the conditions (if any) of such offer or agreement results in the obtaining of a Controlling Interest as defined in Article 6.6; |
| "Table A" | the Regulations contained 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 |
| "Transfer Notice" | a notice given or deemed to have been given in relation to any shares in the Company as specified in Article 6. |

2 SHARE CAPITAL

The authorised share capital of the Company at the date of the adoption of these Articles is £83,180 divided into:

- 2.1 118,000A Shares; and
- 2.2 82,000 B Shares;

3 CLASS RIGHTS

The special rights and restrictions attached to and imposed on the A Shares and the B Shares respectively are as follows:

3.1 Income: A Shares

- (a) The A Shares shall confer upon the holders thereof as a class, the right, in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company, to receive (exclusive of any associated tax credit):

- (i) a fixed cumulative preferred dividend (the "Preferred Dividend") of an amount equal to £0.2909 for each A Share in respect of each Financial Year until conversion and proportionately for any part of a year; and
- (ii) a cumulative participating dividend of an amount equal to a percentage of the Net Profit of the Group (the "Participating Dividend") as follows:-

| <u>Financial Year Ended</u> | <u>% of Net Profit of Group</u> |
|-----------------------------|---------------------------------|
| 2006 | 20 |
| 2007 | 25 |

(and each subsequent Financial Year)]

- (b) The Preferred Dividend shall be paid in cash by direct debit by two equal instalments (exclusive of any associated tax credit) in respect of the period from 1st May to 31st October of each year payable on 20th December and in respect of the period from 1st November to 30th April of each year payable on 20th June the first such payment being on 20th December 2005 in respect of the period commencing 1st May 2005 and ending on 31st October 2005.
- (c) The Participating Dividend shall be paid by same day transfer of funds in respect of the Financial Year ending 30 April 2006 on 20th December 2006 and in respect of each Financial Year thereafter on 20th December of the year in which such Financial Year ends.
- (d) The Participating Dividend shall accrue on a daily basis and shall be pro-rated in respect of any period of less than a Financial Year during which the A Shares are in issue and shall be apportioned among the holders of the A Shares pro rata to the number of A Shares held by them. Where the Participating Dividend falls to be pro-rated, the pro rata amount of the Participating Dividend from the date of the commencement of the then current Financial Year of the Company up until and including the date on which the Participating Dividend is payable ("relevant date") shall be calculated on the relevant date on the basis set out in Article 3.1 (a) (ii) save that the Net Profit for this purpose shall be:

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

Y

where:

X is the net consolidated profit of the Group as shown by the latest available unaudited consolidated management accounts of the Group for the period from the start of the

then current Financial Year to the latest practicable date prior to the relevant date adjusted to take account of the matters set out in paragraphs (a) to (f) inclusive of the definition of Net Profit;

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

Z is the number of days from the date of the start of the then current Financial Year to the relevant date.

3.2 Income: Dividend payments on A Shares

- (a) *The Preferred Dividend and Participating Dividend shall ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) accrue from day to day and on the due date for payment become a debt due from and immediately payable by the Company to holders of the A Shares.*
- (b) *In the event that whether by reason of any principle of law or otherwise (including pursuant to the Facilities Agreements or the Intercreditor Deed) the Company is unable to pay in full on any due date for payment under Article 3.1 (each of which dates is in this paragraph referred to as a "dividend date"), any instalment of the Preferred Dividend or Participating Dividend to any of the holders of the A Shares which would otherwise be required to be paid on that dividend date (in this paragraph any such dividend being hereinafter called the "relevant dividend"), then the Company must cancel the payment by direct debit of the relevant dividend due on the dividend date and the following provisions shall apply:*
 - (i) *on the due dividend date, the Company shall pay to such holders in proportion to the numbers of A Shares held by them on account of the relevant dividend, the maximum sum (if any) which can then, consistently with any such principle of law or otherwise, be properly paid by the Company in accordance with these Articles;*
 - (ii) *on every succeeding dividend date, the Company shall pay to such holders, on account of the balance of the relevant dividend for the time being remaining outstanding (together with accrued interest), and until the relevant dividend shall have been paid in full, the maximum sum (if any) which on each such succeeding dividend date respectively can, consistently with any such principle of law or otherwise, be properly paid by the Company;*
 - (iii) *subject only as aforesaid, every sum which shall become payable by the Company on any dividend date in accordance with the foregoing provisions of this paragraph shall, on that dividend date, ipso facto and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in Regulations*

102 to 108 (inclusive) of Table A), become a debt due from and immediately payable by the Company to the holders of the A Shares.

- (c) Any arrears of Preferred Dividend or Participating Dividend shall carry interest at the Interest Rate from each dividend date until payment in full irrespective of whether the reason for non-payment of any dividend is that it would be unlawful for that dividend to be paid by the Company.
- (d) The Company shall procure that the profits of any subsidiary for the time being available for distribution shall be paid to it by way of dividend if, and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to pay in full the Preferred Dividend and/or the Participating Dividend together with any interest accrued thereon.
- (e) *The Company may not cancel any payment of the Preferred Dividend or Participating Dividend by direct debit unless the provisions of Article 3.2(b) shall apply.*

3.3 Income: B Shares

No dividends shall be declared or paid on the B Shares in respect of any Financial Year of the Company without the prior written consent of the Majority Investors.

3.4 Capital: General

In the event of a winding up of the Company or other return of capital the assets of the Company remaining after payment of its debts and liabilities (exclusive of any debts which have become due in accordance with Article 3.2(a) and of the costs, charges and expenses of such winding up) shall be applied in the following manner and order of priority:

- (a) firstly, in paying to the holders of the A Shares *pari passu* as if the same constituted one class of shares (in proportion to the numbers of A Shares held by them) all unpaid arrears and accruals of any Preferred Dividend or Participating Dividend such arrears and accruals to be calculated down to and including the date of repayment to be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such unpaid arrears and accruals have become due and payable in accordance with any of the provisions of these Articles;
- (b) secondly, in paying to the holders of the A Shares *pari passu* as if the same constituted one class of shares (in proportion to the numbers of A Shares held by them) an amount equal to the subscription price (inclusive of any premium) paid for such shares;

(c) thirdly, in paying to the holders of the B Shares (in proportion to the numbers of B Shares held by them) an amount equal to the subscription price (inclusive of any premium) paid for such shares *pari passu* as if the same constituted one class of share; and

(d) lastly, in distributing the balance amongst the holders of the Equity Shares *pari passu*.

3.5 Conversion: Equity Shares

(a) *Immediately prior to a Listing or a Sale (but conditionally upon such Listing being obtained or such Sale taking place)* each of the Equity Shares then in issue shall be converted into one fully paid Ordinary Share ranking *pari passu* in all respects.

(b) Forthwith upon conversion of any of the Equity Shares (but conditionally and subject as aforesaid) the names of the former holders of the Equity Shares shall be entered in the Register of Members of the Company as the holders of the appropriate numbers of Ordinary Shares credited as fully paid up.

(c)

(i) Forthwith upon conversion of the Equity Shares the Company shall give written notice to the former holders of the Equity Shares of the numbers of Ordinary Shares of which they are respectively the holders.

(ii) Forthwith upon receipt of such notices, the former holders of the Equity Shares shall deliver to the Company at its registered office for the time being the share certificates in respect of their respective holdings of the Equity Shares, and the Company shall, upon receipt of such certificates, deliver to the relevant holders new certificates in respect of the Ordinary Shares arising from such conversion to which they are respectively entitled.

(d) On conversion the Company shall pay to the holders of the A Shares a final dividend ("Final Dividend") equal to all arrears and accruals of the Preferred Dividend calculated up to and including the date of conversion together with all arrears, accruals and deficiencies of the Participating Dividend attributable to Financial Years ending before the date of conversion whether declared or earned or not and a pro rata amount of the Participating Dividend from the date of the commencement of the then current Financial Year of the Company up until and including the date of conversion calculated on the date of conversion on the basis set out in Article 3.1(d) and so that any Final Dividend shall on the date of conversion *ipso facto* and without any resolution of the Board or of the Company in General Meeting (and notwithstanding anything contained in Regulations 102 to 108 inclusive) become a debt due from and

immediately payable by the Company to the relevant holders of the A Shares pro rata to the number of A Shares held by them.

- (e) Where conversion arises pursuant to a Listing or a Sale, the Ordinary Shares arising on conversion shall entitle the holders thereof to all dividends and distributions in respect of the Financial Year or accounting period of the Company in which the conversion falls after such conversion and provided that such dividends or distributions are not in respect of any earlier Financial Year.
- (f) Following conversion Ordinary Shares shall rank *pari passu* in all respects and shall constitute one class of shares for income, capital and voting rights.

3.6 Directors

- (a) The Board with Investor Consent shall have the right from time to time to appoint one person as chairman (who shall be designated as the Chairman) and two persons as *non-executive directors (who shall be designated as Investor Directors)* of the Company and of each of its subsidiaries and to remove from office any person so appointed and to appoint another person in his place.
- (b) Any appointment or removal pursuant to paragraph (a) above shall be effected in the manner specified in the Investment Agreement and shall be subject to the terms and conditions.

3.7 Voting: A Shares

- (a) The holders of the A Shares shall be entitled to receive notice of and to attend and vote at General Meetings of the Company and, subject to the provisions of paragraph (b) below, upon any resolution proposed at such general meeting on a show of hands and on a poll every holder thereof who (being an individual) is present in person or by proxy or (if a corporation) by a duly authorised representative shall have one vote in respect of each fully paid A Share registered in his name.
- (b) If:
 - (i) any Preferred Dividend is not paid on its due date for whatever reason; or
 - (i) an Event of Default (as defined in the Facilities Agreements) occurs and has not been waived by the Majority Investors; or
 - (ii) there is a material breach of any of the obligations set out in schedules 3 and 4 of the Investment Agreement; or

- (iii) there occurs an event, act or condition which, with the giving of notice and/or lapse of time and/or any other event, act or condition which, in the reasonable opinion of the Majority Investors would, or is likely to, constitute an Event of Default (as defined in the Facilities Agreements);

then, any holder of A Shares may serve a notice in writing upon the Company at any time prior to the commencement of any general meeting of the Company specifying that, for the purposes of the specified meeting, the holders of the A Shares as a class shall have such number of votes in respect of each A Share as, when multiplied by the number of A Shares then in issue, would confer on a poll 75 per cent of the total votes capable of being exercised at such general meeting.

- (c) The voting rights attached to the A Shares pursuant to article 3.7(b) shall only continue until the payment of such monies overdue or until such other breach is waived or otherwise remedied whereupon the voting rights attaching to the A Shares shall be as provided for in 3.7(a).

3.8 Voting : B Shares

The holders of the B Shares shall be entitled to receive notice of and to attend and vote at General Meetings of the Company and upon any resolution proposed at such general meeting on a show of hands and on a poll every holder thereof who (being an individual) is present in person or by proxy or (if a corporation) by a duly authorised representative shall have one vote in respect of each fully paid B Share registered in his name.

3.9 Intercreditor Deed

Any payment under this article 3 is subject to the terms of the Intercreditor Deed.

4 VARIATION OF RIGHTS

- 4.1 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 more than three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal value of the issued shares of the class unless all the shares of any class are registered in the name of a single corporate shareholder in which case the quorum shall be one

person being the duly authorised representative of such shareholder (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

4.2 Without prejudice to the generality of Article 4.1, the special rights attached to the A Shares shall be deemed to be varied by and accordingly the prior consent (in writing or in separate meeting) of the holders of the A Shares shall be required in accordance with the provisions of Article 4.1 to the following matters in relation to any member of the Group:

- (a) the declaration or payment of dividends otherwise than in accordance with these Articles; or
- (b) the making of any distribution, payment or return to members of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company; or
- (c) the capitalisation of any undistributed profits (including profits standing to any reserve) or any sums standing to the credit of the Company's share premium account or capital redemption reserve; or
- (d) the incorporation or acquisition of any subsidiary or subsidiary undertaking or the acquisition of any share or interest in any other company which is not a subsidiary or subsidiary undertaking of the Company; or
- (e) a Listing or a Sale or an Asset Sale; or
- (f) the passing of a resolution referred to in Article 4.3 below.

4.3 For so long as there are any A Shares in issue and where a resolution is proposed in respect of any of the following matters:

- (a) any increase or alteration or variation or reduction of the authorised or issued capital of any member of the Group (other than by the conversion of any of the Equity Shares in accordance with these Articles) or any granting of any options over the share capital whether issued or to be issued or of any other rights to subscribe for shares or securities convertible into shares in the capital of any member of the Group or any alteration or variation of any of the rights attached to any of the shares for the time being in the capital of any member of the Group; or

- (b) any alteration of any of the provisions of the Memorandum or Articles of Association of any member of the Group; or
- (c) to wind up any member of the Group; or
- (d) any sub-division or consolidation of the Company's share capital; or
- (e) the purchase by the Company of any of its own shares; or
- (f) to remove any director of the Company other than an Investor Director or Chairman;

then (unless the consent of the holders of the A Shares shall have been given) a meeting of the holders of the A Shares (the "A Meeting") shall be convened and held prior to the meeting of the Company to consider the resolution in question and, unless the holders of 75 per cent of the A Shares in issue vote in favour of the resolution at the A Meeting, the holders of A Shares who voted against such resolution shall have the right to cast against the resolution at the general meeting of the Company convened to consider the resolution in aggregate such number of votes as shall equal 51 per cent of the total votes cast on the resolution.

5 SUBSCRIPTION RIGHTS

- 5.1 Save as otherwise provided in any Special Resolution of the Company passed in general meeting from time to time in accordance with these Articles, all new shares other than shares issued pursuant to the Bank Option in respect of which all rights of pre-emption are hereby waived shall be offered for subscription to the holders of Equity Shares (which for these purposes shall be treated as one class of share) in the proportion that the aggregate number of such shares for the time being held respectively by each such member bears to the total number of such shares in issue and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time (being not less than 14 days) within which the offer if not accepted will be deemed to be declined and after the expiration of such time or on the receipt of an intimation from the member to whom such notice is given that he declines to accept the shares so offered the Board may dispose of the same in such manner as they may think most beneficial to the Company. If owing to the inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of new shares any difficulty shall arise in the apportionment of any such new shares amongst the members such difficulties shall in the absence of direction by the Company be determined by the Board.
- 5.2 The provisions of Section 89(l) and Section 90(l) to (6) of the Act shall not apply to the Company.

- 5.3 The Board are hereby authorised pursuant to section 80 of the Act generally to exercise each and every power of the Company to allot relevant securities (as defined in that section) up a maximum amount in nominal value which when aggregated with the subscriber share(s) and the relevant securities already allotted on the adoption of these Articles is equal to the authorised share capital on such adoption, such authority to expire on the day immediately preceding the fifth anniversary of the adoption of these Articles.

6 TRANSFER OF SHARES

6.1 General Provisions

- (a) Notwithstanding any other provision in these articles, the Board shall refuse to register the transfer of any shares in the capital of the Company:
- (i) being a share which is not fully paid, to a person of whom they do not approve;
 - (ii) on which the Company has a lien;
 - (iii) to a person who is (or whom the Board reasonably believe to be) under 18 years of age or a person who does not have (or whom the directors reasonably believe does not have) the legal capacity freely to dispose of any shares without let, hindrance or court order; or
 - (iv) purported to be made otherwise than in accordance with or as permitted by these Articles.
- (b) The transferor shall remain the holder of the shares concerned until the name of the transferee is entered into the Register of Members in respect thereof.
- (c) For the purpose of these Articles the following shall be deemed (but without limitation) to be a transfer by a member of shares in the Company:
- (i) any direction (by way of renunciation or otherwise) by a member entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
 - (ii) any sale or any other disposition of any legal or equitable interest in a share or the granting of any mortgage or charge or any other security interest over any share (unless required by the Credit Agreement to fund subscription monies for B Shares) and whether or not for consideration or otherwise and whether or not effected by an instrument in writing.

6.2 Permitted Transfers

- (a) Any member being a company shall be entitled, without restriction as to price or otherwise, to transfer all or any of their shares in the Company or any beneficial interest therein or any rights attaching thereto to any subsidiary or holding company for the time being of any of such member or any subsidiary of any such holding company.
- (b) a member holds shares in the Company as a nominee or trustee, that member may transfer those shares to any other nominee or trustee, whether directly or indirectly, holding shares for the same beneficiaries.
- (c) Any share in the Company may be transferred by a Member who is a director or employee or consultant of any Group Company to a member of his Family or to a Family Trust provided that:
 - (i) in the event that such transferor ceases to be a director or employee or consultant of any Group Company and does not continue to be a director or employee or consultant of any Group Company, such transferred shares held by such a member of the transferor's Family or Family Trust shall be subject to the provisions of Article 6.3 as if they still constituted part of the transferor's holding;
 - (ii) any person holding shares transferred to him pursuant to this paragraph (c) shall be deemed to have irrevocably appointed the original transferor of such shares as his proxy in respect of such shares and no instrument of appointment shall be necessary to be deposited with the Company or any subsidiary of the Company;
 - (iii) no transfer of any share by a member to a member of his Family or to a Family Trust shall be registered by the directors unless the proposed transferee shall first have signed a deed of adherence in a form satisfactory to the Investor Director acknowledging (*inter alia*) that the proposed transferee is bound by the provisions of this paragraph (c) as provided in the Investment Agreement;
 - (iv) the trustees of any such Family Trust shall be entitled to transfer any such shares to any new trustees of such Family Trust; and
 - (v) the maximum number of shares which may be transferred pursuant to this paragraph (c) shall not exceed 25 per cent of the number of shares held by such Member on the date of adoption of these Articles without Investor Consent.
- (d) Any holder of A Shares which is an investment fund may transfer such shares:
 - (i) to any unit holder, shareholder, partner or participant manager or principal adviser (or an employee or such manager or adviser) in any such fund;

- (ii) to any other investment fund managed or advised by the same manager or principal adviser as the transferor; or
- (iii) to a nominee or to a member of the same group of any of the persons referred to in paragraphs (i) and (ii) above.
- (e) In the event that any person to whom shares are transferred pursuant to this Article 6.2 ceases to be within the required relationship to the original transferee such shares shall be transferred back to the person who originally transferred them or to any other person falling within the required relationship and if the holder of such shares fails to transfer the shares in those circumstances such holder shall be deemed to have served a Transfer Notice and the provisions of Article 6.4 shall apply mutatis mutandis provided that the Transfer Price shall be the Fair Value.
- (f) Subject to the provisions of these Articles, any Member may at any time transfer any shares in accordance with the provisions of the Act to the Company.
- (g) Any member may at any time transfer shares or any beneficial interest therein to any other person for whatever consideration with the prior written consent of the holders of 90 per cent of the Equity Shares.

6.3 Compulsory Transfers

- (a) For the purpose of this Article:
 - (i) "Leaver" means any person who is at the date of adoption of these Articles or who later becomes a director and/or an employee and/or a consultant of any Group Company and who subsequently ceases to be so employed or engaged (and does not continue to be so employed or engaged) for any reason whatsoever (including death or as a result of a Group Company ceasing to be a subsidiary of the Company).
 - (ii) "Leaver's Shares" means at the date a person becomes a Leaver:
 - a. shares held by the Leaver;
 - b. shares which have been transferred by the Leaver in accordance with Article 6.2(c) above or transferred subsequently in accordance with Article 6.2(e) ("Transferred Shares");
 - c. shares which have been allotted in respect of Transferred Shares ("Derived Shares"); and
 - d. Derived Shares which have been transferred in accordance with Article 6.2 above.
 - (iii) "Cost Price" means £1 per Leaver's Share.

- (b) Upon a person becoming a Leaver :
 - (i) Unless the Board with Investor Consent otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's Shares shall immediately be cancelled (unless all the shares subject to it have already been sold) and no further Transfer Notice shall be issued or deemed to be issued in respect of the Leaver's Shares (except under paragraph (ii) below); and
 - (ii) unless the Board (with Investor Consent) otherwise resolves within 90 days following the date on which that person becomes a Leaver, the Leaver shall, and each person holding any Leaver's Shares shall be deemed to have issued a Transfer Notice in respect of all the Leaver's Shares on the date on which such 90 day period expires in which case the provisions of Article 6.4 will apply.
- (c) In respect of a deemed Transfer Notice under paragraph (b)(ii) above, the price per share shall be:
 - (i) the lower of Fair Value and Cost Price, unless the Leaver ceases to be employed or engaged by the Company as a result of death, illness, incapacity, redundancy, retirement at normal retirement age, wrongful dismissal or, at a time when notice has been served pursuant to Article 9.10 and there is a continuing Default, an unfair dismissal, in which case the price shall be Fair Value.
- (d) The Fair Value shall be calculated as at the date the Leaver becomes a Leaver. In any particular case, the Board, with Investor Consent, may agree with the transferor some other price other than the Fair Value or the Cost Price.
- (e) Unless the Board shall have passed a resolution under paragraph (b)(i) above, none of the relevant Leaver's Shares shall, until transferred in accordance with this Article 6.3, entitle the transferor of such shares to receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of shares of the same class and such shares shall 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 PROVIDED THAT all shares so disenfranchised shall on a transfer in accordance with this Article, or on expiry of the 90 day period referred to in paragraph (b)(ii) above, be refranchised.
- (f)
 - (i) If any Transfer Notice is deemed to be given pursuant to this Article 6.3, the Company shall within 5 days of the deemed date of the Transfer Notice give written notice of such occurrence (such notice to include details of all the Leaver's Shares to which such Transfer Notice relates) to the Investor Director. If within 21 days of the giving of such

notice by the Company the Investor Directors require, by written notice to the Company (a "Priority Notice") that all or any of such Leaver's Shares be offered for sale first to a person or persons (whether or not then ascertained) who it is proposed should be appointed as a director(s) and/or employee(s) of the Company whether or not in place of the Leaver, then the provisions of paragraph (ii) below shall apply.

- (ii) If a Priority Notice is given then, in relation to all or any of the Leaver's Shares (the "Priority Shares"), the provisions of Article 6.3(b)(ii) shall not apply to the extent that the Priority Shares shall be offered by the Company to the person(s) (and, in the case of more than one, in the proportions) specified in the Priority Notice (conditional, in the case of any named prospective director and/or employee, upon his taking up his proposed appointment with the Company (if not then taken up)). For this purpose, a Priority Notice may specify that some or all of the Priority Shares should be offered (either in the first instance or insofar as not taken up by any other person(s) specified in such notice) to not less than two persons designated by the Investor Director ("Custodians") to be held (in the event of their acquiring Priority Shares) on and subject to such terms as are referred to in paragraph (iii) below.
- (iii) If Custodians become the holders of Priority Shares, then they shall hold the same on, and subject to, the following terms:
 - a. save with Investor Consent, they may not exercise the voting rights (if any) for the time being attaching to such Priority Shares;
 - b. save with Investor Consent, they shall not encumber the same; and
 - c. they will (subject as provided in paragraph (iv) below) transfer the legal title to such Priority Shares and all such other interests as they may have therein to (and only to) such person or persons and at such time or times and otherwise on such terms as the Majority Investors may from time to time direct by notice in writing to the Custodians provided that the Custodians may not be required to enter into any agreement or otherwise take any action if and to the extent that they would or might incur any personal liability (whether actual or contingent) or suffer any personal loss.
- (iv) The Majority Investors may not direct the Custodians to transfer all or any Priority Shares other than to a person who is an existing director and/or employee of the Company or who has agreed (subject only to Priority Shares being transferred to him) to accept appointment as such a director and/or employee save with the prior approval of the holders of more than 50 per cent of the B Shares.
- (v) To the extent that the Priority Shares are not transferred to a director and/or employee of the Company in accordance with this paragraph (iii) within 12 months of a Priority Notice being issued to the Company (or such shorter period as the Board (with

Investor Consent) shall determine), the Custodians shall be deemed to have served a Transfer Notice on the date on which such period expires and the provisions of Article 6.4 shall apply.

6.4 Transfer Procedure

- (a) Any member who wishes to sell or transfer shares or any beneficial interest therein (hereinafter called the "Vendor") otherwise than by means of a Permitted Transfer and save as provided in Article 6.3 (Compulsory Transfers) or where Article 6.6 (Change of Control) applies shall give a Transfer Notice to the Company specifying:
 - (i) the shares which he wishes to sell or transfer (the "Sale Shares");
 - (ii) the name of any third party to whom he proposes to sell or transfer the Sale Shares (if any);
 - (iii) the price at which he wishes to sell or transfer the Sale Shares; and
 - (iv) whether or not it is conditional upon all and not part only of the Sale Shares comprised being sold or offered and in the absence of such stipulation it shall be deemed not to be so conditional (a "Total Transfer Condition").
- (b) The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares in accordance with this Article 6.4, at the following price (the "Transfer Price"):
 - (i) with Investor Consent, at the price specified in the Transfer Notice; or
 - (ii) at such other price as may be agreed between the Vendor and the Board (with Investor Consent); or
 - (iii) if such price cannot be so agreed, at the Fair Value.
- (c) A Transfer Notice once given shall not be capable of withdrawal without Investor Consent provided that where the Vendor has served (as opposed to being deemed to have served) a Transfer Notice and the Fair Value is either less than the price specified in the Transfer Notice or, if no price was specified, is otherwise not acceptable to the Vendor, the Vendor shall be entitled to withdraw such Transfer Notice. The Vendor shall be obliged to accept the Fair Value or reject the same and withdraw the Transfer Notice within 7 days of having been notified of the Fair Value in writing. If he fails so to do, the Vendor shall be deemed to have accepted the same and the Transfer Notice may not subsequently be withdrawn without Investor Consent.

- (iv) The Company shall within 14 days of receipt of a Transfer Notice or, where the Fair Value is to be determined, upon receipt of such valuation, give notice in writing to each of the members of the Company who are on the register at the close of business on the date that the Transfer Notice is received by the Company (other than the Vendor or any other member who has served or who is deemed to have served a Transfer Notice which is still outstanding) (a "Relevant Member") informing them that the Sale Shares are available and of the Transfer Price and shall invite him to state in writing within 45 days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares. Subject to article 6.3 (f)(i) all Sale Shares mentioned in any Transfer Notice shall be offered in the first instance to all Relevant Members holding shares of the same class as the Sale Shares on the terms that in the case of competition the shares so offered shall be sold to the Relevant Members accepting the offer in proportion (as nearly as may be) to their existing holdings of shares of such class ("proportionate entitlement"). It shall be open to each Relevant Member to specify if he is willing to purchase shares in excess of his proportionate entitlement ("excess shares"). Insofar as such shares first offered shall not be allocated in accordance with paragraph (e) below, a further offer shall be made in the same manner to Relevant Members holding shares of other classes as follows: if the Sale Shares are A Shares, the offer shall secondly be made to all Relevant Members holding B Shares; if the Sale Shares are B Shares, the offer shall secondly be made to all Relevant Members holding A Shares.
- (v) After the expiry of the said period of 45 days or sooner if all the Sale Shares offered shall have been accepted in the manner provided in paragraph (d) above, the Board shall allocate the Sale Shares in the following manner:
- (i) if the total number of shares applied for is equal to or less than the number of the Sale Shares, the Company shall allocate the number applied for in accordance with the applications; or
- (ii) if the total number of shares applied for is more than the number of Sale Shares, each Relevant Member shall be allocated his proportionate entitlement or such lesser number of Sale Shares for which he may have applied and applications for excess shares shall be allocated (as nearly as may be) in the proportions which applications for excess shares bear to one another

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

- (f) Subject to paragraph (g) below, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the shares comprised in the Allocation Notice to the Applicant named therein at the time and place therein specified. If he makes any default in so doing the Chairman for the time being of the Company or failing him one of the directors or some other person duly nominated by the Investor Director, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, a transfer of the relevant Sale Shares to the Applicant and the Board may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Applicant in the register of members as the holder or holders by transfer of the shares so purchased by him or them. The Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the Vendor until he shall deliver up his certificate or certificates for the relevant shares to the Company (or an indemnity in respect thereof reasonably satisfactory to the Company) when he shall thereupon be paid the purchase money. The Company shall have no liability to pay or account for any interest on any such monies.
- (g) If the Transfer Notice included a Total Transfer Condition then, if the total number of shares applied for is less than the number of Sale Shares, the Allocation Notice shall refer to such provision and shall contain a further invitation open for 28 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sale in accordance with the preceding paragraphs of this Article 6.4 shall be conditional upon such provisions as aforesaid being complied with in full.
- (h) In the event of all the Sale Shares not being sold under the preceding paragraphs of this Article 6.4 the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares not sold to any person or persons at any price being not less than the Transfer Price provided that:
- (i) such person or persons must have been previously approved by the Majority Investors such approval not to be unreasonably withheld unless the proposed transferee is a person reasonably considered by the Majority Investors to be a competitor or connected with a competitor of the business of the Company and its subsidiaries;
- (ii) if the Transfer Notice included a Total Transfer Condition, the Vendor shall not be entitled, save with the written consent of the holders of 90 per cent of the Equity Shares (excluding the Vendor), to sell hereunder only some of the Sale Shares to such person or persons; and

- (iii) any such sale shall be a bona fide sale and the Board and/or the Investor Director may require to be reasonably satisfied, in such manner as they may require, that the Sale Shares are being sold in pursuance of a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied the Board may refuse to register the instrument of transfer.
- (i) For the purpose of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Board and/or the Investor Director may from time to time require any member or the legal personal representatives 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 Board and/or the Investor Director may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names and addresses and interests of all persons respectively having interests in the shares from time to time registered in the member's name. Failing such information or evidence being furnished to the satisfaction of the Board and/or the Investor Director within 28 days after request the Board (unless otherwise, agreed by the Investor Director) shall refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any shares the Board and/or the Investor Director may by notice in writing require that a Transfer Notice be given in respect of the shares concerned.

6.5 Fair Value

In the event that it is necessary to establish the Fair Value, the following provisions shall apply:

- (a) The Fair Value shall be determined at the cost of the Company on the application of the Board (with Investor Consent) by the Auditors acting as experts and not as arbitrators and their determination shall be final and binding.
- (b) The Fair Value shall be determined by the Auditors first valuing the Company as a whole:
 - (i) assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;
 - (ii) assuming that the entire issued share capital of the Company is being sold as between willing buyer and willing seller by arm's length private treaty for cash payable in full on completion;

- (iii) taking account of any shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding;
- (iv) taking account of any bona fide offer for the Company received from an unconnected third party within six months of the Transfer Notice being served or deemed to have been served; and/or
- (v) recognising that in any other circumstances the shares of the Company are not freely marketable.
- (c) Having valued the Company as a whole, the Auditors shall determine the Fair Value of the shares concerned:
 - (i) having deducted from the value of the Company as a whole (if not already taken into account when valuing the Company as a whole) any arrears or accruals of the Preferred Dividend or the Participating Dividend; and
 - (ii) having regard to the rights and restrictions attached to the shares concerned in respect of income and capital.

6.6 Change of Control

- (a) Notwithstanding the provisions relating to the transfer of shares in these Articles, no transfer of shares (not being a permitted transfer pursuant to Article 6.2) which would result, if made and registered, in a person who was not a member of the Company at the date of adoption of these articles obtaining a Controlling Interest, shall be made or registered unless an Approved Offer is made.
- (b) For the purposes of this Article 6.6:

"Approved Offer" means an offer in writing for all the Equity Shares (including any shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into shares in existence at the date of such offer (including but not limited to B Shares issued pursuant to the Bank Option)) on equal terms as if the Equity Shares were one class (unless in the case of a particular member less favourable terms are agreed in writing) and which:

 - (i) is stipulated to be open for acceptance for at least 21 days;
 - (ii) includes an undertaking by the offeror that neither it nor any person acting by agreement or understanding with it have entered into more favourable terms or have agreed more favourable terms with any other member for the purchase of Equity Shares;

- (iii) in the case of the A Shares includes provision for the payment of all arrears or accruals of the Preferred Dividend and the Participating Dividend; and
- (iv) has Investor Consent.

"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 or votes which may be cast on a poll at a general meeting of the Company.

- (c) Any transfer of shares in the Company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these Articles.
- (d) Any transfer of A Shares which is a Permitted Transfer and which results in a person obtaining or increasing a Controlling Interest shall not require an Approved Offer.
- (e)
- (i) If at any time an Approved Offer is made which is accepted by the holders of 75 per cent or more of the A Shares, the holders of shares in the Company who have not accepted the Approved Offer shall be obliged to accept the Approved Offer in respect of the shares held by them and to sell all of the shares held by them in accordance with such Approved Offer;
- (ii) If any person (a "Compulsory Transferor") fails to transfer any shares in accordance with paragraph (i) above within 28 days of the Approved Offer having been made the directors may (and will, if so requested by the Investor Director) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

7 GENERAL MEETINGS

- 7.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two persons, being members present in person or proxies for a member or members or duly authorised representatives of corporations shall be a quorum at any general meeting. Notwithstanding the foregoing and so long as there are any A Shares in issue, there

shall be no quorum unless there shall be present in person or by proxy or by duly authorised representative the holder(s) of not less than 50 per cent of the issued A Shares in the Company. If no such quorum is so present then the meeting shall stand adjourned for a period of not less than 7 days to such time and place as the directors shall agree and notify to the members. If no such member is so present at the adjourned meeting then subject to the foregoing provisions of this Article the members then present in person or by proxy or by duly authorised representatives shall constitute a quorum.

- 7.2 With respect to any such resolution in writing as is referred to in Regulation 53 of Table A, in the case of a corporation which holds a share, the signature of any director or the secretary thereof shall be sufficient for the purposes of Regulation 53.
- 7.3 All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all that is transacted at an Annual General Meeting, with the exception of the consideration of the audited accounts and the reports of the directors and the Auditors and the appointment, and the fixing of the remuneration of the Auditors.
- 7.4 The instrument appointing the proxy shall be effective if such appointment is brought to the attention of the chairman of the meeting at any time prior to the taking of any vote (whether on a show of hands or on a poll) (including after the commencement of the meeting). A Proxy shall be entitled to vote on a show of hands.

8 ANNUAL GENERAL MEETINGS

- 8.1 An Annual General Meeting of the Company shall be held not later than the last business day of the month of 31st October in each calendar year in respect of the Financial Year ended on the immediately preceding 30 April. The directors shall cause to be laid before each such Annual General Meeting the Accounts for such Financial Year together with the respective reports thereon of the directors and of the Auditors such reports complying with the provisions of the Act.
- 8.2 At the same time as reporting on the Accounts for any Financial Year of the Company the Auditors shall report in writing to the Board:
- (a) in respect of the Financial Year ending 30 April 2003 and each subsequent Financial Year respectively the amount of the Net Profit of the Company; and
 - (b) in respect of each Financial Year the amount of the dividend (if any) payable in respect of each A Share in accordance with the provisions of these Articles.

In so reporting the Auditors shall be deemed to be acting as experts and not as arbitrators and the amounts as so reported shall be conclusive and binding on the

Company and upon all of its Members for the purposes of these Articles in the absence of manifest error.

9 Directors

- 9.1 With Investor Consent the Board shall have power at any time and from time to time to appoint any person (willing to act) to be a director, either to fill a casual vacancy or as an additional director.
- 9.2 No director shall be required to vacate his office as a director nor shall any person be ineligible for appointment as a director by reason of his having attained any particular age.
- 9.3 Any director (other than the Investor Directors or any alternate director) may appoint (by giving written notice to the Company) any other director, or any other person approved by resolution of the Board (with Investor Consent) and willing to act, to be his alternate director and may (by giving written notice to the Company) remove an alternate director so appointed by him.
- 9.4 An alternate director may represent more than one director. An alternate director shall be entitled at any meeting of the Board or of any committee of the Board, to one vote for every director whom he represents (unless he is representing an Investor Director, in which case the provisions of Article 9.10 apply) in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 9.5 The Investor Directors may by notice in writing served on the Company appoint such person as they shall determine to be their alternate director and may by notice in writing served on the Company remove an alternate director so appointed by them.
- 9.6 The quorum for the transaction of the business of the Board shall be two provided that no business transacted at a meeting of the Board shall be valid unless at least 7 days' prior written notice of such meeting shall have been served on the Investor Directors or (if one has not been appointed) on the Majority Investors or such notice has been waived in writing by the Investor Directors or (if one has not been appointed) by the Majority Investors and unless (if appointed) the Investor Directors are present in person or by their alternate directors (unless they shall have previously waived in writing the requirement of his attendance in relation to that meeting). If the Investor Directors are not present notwithstanding such notice (unless they have waived their attendance as aforesaid) then the meeting shall stand adjourned for a period of not less than 7 days to such time and place as those directors present shall agree and notify to the Investor Directors. If the Investor Directors fail to attend such adjourned meeting whether in person or by their alternate directors the meeting may notwithstanding proceed.

- 9.7 Any director or member of a committee of the Board may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 9.8 Except with Investor Consent, a director shall not vote as a director on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever and if he shall so vote on any such resolution as aforesaid his vote shall not be counted.
- 9.9 The remuneration of the directors shall be determined in accordance with the Investment Agreement.
- 9.10 The Investor Directors shall have no vote on questions arising at meetings of the Board at which either or both of them are present, unless a Default has occurred, in which case the Majority Investors may serve a notice in writing upon the Company specifying that for as long as there is a continuing Default, with effect from the date of such notice, the Investor Directors shall have that number of votes in relation to resolutions of the Board which exceed by one the number of votes in aggregate of the other directors (including the casting vote of the Chairman (if any)).
- 10 Borrowing powers
- 10.1 Subject as provided in these Articles the Board may exercise all the powers of the Company (whether express or implied):
- (a) of borrowing or securing the payment of money;
 - (b) of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts;
 - (c) entering into leasing, hire or credit purchase transactions; and
 - (d) of mortgaging or charging the property assets and uncalled capital of the Company and issuing debentures.
- 10.2 In exercising such powers:
- (a) the Board shall procure that the aggregate of the amounts for the time being remaining undischarged or owing or due by virtue of any of the foregoing operations other than guarantees granted in the ordinary course of the Company's supply of goods and of the amounts for the time being remaining undischarged by virtue of any like operations by any subsidiary of the Company (including any liability whether ascertained or

obliged) to preside as chairman of the meeting and Regulations 42 and 43 shall be modified accordingly.

12.9 The minimum number of directors shall be one and any such sole director shall be entitled to exercise all of the powers of the directors. Regulation 64 shall be modified accordingly.

12.10 The first sentence of Regulation 72 shall be amended by inserting the words "with Investor Consent" after the word "may".

12.11 Regulation 94 shall be amended by adding a new paragraph (e) as follows:

"(e) his interest arises solely by virtue of his being a shareholder or because he is an employee or director of any shareholder of the Company."

12.12 References in these Articles to writing shall include typewriting, printing, lithography, photography, telex and facsimile messages and other means of representing or reproducing words in a legible and non-transitory form.