

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

AQUASCOT GROUP LIMITED

Company Number: 107209

**(adopted by Special Resolution on 28 August 1997 as amended by Special Resolution
passed on 19th November 2000)**

1. Definitions

In these Articles:

- 1.1 the "Act" means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.
- 1.2 "Equity Shares" means "A" Ordinary Shares and "C" Ordinary Shares.
- 1.3 "Family Trust" means a trust which only permits the settled property or the income therefrom to be applied for the benefit of:-
- (i) the settlor and/or a Privileged Relation of that settlor: or
 - (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities);

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For purposes of this definition "settlor" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member.

- 1.4 "Original Members" means persons who were members of the Company on the date of the adoption of these articles and the Family Trusts and Privileged Relations of such members.



- 1.5 "Privileged Relations" means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children.
- 1.6 "Relevant Directors" means the directors and former directors of the Company and its subsidiaries and their connected persons (as defined by Section 839 Income and Corporation Taxes Act 1988) but excluding any 3i appointee appointed in accordance with Clause 15.
- 1.7 "Table A" means Table A in the Companies (Table A – F Regulations 1985 as amended by the Companies (Tables A – F) (Amendment) Regulation 1985.
- 1.8 The word "emoluments" shall include all salary and all items set out in paragraph 1(4) of Schedule 6 of the Act.
- 1.9 Where any sum is stated to be subject to Annual Review it shall be adjusted by the amount (if any) agreed in writing between the holders of not less than 75% of the "A" Ordinary Shares and the holders of not less than 75% of the "C" Ordinary Shares. Any adjustment will be effective from 1st July in the relevant year and will remain in effect until again adjusted.

Application of Table A

- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save in so far as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereunder contained shall be the regulations of the Company.
- 2.2 Regulation 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

Share Capital

3. The share capital of the Company at the date of adoption of these Articles is £439,812 divided into 568,000 "C" Preference Shares of One Penny each ("the "C" Preference Shares"), 750,000 "D" Preference Shares of One Penny each ("the "D" Preference Shares"), 249,488 "A" Ordinary Shares of One Pound each ("the "A" Ordinary Shares"), 1,000 "B" Ordinary Shares of One Pound each ("the "B" Ordinary Shares") and 176,144 "C" Ordinary Shares of One Pounds each ("the "C" Ordinary Shares").

Dividends

4. The profits of the Company available for distribution shall be applied as follows:-
- (a) First, in paying to the holders of the "C" Preference Shares a fixed cumulative preferential net cash dividend (the "C" Preference Dividend") of 10.5 pence per

annum on each share accruing from the date of subscription for the "C" Preference Shares and payable half yearly on 28 February and 31 August in each year in respect of the half years ending on those dates;

- (b) Secondly, in paying to the holders of the "D" Preference Shares a fixed cumulative preferential net cash dividend ("the "D" Preference Dividend") at the rate of 10% per annum on the subscription price payable in respect thereof accruing from the date of subscription for the "D" Preference Shares and payable half yearly on 30 June and 31 December in respect of the half years ending on those dates, the first such payment to be made on 31 December 1997;
- (c) Thirdly, in paying to the holders of the "C" Ordinary Shares as a class in respect of each financial year of the Company a cumulative preferential net cash dividend (the "Participating Dividend") of a sum equal to 20 per centum or the net profit (calculated as hereinafter provided) of the Company and its subsidiaries for the relevant financial year; the Participating Dividend (if any) shall be paid not later than four months after the end of each successive accounting reference period of the Company or not later than fourteen days after the audit report on the Accounts of the Company for such period is signed by the Company's auditors, whichever is the earlier;

For the purpose of calculating the Participating Dividend the expression "net profit" shall mean the profit on ordinary activities after taxation, extraordinary items (if any) and the "C" Preference Dividend and the "D" Preference Dividend of the Company and its subsidiaries calculated on the historical cost accounting basis as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year (to the nearest £1) but adjusted by:-

- (1) adding back any payment, or provision which has been made for any dividend on any share in the capital of the Company or any of its subsidiaries (other than the "C" Preference Dividend and the "D" Preference Dividend) or for any other distribution or for the transfer of any sum to reserve and any amortisation of goodwill;
 - (2) adding back any amount in excess of £276,000 (subject to Annual Review) in the aggregate charged in respect of emoluments payable to Relevant Directors (whether directly or effectively by way of service charge).
- (d) Fourthly, in paying to the holders of the "C" Ordinary Shares in respect of each financial year of the Company a cumulative preferential net cash dividend (the "Additional Dividend") on each share of an amount which, when added to the Participating Dividend paid on such share for the same financial year, shall equal the aggregate of:-

- (i) any initial Ordinary Dividend (as hereinafter defined) paid in such financial year on all of the Ordinary Shares held by or on behalf of the Relevant Directors and/or by any company in which the Relevant Directors (or any of them) have an interest (hereinafter in these Articles referred to as "Directors' Shares"); and
- (ii) the Excess Remuneration (as hereinafter defined) divided by the number of Directors' Shares in issue on the last day of the relevant financial year.

For the purpose of calculating the Additional Dividend the express "Excess Remuneration" shall mean emoluments in excess of £276,000 (subject to Annual Review) in the aggregate payable in respect of the relevant financial year to Relevant Directors (whether directly or effectively by way of service charge) after deducting income tax at the basic rate on such excess sum. The Additional Dividend (if any) shall be paid on the due date for payment of the Participating Dividend.

- (e) For the avoidance of doubt no dividend shall be payable on the "B" Ordinary Shares.
- (f) No dividend shall be declared or paid to the holders of "A" Ordinary Shares in respect of any financial year of the Company unless and until:-
 - (i) the "C" Preference Dividend, the "D" Preference Dividend and the Participating Dividend (if any) have been paid in full in respect of that financial year and in respect of all previous financial years of the Company;
 - (ii) any Additional Dividend due in respect of all previous financial years of the Company has been paid in full and in respect of that financial year is declared and paid in full at the same time as any Initial Ordinary Dividend (as hereinafter defined) paid in that year; and
 - (iii) all Preference Shares which have fallen due for redemption have been redeemed;

but subject thereto the profits which the Company may determine to distribute in respect of any financial year shall be applied:-

- (1) First, in paying to the holders of the "A" Ordinary Shares a dividend (the "Initial Ordinary Dividend") for such year on each share of an amount up to but not exceeding the Participating Dividend paid on each "C" Ordinary Share for such year;

- (2) Secondly, in distributing the balance of such profits amongst the holders of the "A" Ordinary and "C" Ordinary Shares (pari passu) as if the same constituted one class of share);

Every dividend shall be distributed to the appropriate Shareholders pro rata according to the amounts paid up or credited as paid up on the Shares held by them respectively and shall accrue on a daily basis.

Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act, the "C" Preference Dividend, the "D" Preference Dividend, the Participating Dividend and the Additional Dividend shall (notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend.

Provided that if due to delays in the preparation of the audited accounts of the Company the Participating Dividend cannot be calculated by the date it is due for payment then there shall be paid forthwith an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend payable. The next and (if appropriate) any subsequent Participating Dividend shall be adjusted to take account of any overpayment or underpayment in respect of the said interim dividend which becomes apparent when the audited accounts are available.

The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any redemption moneys due on the "C" Preference Shares, the "D" Preference Shares and the "C" Preference Dividend, the "D" Preference Dividend, the Participating Dividend and the Additional Dividend.

If any dividends on the "C" Ordinary Shares are not paid on the dates specified for payment in these Articles then the amount of such overdue dividends will be increased by 12% per annum such increase to accrue daily from the date on which the dividend in question may be lawfully paid.

Return of Capital

5. On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:-

- (a) First, in paying to the holder of the "C" Preference Shares £1 per share together with a sum equal to any arrears or accruals of the "C" Preference Dividend calculated down to the date of the return of capital.
- (b) Secondly, in paying to the holders of the "D" Preference Shares £1 per share together with a sum equal to any arrears or accruals of the "D" Preference Shares calculated down to the date of the return of capital;
- (c) Thirdly, in paying to the holders of the "C" Ordinary Shares the Subscription Price paid per share together with a sum equal to any arrears or accruals of the *Participating Dividend* and the *Additional Dividend* calculated down to the date of the return of capital;
- (d) Fourthly, in paying to the holders of the "A" Ordinary Shares £1 per share;
- (e) Fifthly, in paying to the holders of the "B" Ordinary Shares the subscription price per share.

And the balance of such assets shall be distributed amongst the holders of the "A" Ordinary Shares and "C" Ordinary Shares pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the "A" Ordinary Shares and "C" Ordinary Shares held by them respectively.

Conversion of "C" Ordinary Shares

6. The holders of the "C" Ordinary Shares may at any time convert the whole of their "C" Ordinary Shares and the following provisions shall have effect:-
 - (a) The conversion shall be effected by notice in writing given to the Company and signed by the holders of 75% of the "C" Ordinary Shares and the conversion take effect immediately upon the date of delivery of such notice to the Company unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when such conditions have been fulfilled;
 - (b) Forthwith after conversion takes effect the holders of the "A" Ordinary Shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of "C" Ordinary Shares and the Company shall issue to such holders respectively Certificates for the "A" Ordinary Shares resulting from the conversion;
 - (c) The "A" Ordinary Shares resulting from the conversion shall rank from the date of conversion pari passu in all respects with the other "A" Ordinary Shares in the capital of the Company;

- (d) On the date of conversion the Company shall pay a dividend to the holders of the "C" Ordinary Shares of a sum equal to any arrears of accruals of the Participating Dividend and the Additional Dividend on the "C" Ordinary Shares calculating on a daily basis to the date of conversion and the Participating Dividend shall be calculated pro rata according to the profits of the Company and its subsidiaries for the relevant financial year down to the date of such conversion, such profits to be calculated by the Company on a basis reasonably acceptable to the holders of 75% of the "C" Ordinary Shares.

Redemption

7. (a) "C" Preference Shares

- (i) Subject to the provisions of the Act the "C" Preference Shares shall be redeemed in the numbers (pro rata between or among the holders thereof according to their respective holdings) and on the dates set out below.

<u>Redemption Date</u>	<u>Number of Shares Redeemable</u>
30.06.1998	71,000
30.06.1999	71,000
30.06.2000	71,000
30.06.2001	71,000
30.06.2002	71,000
30.06.2003	71,000
30.06.2004	71,000
30.06.2005	71,000

and any shares not redeemed on the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

- (ii) Subject as aforesaid the Company may with the prior written consent of the holders of 75% of the "C" Preference Shares redeem (pro rata as aforesaid) all of the "C" Preference Shares in advance of the due date for redemption and in the absence of any contrary agreement between such holders and the Company any partial early redemption shall be deemed to relate to the shares falling due for redemption in inverse order of maturity.

- (iii) Subject as aforesaid all of the "C" Preference Shares shall (unless the holders of 75% of the "C" Preference Shares give notice in writing to the Company to the contrary) be redeemed immediately upon any of the following dates:-
- (1) the date upon which any of the equity share capital of the Company is admitted to the Official List of the Stock Exchange or permission for any of the equity share capital of the Company to be dealt in on the Unlisted Securities Market or any other recognised investment exchange (as defined in Section 207 of the Financial Services Act 1986) becomes effective; or
 - (2) the date upon which a successful offer to purchase 90% or more of the issued equity share capital of the Company (or 90% or more of all such capital including any already held by the offeror) is including any already held by the offeror) is completed.
- (iv) On the dates fixed for any redemption if the Company shall pay to each registered holder of "C" Preference Shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder.
- (v) The Company shall pay on each of the "C" Preference Shares so redeemed the sum of £1 and shall contemporaneously pay any arrears or accruals of the "C" Preference Dividend calculated to the date of redemption and in the absence of any direction to the contrary by the holder of the relevant "C" Preference Shares any moneys paid on redemption of such share shall relate first to the said arrears and accruals of the "C" Preference Dividend. The "C" Preference Dividend shall cease to accrue from the date of payment of the redemption moneys.
- (vi) Contemporaneously upon the redemption of any "C" Preference Shares the Company shall pay a special dividend on each share to be redeemed of 10 pence. If a holder of "C" Preference Shares so directs the Company shall instead of paying the special dividend increase the redemption price of each such "C" Preference Share by an equivalent amount.
- (b) "D" Preference Shares
- (i) Subject to the provisions of the Act and provided that all "C" Preference Shares due for redemption have been redeemed the "D" Preference Shares shall be redeemed in the numbers (pro rata between or among the holders thereof according to their respective holdings) and on the dates set out below.

<u>Redemption Date</u>	<u>Number of Shares Redeemable</u>
30.06.2003	150,000
30.06.2004	150,000
30.06.2005	150,000
30.06.2006	150,000
30.06.2007	150,000

And any shares not redeemed on the due date shall be redeemed forthwith upon redemption becoming permissible under the Act.

(c) Redemption of "B" Ordinary Shares

- (i) The Company may subject to the provisions of the Act at any time redeem the whole or any part of the "B" Ordinary Shares upon giving to the shareholders whose share are to be redeemed not less than three months notice in writing. The Company shall not be entitled to redeem any "B" Ordinary Share unless it is a fully paid share.
- (ii) In the case of partial redemption the "B" Ordinary Shares to be redeemed shall be selected by drawings to be made at such place and in such manner as the directors in their absolute discretion shall determine.
- (iii) The Company shall redeem the whole of the "B" Ordinary Shares then outstanding on 1st day of November 1990, or as soon thereafter as the Company shall be able to comply with the statutory provisions for the time being affecting such redemption. Not less than three months previous notice in writing shall be given to the holders of such shares specifying the date upon which the same shall be redeemed.
- (iv) Any notice of redemption shall specify the particular shares to be redeemed, the date fixed for redemption and the place at which the certificates for such shares are to be presented for redemption. At the time and place so fixed each holder thereof shall be bound to surrender to the Company for cancellation the certificates for his shares which are to be redeemed. Upon such surrender the Company shall pay to him the amount due under redemption. If any certificates so surrendered to the Company shall include any "B" Ordinary Shares not then to be redeemed, a fresh certificate for these shares shall be issued without charge.
- (v) There shall be paid on each "B" Ordinary Share redeemed the amount paid thereon.

Voting

8. Shares in the Company shall carry votes as follows:

“A” Ordinary Shares:	one vote per share
“B” Ordinary Shares:	no votes
“C” Ordinary Shares:	one vote per share
“C” Preference Shares:	no votes
“D” Preference Shares:	no votes

The “C” Preference Shares, the “D” Preference Shares and the “B” Ordinary Shares shall carry the right to receive a notice of general meetings of the Company but not the right to attend such meetings.

Votes on shares may be exercised:

- on a show of hands by every member who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each member holding shares with votes shall have one vote)
- on a poll by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each member holding shares with votes shall have one vote for each such share held).

Class Rights

9. 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, only with the consent in writing of the holders of 75% of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the “C” Preference Shares, the “D” Preference Shares and the “C” Ordinary Shares shall be deemed to be varied:-

9.1 by the Company:

9.1.1 altering its memorandum or articles of association; or

9.1.2 varying in any way (whether directly or indirectly) the rights attached to any of the shares for the time being in the capital of the Company; or

- 9.1.3 applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company; or
- 9.1.4 entering into a contract to purchase any of its shares; or
- 9.1.5 redeeming any of its shares (except as specifically provided for in these articles); or
- 9.1.6 passing a resolution that it be wound up; or
- 9.2 by the Company or any of its subsidiaries:
 - 9.2.1 altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital; or
 - 9.2.2 granting any option or other right to subscribe for shares; or
 - 9.2.3 disposing of its undertaking or any substantial part thereof; or
 - 9.2.4 disposing of or acquiring any interest in any share in the capital of any company.

Transfer of Shares

- 10. The directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

Permitted and Mandatory Transfers

Permitted transfers to relations and family trusts

- 11.1 Notwithstanding any other provision in these articles any member may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor provided that any transfer of shares to trustees to be held upon a Family Trust made during the lifetime of such member may only be made with the consent in writing of the holders of 75% of the "C" Ordinary Shares.

Criteria for consents to Family Trusts

11.2 Where the consent of a holder of "C" Ordinary Shares is requested to a transfer to a Family Trust such consent shall be given when the holder is satisfied:-

11.2.1 with the terms of the trust instrument and in particular with the powers of the trustees;

11.2.2 with the identity of the proposed trustees;

11.2.3 that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

11.2.4 that no costs incurred in connection with the setting up or the administration of the Family Trust in question are to be paid by the Company.

Permitted transfers to Family Trusts

11.3 Where any shares are held by trustees upon a Family Trust:-

11.3.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;

11.3.2 such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

Permitted transfers to 3i

11.4 Notwithstanding any other provisions of these articles a transfer of any shares in the Company held by any member of the 3i Group may be made between the member in the Group holding such shares and any other member in the 3i Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the 3i Group it shall forthwith transfer the relevant shares to a member of the 3i Group.

Transfers with shareholder approval

11.5 Notwithstanding any other provisions of these articles a transfer of any shares approved by the holders of 75% of the "A" Ordinary Shares and the holders of 75% of the "C£ Ordinary Shares may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors.

Mandatory transfer if trust ceases to be a "Family Trust"

- 11.6 If and whenever any shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been give in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred.

For the purposes of this sub-article the expression “relevant shares” means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

Mandatory transfer on change of control of shareholder

- 11.7 If a corporate member ceases to be within the control (as such term is defined by section 840 Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these articles (whichever shall be the later) it shall (unless the written consent of the holders of 75% of the Equity Shares is obtained) be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name; provided that this sub-article shall have no application to 3i or to any member of the 3i Group.

Pre-emption Rights

Transfer notices

- 12.1 Save as otherwise provided in these articles every member who desires to transfer any shares (hereinafter called “the Vendor”) shall give to the Company notice in writing of such desire (in these articles called a “Transfer Notice”). Where the Transfer Notice is deemed to have been given it is referred to as a “Deemed Transfer Notice”. Transfer Notices and Deemed Transfer Notices shall constitute the Company the Vendor’s agent for the sale of the shares specified therein (hereinafter called “the Sale Shares”) in one or more lots at the discretion of the directors at the Sale Price.

Calculation of the Sale Price

- 12.2 The Sale Price shall be the price agreed by the Vendor and the directors. If the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being give or being deemed to have been given the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value thereof. In arriving at his opinion the Independent Expert will value the shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Independent Expert as to the Sale Price shall be final and binding.

Right of Vendor to reject partial sales

- 12.3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (“a Total Transfer Condition”) that unless all the shares comprised therein are sold by the Company pursuant to this article none shall be sold. Any such provision shall be binding on the Company.

Certification of the Sale Price and right of Vendor to cancel

- 12.4 If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company’s authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Vendor cancels it in which case the Vendor shall bear the cost.

Pre-emptive offers – general

- 12.5 Once the Sale Price has been determined then less the Vendor gives a valid notice or cancellation the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

First Offer

- 12.7 As soon as Sale Shares become available they shall be forthwith offered for sale by the Company to all holders of Equity Shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of Equity Shares held by such members.

Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for 21 days (“the First Offer Period”).

Second Offer

- 12.8 If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of Equity Shares held by the relevant members. This offer will remain open for a further period of 21 days.

Thereafter the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

Transfer procedure for pre-emptive offers

- 12.9 If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them.

Transfers free of pre-emption

- 12.10 If the Company does not find purchasers for all of the Sale Shares under the terms of this article the Vendor shall at any time within six months after the final offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price. However, if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not party only.

Effect of non-compliance

- 12.11 Any purported transfer of shares otherwise than in accordance with the provisions of these articles shall be void and have no effect.

Transfer of Control

Transfers prohibited absolutely

- 13.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a company in which one or more of the members of the Company (or persons acting in concert with them) has a Controlling Interest.

Transfers permitted where offer is made for "C" Ordinary Shares

- 13.2 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of 75% of the "C" Ordinary Shares if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a person or persons who are not Original Members unless the proposed transferee or transferees or his or their

Right of Vendor to reject partial sales

- 12.3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (“a Total Transfer Condition”) that unless all the shares comprised therein are sold by the Company pursuant to this article none shall be sold. Any such provision shall be binding on the Company.

Certification of the Sale Price and right of Vendor to cancel

- 12.4 If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company’s authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Vendor cancels it in which case the Vendor shall bear the cost.

Pre-emptive offers – general

- 12.5 Once the Sale Price has been determined then less the Vendor gives a valid notice or cancellation the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

First Offer

- 12.7 As soon as Sale Shares become available they shall be forthwith offered for sale by the Company to all holders of Equity Shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of Equity Shares held by such members.

Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for 21 days (“the First Offer Period”).

Second Offer

- 12.8 If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of Equity Shares held by the relevant members. This offer will remain open for a further period of 21 days.

Thereafter the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

Transfer procedure for pre-emptive offers

- 12.9 If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them.

Transfers free of pre-emption

- 12.10 If the Company does not find purchasers for all of the Sale Shares under the terms of this article the Vendor shall at any time within six months after the final offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price. However, if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not party only.

Effect of non-compliance

- 12.11 Any purported transfer of shares otherwise than in accordance with the provisions of these articles shall be void and have no effect.

Transfer of Control

Transfers prohibited absolutely

- 13.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a company in which one or more of the members of the Company (or persons acting in concert with them) has a Controlling Interest.

Transfers permitted where offer is made for "C" Ordinary Shares

- 13.2 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of 75% of the "C" Ordinary Shares if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a person or persons who are not Original Members unless the proposed transferee or transferees or his or their

nominees are independent third parties acting in good faith and has or have offered to purchase all the "C" Ordinary Shares at the Specified Price (calculated as set out below) and (if not redeemed) all the "C" Preference Shares at a price per share of at least £1.10 and all the "D" Preference Shares at £1 per share plus a sum equal to any arrears or accruals of the "C" Preference Dividend and the "D" Preference Dividend calculated down to a date of sale or transfer.

If any part of the Specified Price is to be paid except by cash then the holders of the "C" Ordinary Shares may, at their option, elect to take a price per share of such cash sum as may be agreed by them and the proposed transferee having regard to the transaction as a whole.

Calculation of the Specified Price

13.3 In this article the "Specified Price" means the greater of:

- (1)
 - £1.00 per share, plus
 - all arrears and accruals of the dividends on such share calculated down to the date of sale or transfer

and

- (2)
 - the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the shares being acquired, plus
 - the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares 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, plus
 - all arrears and accruals of the dividends on such share calculated down to the date of the sale or transfer.

In the event of disagreement the calculation of the Specified Price shall be referred to an Independent Expert whose decision shall be final and binding.

Interpretation

13.5 In this article:

13.5.1 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment;

13.5.2 the expression “shares” includes bearer shares, depository receipts and any other security or instrument into which shares may be converted with a view to a sale;

13.5.3 whether or not persons are acting in concert will be determined by the then most recent edition of the City Code on Takeovers and Mergers.

Primary of article

- 13.6 All other regulations of the Company relating to the transfer of shares and the rights to registration of transfers shall be read subject to the provisions of this article.

Appointment of directors

14. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. In addition, the holders of shares representing more than half of the shares which carry the right to attend and vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

3i appointee

15. Notwithstanding any other provisions of these articles, so long as 3i is the holder of any share in the Company, it shall be entitled to appoint as a director of the Company any person approved by the directors (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. The 3i appointee shall be deemed to be and shall be appointed and act as Chairman of the Board if the “C” Preference Dividend and the “D” Preference Dividend or any redemption monies due on either the “C” Preference Shares or the “D” Preference Shares shall be two calendar months in arrears automatically on expiry of the said period. The remuneration and reasonable expenses to be paid to the 3i appointee shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by 3i. Upon request by 3i the Company shall also procure that the 3i appointee be appointed a director to any subsidiary of the Company.

Meetings of directors

16. Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not give to him. Meetings of the directors may be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.

Directors' conflicts of interest

- 17.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
- 17.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 17.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - 17.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - 17.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - 17.1.5 shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this article.
- 17.2 For the purposes of this article:-
- 17.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
 - 17.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
 - 17.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

Lien

18. The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

Calls

19. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words “and all expenses that may have been incurred by the Company by reason of such non-payment”.

Seal

20. Regulation 6 of Table A shall be modified so as to remove the reference to the company seal and regulation 101 of Table A shall be modified by the insertion of the words “, if the Company has one,” after the words “The seal” at the beginning of that regulation.

Indemnity

- 21.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 21.2 The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company or in relation to its affairs.