

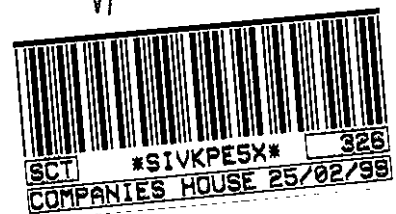
152450

ARTICLES OF ASSOCIATION

of

L.A.W. HOLDINGS LIMITED

(as adopted by a Written Resolution dated 22nd February 1999)



MacRoberts  
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Glasgow  
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THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
of  
L.A.W. HOLDINGS LIMITED

(as adopted by a Written Resolution dated 22nd February 1999)

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**DEFINITIONS**

- 1.(A) The headings shall not affect the construction hereof and in the interpretation of these Articles unless the context otherwise requires the following words and expressions shall bear the meanings set opposite them:-

**Act** means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;

**A Ordinary Share** means an A Ordinary Share of 10 pence in the capital of the Company;

**A Ordinary Shareholder** means a registered holder of A Ordinary Shares;

**Approved Share Scheme** means a share option scheme for the benefit of selected employees of the Group and/or a Savings-related share option scheme and/or a profit sharing scheme which has been approved by the Board of Inland Revenue pursuant to Schedule 9 of ICTA;

**Articles** means these Articles of Association;

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

<b>Authorised B Ordinary Shareholder</b>	<p>means:-</p> <ul style="list-style-type: none"> <li>(i) an Original Shareholder;</li> <li>(ii) any person who is an employee or director of any company in the Group;</li> <li>(iii) the Trustees as trustees of an Employee Trust;</li> <li>(iv) any A Ordinary Shareholder; and</li> <li>(v) any person authorised by a special resolution passed at a general meeting of the Company;</li> </ul>
<b>B Ordinary Share</b>	means a B Ordinary Share of 10 pence in the capital of the Company;
<b>B Ordinary Shareholder</b>	means an Authorised B Ordinary Shareholder (excluding the Trustees as trustees of an Employee Trust) who has become the registered holder of B Ordinary Shares;
<b>Certified Value</b>	means the price at which a B Ordinary Share may be purchased on the occurrence of a Transfer Event as determined pursuant to Article 19 hereof;
<b>the Company</b>	means L.A.W. Holdings Limited (Registered in Scotland No 152450);
<b>Director</b>	means a director for the time being of the Company;
<b>Employee Trust</b>	<p>means:-</p> <ul style="list-style-type: none"> <li>(a) any unapproved discretionary employee trust established by the Company for the benefit of</li> </ul>

directors or employees;

- (b) any profit sharing scheme established by the Company for the benefit of directors or employees and approved by the Board of Inland Revenue pursuant to Schedule 9 of ICTA;
- (c) any Qualifying Employee Share Ownership Trust established by the Company for the benefit of directors or employees within the meaning of the Finance Act 1989; and
- (d) any "employees' share scheme" within the meaning of Section 743 of the Act established by the Company under trust;

**Flotation**

means the flotation of the Company by any of the Shares becoming:-

- (i) listed on London Stock Exchange Limited; or
- (ii) admitted to being traded on the Alternative Investment Market; or
- (iii) listed or quoted on a Recognised Stock Exchange (within the meaning of Section 841 of ICTA) or a Recognised Investment Exchange (within the meaning of Section 207 of the Financial Services Act 1986);

**the Group**

means the Company and its Subsidiaries for the time being;

**ICTA**

means the Income and Corporation Taxes Act 1988;

**Leaving Member**

means the B Ordinary Shareholder or other person in

	respect of whom a Transfer Event has occurred;
<b>member</b>	means a shareholder in the Company for the time being;
<b>Original Shareholders</b>	means the shareholders in the Company at the date of adoption of these Articles, namely:- <ul style="list-style-type: none"> <li>(i) Ian Liddell;</li> <li>(ii) Anita Ross Robinson;</li> <li>(iii) Moira McCrimmon; and</li> <li>(iv) Callum Edward Liddell;</li> </ul>
<b>Permitted Transfer</b>	means any transfer specified in sub-paragraph (a) of paragraph (C) of Article 15 hereof;
<b>Sale Notice</b>	means a notice in writing served upon the Directors by a B Ordinary Shareholder stating his wish to dispose of some or all of the B Ordinary Shares registered in his name, such notice specifying the number of the B Ordinary Shares proposed to be sold and accompanied by the relevant share certificate(s);
<b>Sale Shares</b>	means the B Ordinary Shares of a Leaving Member which the Directors have been appointed agents to sell pursuant to sub-paragraph (a) of paragraph (D) of Article 15 hereof;
<b>Shares</b>	means A Ordinary Shares and B Ordinary Shares;
<b>Subsidiary</b>	means any company which is for the time being (a)

controlled by the Company within the meaning of Section 840 of ICTA; and/or (b) a subsidiary of the Company within the meaning of Section 736 of the Act;

**Transfer Event**

means:-

- (a) a B Ordinary Shareholder ceasing to be an employee or director of any company in the Group for any reason whatsoever (in circumstances where he does not immediately become or continue to be an employee or director of any other company in the Group);
- (b) a person (including an executor or personal representative or trustee in bankruptcy or sequestration of such person or someone who, in the opinion of the Directors, has authority to exercise powers in respect of such person's property or affairs) who is not an employee or a director of any company in the Group but who has previously been an employee or director of any company in the Group acquiring any B Ordinary Shares in pursuance of a right or interest obtained by such a person in his capacity as an employee or director of any company in the Group or former employee or director of any company in the Group (including, but not limited to, his right or interest as a beneficiary under any Employee Trust and his right or interest as an option holder);
- (c) a B Ordinary Shareholder dying;
- (d) a B Ordinary Shareholder desiring to transfer any B Ordinary Shares registered in his name and

having served upon the Company a Sale Notice pursuant to sub-paragraph (c) of paragraph (C) of Article 15 hereof; and

- (e) the Directors or the members by ordinary resolution passed at a General Meeting (in cases of dispute, the shareholders' resolution taking precedence over any decision of the Directors) declaring, on prima facie evidence, that there has been a breach of any of the provisions of these Articles by a B Ordinary Shareholder;

**Trustees** means the trustees for the time being of any Employee Trust;

**Table A** means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended).

- (B) Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meanings in these Articles.
- (C) The singular shall include the plural and vice versa and the masculine shall include the feminine and neuter and vice versa.
- (D) References to a person shall include a corporate body and an unincorporated body, a trust and the trustees of a trust.

#### TABLE A

- 2. The Regulations contained in Table A are hereby adopted and shall apply to the Company with the exception of Regulations 5, 8, 24, 25, 35, 38, 40, 50, 53, 54, 87, 89, 93 to 97 inclusive and 118 and, in respect of B Ordinary Shares only, Regulations 30 and 31 and subject to the provisions of the following additional Articles in modification of Table A, so far as hereby adopted.

#### PRIVATE COMPANY

3. The Company is a private company within the meaning of Section 1 of the Act and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

#### SHARE CAPITAL

4. The share capital of the Company at the date of adoption of these Articles is £24,055 divided into 192,430 A Ordinary Shares and 48,120 B Ordinary Shares. Subject to the proviso to this Article 4 the A Ordinary Shares and the B Ordinary Shares shall constitute two classes of shares but shall have the same voting and other rights and shall rank pari passu for participation in the profits and assets of the Company and in all other respects PROVIDED HOWEVER that:-

##### In respect of the A Ordinary Shares

The provisions of Article 14 hereof shall apply in relation to a transfer of A Ordinary Shares; and

##### In respect of B Ordinary Shares

- (i) The provisions of Article 15 hereof shall apply in relation to a transfer of B Ordinary Shares and the provisions of Articles 16, 17 and 19 hereof shall apply respectively in relation to a transfer default in respect of B Ordinary Shares, the transmission of B Ordinary Shares and the valuation of B Ordinary Shares; and
- (ii) No person other than an Authorised B Ordinary Shareholder shall be entitled to become the registered holder of B Ordinary Shares.

#### ISSUE OF SHARES

5. Subject to the provisions of Section 80 of the Act, the Shares shall be at the disposal of the Directors and they may allot or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, subject always to the following conditions and the other provisions of the Articles:-
- (a) the maximum amount of relevant securities (as defined in Section 80 of the Act) to be allotted in pursuance of this authority shall be the unissued Shares in the capital of the Company for the time being and from time to time while

this authority is in force;

- (b) the Directors are unconditionally authorised to allot Shares up to the amount of the share capital as at the date of the adoption of these Articles at any time or times during the period of five years from such date;
  - (c) no Shares shall be issued at a discount; and
  - (d) no B Ordinary Shares shall be issued to any person not within the category of an Authorised B Ordinary Shareholder.
6. (a) All Shares in the unissued share capital of the Company which the Directors propose to allot shall, before allotment, in the first instance, be offered by the Directors:-
- (i) In respect of A Ordinary Shares  
to all A Ordinary Shareholders and in each case in proportion as nearly as may be to the aggregate amounts paid up or credited as paid up on the A Ordinary Shares held by such A Ordinary Shareholders respectively; and
  - (ii) In respect of B Ordinary Shares  
to all B Ordinary Shareholders and in each case in proportion as nearly as may be to the aggregate amounts paid up or credited as paid up on the B Ordinary Shares held by such B Ordinary Shareholders respectively.
- Every such offer shall be in writing, shall state the number of the A Ordinary Shares and/or B Ordinary Shares which the Directors propose to allot, the number of A Ordinary Shares and/or B Ordinary Shares to which the member is proportionately entitled, the price to be paid for the A Ordinary Shares and/or B Ordinary Shares and shall be subject to the condition, which shall be incorporated in such offer, that any acceptance thereof (which may be as regards all or any of the A Ordinary Shares and/or B Ordinary Shares which the member is proportionately entitled) shall be in writing and sent to or delivered at the Registered Office of the Company within a period of 14 days from the date of service of the said offer.
- (b) Where any members do not accept or do not accept in full the offer of the A

Ordinary Shares and/or B Ordinary Shares to which they are proportionately entitled, then, in the second instance, the Directors may dispose of such A Ordinary Shares and/or B Ordinary Shares to, in the case of A Ordinary Shares, such person or persons, and in the case of B Ordinary Shares, any Authorised B Ordinary Shareholder, as they may think fit but only upon terms no less favourable than as were specified in the offer.

- (c) A Ordinary Shares and/or B Ordinary Shares in the unissued share capital of the Company which are subject to options granted under an Approved Share Scheme or unapproved share option scheme or are otherwise to be allotted to or in pursuance of an "employees' share scheme" in terms of Section 743 of the Act may on exercise of such options or on such allotment be allotted by the Directors, in accordance with the rules of the scheme, to the option holder or his executors or personal representatives or to or in pursuance of an "employees' share scheme" without the Directors being requested to offer such A Ordinary Shares and/or B Ordinary Shares to members in accordance with the provisions of Article 6(a).

#### **TRUSTS**

7. The Company shall be entitled, but shall not be bound, to accept and, in case of acceptance, shall be entitled to record in such manner as it may think fit notices of any trusts in respect of any of the Shares of the Company. Notwithstanding any such acceptance and/or the making of any such record, the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive, in respect of any Shares and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such Shares as if they were the absolute owners thereof. For the purpose of this Article "trust" includes any right in respect of any Shares other than an absolute right thereto in the registered holder thereof for the time being or such other rights in case of transmission thereof as may be hereinafter mentioned.

#### **JOINT OWNERS**

8. If two or more persons are registered as the joint owners of any Shares, any one of them nominated in writing by them all from time to time, or in default of such

nomination the person first named in the Register of Members in respect of such Shares shall, as regards voting, receipt of dividend, service of notices and all or any other matters connected with the Company, except the transfer of Shares, be deemed sole owner.

#### LIEN

9. The Company shall have a first and paramount lien on every Share for all monies (whether presently payable or not) payable at a fixed time or called in respect of that Share and, in the case of a Share standing registered in the name of a single person, for all monies presently payable by that person or his estate to the Company. The Directors may at any time declare any Share to be wholly or partially exempt from the provisions of this Article. The Company's lien on a Share shall extend to any amount payable in respect of that Share, whether by way of dividend or otherwise.

#### CALLS

10. 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".

#### PURCHASE OF OWN SHARES

11. The Company may, subject to the provisions of the Act and with the prior sanction of a Special Resolution, purchase its own Shares and for the purpose of Section 171 of the Act, the Company may make payments in respect of any such purchase otherwise than out of the distributable profits of the Company or the proceeds of a fresh issue of Shares. Otherwise, except in relation to the Employee Trust and to the extent permitted by the Act, no part of the funds of the Company shall be employed in the subscription for or purchase of or in loans upon the security of Shares in the Company. The Company shall not (except in relation to the Employee Trust and as authorised by the Act) directly or indirectly give any financial assistance for the purpose of or in connection with a subscription for or purchase of such Shares.

#### **VARIATION OF RIGHTS**

12. Whenever the share 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 75% of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of that class but not otherwise. For every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (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 a class held by them respectively. Provided that, without prejudice to the generality of this Article, the special rights attached to any class of shares shall be deemed to be varied by any variation of the voting rights, dividend entitlement or rights on a winding-up of the Company attached to any of the shares for the time being in the share capital of the Company.
13. The special rights attached to any class of shares shall not, unless otherwise expressly provided in the terms of issue thereof, be deemed to be varied by the creation or issue of further shares of a class in issue at the date of adoption of these Articles or another class provided, in both cases, such further shares rank as regards participation in the profits or assets of the Company in some or all respects pari passu therewith.

#### **TRANSFER OF A ORDINARY SHARES**

14. The following provisions shall apply to the transfers of A Ordinary Shares:-
- (A) References in this Article to the transfer of any A Ordinary Shares shall be construed as including reference to the sale or other parting with the beneficial ownership of such A Ordinary Shares whether by transfer, renunciation of a renounceable letter of allotment or otherwise and for the avoidance of doubt shall include reference to the transfer of such A Ordinary Shares in security and the holding of or undertaking to

hold A Ordinary Shares as a nominee for another (including anything the Directors deem analogous to the same).

- (B) The Directors shall be obliged to register the transfer of any A Ordinary Share which is fully paid subject to the executed instrument of transfer being accompanied by the appropriate certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

#### **TRANSFER OF B ORDINARY SHARES**

15. The following provisions shall apply to the transfers of B Ordinary Shares:-
- (A) References in this Article to the transfer of any B Ordinary Shares shall be construed as including reference to the sale or other parting with the beneficial ownership of such B Ordinary Shares whether by transfer, renunciation of a renounceable letter of allotment or otherwise and for the avoidance of doubt shall include reference to the transfer of such B Ordinary Shares in security and the holding of or undertaking to hold B Ordinary Shares as a nominee for another (including anything the Directors deem analogous to the same).
- (B) In respect of any transfer of any B Ordinary Share:-
- (a) save in respect of Permitted Transfers, the Directors may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any B Ordinary Share, whether or not it is a fully paid share and any transfer of any B Ordinary Share on which the Company has a lien; and
  - (b) the Directors shall decline to register any transfer of any B Ordinary Share to a person who is not an Authorised B Ordinary Shareholder; and
  - (c) no person shall be entitled to claim any damages, compensation or other remedy by reason of the Directors declining to register any transfer of any B Ordinary Share.
- (C) (a) Notwithstanding the provisions of paragraph (B) of this Article, save in respect of any B Ordinary Shares which are nil paid or partly paid, and save where the Directors have concluded the B Ordinary Shares will be held by the transferee as nominee for another and refuse to give their prior written consent pursuant to sub-paragraph (e) of paragraph (C) of this Article, the Directors shall be bound to approve for registration the following transfers of B

Ordinary Shares:

- (i) any transfer of B Ordinary Shares by the Trustees for the time being of any Employee Trust to new trustees of such Employee Trust on the occasion of a change in identity of the trustees of such Employee Trust; and
  - (ii) any transfer of B Ordinary Shares by the Trustees for the time being of any Employee Trust to the trustees of any other Employee Trusts established by the Company for the bona fide employees of any company in the Group.
- (b) Paragraph (D) of this Article shall not apply to any Permitted Transfers.
- (c) If at any time any B Ordinary Shareholder wishes to transfer all or some only of the B Ordinary Shares registered in his name, not being a Permitted Transfer, then such B Ordinary Shareholder may serve on the Directors a Sale Notice.
- (d) Save for Permitted Transfers or transfers of B Ordinary Shares made pursuant to sub-paragraph (c) of paragraph (C) or pursuant to paragraph (D) of this Article no person shall transfer any B Ordinary Shares to any other person (including the Trustees in relation to the transfer or sale of any B Ordinary Shares held in the fund of any Employee Trust) without the prior written consent of the Directors (which the Directors in their absolute discretion shall be entitled to withhold) and the Directors shall not register any transfers of any B Ordinary Shares made in breach of this sub-paragraph (d) of paragraph (C) of this Article.
- (e) Save with the prior written consent of the Directors (which the Directors in their absolute discretion shall be entitled to withhold), no person shall:-
  - (i) assign or otherwise dispose of any beneficial interest in any B Ordinary Shares other than to the registered holder thereof;
  - (ii) mortgage, pledge or otherwise charge any B Ordinary Shares;
  - (iii) hold or undertake to hold B Ordinary Shares as a nominee for another including, inter alia, exercising rights of beneficial ownership of the B Ordinary Shares in accordance with the instructions of another and

anything the Directors deem analogous to the same.

- (D) (a) On the occurrence of a Transfer Event the Leaving Member in respect of whom such Transfer Event has occurred (or, where applicable, throughout this Article, his executors or personal representatives or trustees in bankruptcy or sequestration or any other person who has responsibility or control of the Leaving Member's affairs or estate) shall forthwith be deemed to have irrevocably appointed the Directors as his agents for the sale of all of the B Ordinary Shares of which the Leaving Member is a registered holder or (where a Transfer Event occurs due to a Sale Notice being served on the Directors pursuant to sub-paragraph (c) of paragraph (C) of this Article and such Sale Notice relates to part only of a B Ordinary Shareholder's registered holding of B Ordinary Shares) that number of B Ordinary Shares to which a Sale Notice relates at a price per share equal to the Certified Value at that time applicable to the B Ordinary Shares in question.
- (b) The Directors shall be entitled to offer the Sale Shares to any person from among the Authorised B Ordinary Shareholders whom they wish, including the Directors personally. The offer shall be made by the Directors in writing and shall be open for acceptance (in whole or in part) for a period to be decided upon by the Directors and stated in the relevant offer notice, such acceptance to be by notice in writing to the Directors.
- (c) If and as soon as the Directors shall have found purchasers for all or any of the Sale Shares offered pursuant to sub-paragraph (b) of paragraph (D) of this Article in respect of which the time for acceptance has expired then the Directors shall give notice in writing to the Leaving Member of the identity of all the persons who have accepted an offer of Sale Shares pursuant to this paragraph (D) ("the Buyers") and the number of B Ordinary Shares which each of the Buyers is entitled to purchase and the time, date and place at which the purchase of the Sale Shares is to be completed and shall send a copy of such notice to each of the Buyers. At the time, date and place stipulated in such notice the Buyers shall tender a price equal to the Certified Value for each of the Sale Shares which they have elected to purchase and

thereupon the Leaving Member shall deliver duly executed transfers of the Sale Shares in the proportions in which the Buyers have elected to purchase the same and shall surrender to the Directors his certificate for the Sale Shares.

- (d) In the event that after the offers made pursuant to sub-paragraph (b) of paragraph (D) of this Article have expired any of the Sale Shares have not been accepted for purchase ("the Remaining Shares") then the Directors may, if they so choose, procure that the Company, subject to compliance with the Act, purchases from the Leaving Member some or all of the Remaining Shares at a price equal to the Certified Value for each of the Remaining Shares which the Directors have decided the Company shall purchase and thereupon the Leaving Member shall sign any agreement and other documents and do such other things as shall be required by the Directors to enable the Company to purchase some or all of the Remaining Shares. If, however, the Directors do not choose to procure that the Company purchases the Remaining Shares (or the Company only purchases some of the Remaining Shares) then the Company shall give notice in writing to the Leaving Member of that fact and the Remaining Shares (or those not purchased by the Company) shall again be subject to the restrictions on transfer as set out in these Articles PROVIDED HOWEVER that if at any subsequent time or times the Company wishes to purchase some or all of the Remaining Shares or a purchaser from among the Authorised B Ordinary Shareholders can be found for some or all of the Remaining Shares then the Directors shall be entitled to give notice in writing to the Leaving Member that the Company wishes to purchase some or all of the Remaining Shares or notice in writing to the Leaving Member of the identity of the person (other than the Company) who wishes to purchase some or all of the Remaining Shares ("the Purchaser") and the number of such B Ordinary Shares which the Purchaser wishes to purchase whereupon the Leaving Member shall be obliged to sell all such B Ordinary Shares held by him at that time to the Company or Purchaser as the case may be. The notice given by the

Directors shall also specify the time, date and place at which the purchase of some or all of the Remaining Shares is to take place and, if applicable, the Directors shall send a copy of such notice to the Purchaser. At the time, date and place stipulated in the notice the Company or the Purchaser as the case may be shall be required to tender a price equal to the Certified Value at that time applicable to the Remaining Shares being sold which the Company or the Purchaser wishes to purchase and thereupon the Leaving Member shall deliver a duly executed transfer of the Remaining Shares being sold in the proportions in which the Purchaser wishes to purchase the same and shall surrender his certificate for the Remaining Shares sold and the Directors shall issue a new certificate for any Remaining Shares not sold.

16. **TRANSFER DEFAULT - IN RESPECT OF B ORDINARY SHARES**

If any Leaving Member shall fail to sign and deliver an instrument of transfer of any Sale Share(s) and/or shall fail to sign any agreement and other documents and do such other things as shall be required to enable the Company to purchase the Sale Shares (including where Sale Share(s) are referred to in this Article 16 any Remaining Shares in terms of paragraph (D) of Article 15) which he has become bound to sell and transfer pursuant to the provisions of Paragraph (D) of Article 15 to a person who is entitled thereto (provided that there is no default on the part of the transferee or the Company to tender payment of a price equal to the Market Value applicable to the Sale Share(s) in question) then the Secretary of the Company or any Director whom the Directors may authorise shall be deemed to have been appointed agent of the Leaving Member with full power to complete, execute and deliver any agreement or other documents and to do all other things necessary, in the name and on behalf of the Leaving Member, to effect a transfer of the Sale Share(s) to be sold by the Leaving Member pursuant to the provisions of Paragraph (D) of Article 15 and/or to enable the Company to purchase such Sale Shares, to receive payment of the price thereof on his behalf, to give a valid receipt and discharge therefor, to register the transferee as the holder thereof and to issue the transferee a certificate for such B Ordinary Shares whereupon the transferee shall become indefensibly entitled thereto and/or the Directors shall then be entitled to

cancel the B Ordinary Shares so purchased by the Company. The Leaving Member shall be bound thereupon to deliver up to the Directors for cancellation his certificate(s) for the Sale Share(s) of which he is the registered holder and on so delivering such certificate(s) shall thereupon be entitled to the purchase price for those of his Sale Share(s) which are being transferred or purchased pursuant to these Articles. Prior to the Leaving Member delivering for cancellation his certificate(s) for the Sale Share(s) being transferred or purchased the purchase price for such Sale Share(s) shall be held on trust for him by the Directors without any obligation to earn interest.

#### **TRANSMISSION OF B ORDINARY SHARES**

17. A person becoming entitled to B Ordinary Shares in consequence of the death a B Ordinary Shareholder may, upon such evidence being produced as the Directors may properly require and if the Directors in their sole discretion deem it advisable, have his interest noted in the Register of Members and (whether or not such person shall have elected to be registered as the holder of such B Ordinary Shares) shall be bound by the provisions of these Articles and, in particular, in respect of B Ordinary Shares held by a B Ordinary Shareholder the provisions of Paragraph (D) of Article 15, and such person shall be bound to execute a valid transfer of such B Ordinary Shares and/or bound to execute such other documents and do such other things as shall be required to enable the Company to purchase the B Ordinary Shares in accordance with the directions of the Directors pursuant to sub-paragraphs (e) and (f) of Paragraph (D) Article 15 hereof as if such person were a Leaving Member. In the event of such person failing to execute a valid transfer or failing to execute such other documents and such other things as shall be required to enable the Company to purchase the said B Ordinary Shares then the provisions Article 16 shall apply as if such person were a Leaving Member to the intent that the Secretary of the Company or any Director whom the Directors may authorise shall deemed to have been appointed agent of such person to enable the said transfer or purchase to be completed.

**SALE OF SHARES ON TAKEOVER AND RECONSTRUCTION**

**OF THE COMPANY FOR A FLOTATION**

18. (A) No sale of Shares in the Company shall be agreed to or entered into by any member or member which (whether by one single transaction or by the combined result of two or more transactions) shall relate to 75% or more of the issued share capital of the Company unless the purchaser shall have first offered to purchase all the issued Shares of the Company for the same consideration from each member.
- (B) If at any time members holding 80% or more of the issued share capital of the Company approve and agree to the sale of the entire issued share capital of the Company then all the other members shall (if required by the members holding 80% or more of the said issued share capital) be obliged to sell their respective shareholdings in the Company for the same consideration and shall be required to execute the necessary transfer forms to implement such sale of the entire issued share capital of the Company.
- (C) If at any time members holding 80% or more of the issued share capital of the Company approve and agree to the reconstruction of the Company for the purposes of a Flotation and such reconstruction involves the acquisition of the entire issued share capital by a company which is intended to become the holding company of the Group with members of the Company receiving in exchange for their Shares new ordinary shares in the proposed holding company then all the other members shall (if required by the members holding 80% or more of the said issued share capital) be obliged to exchange their respective shareholdings in the Company for new shares in the proposed holding company to enable the entire issued share capital to be acquired by the proposed holding company.
- (D) If the members holding 80% or more of the issued share capital of the Company, pursuant to paragraph (B) of this Article 18, approve and agree to the sale of the entire issued share capital of the Company or, pursuant to paragraph (C) of this Article 18, approve and agree to the reconstruction of the Company for the purpose of a Flotation and any member has failed to

discharge his obligation to execute the necessary stock transfer form or has failed to exchange his Shares for new shares in the proposed holding company of the Company then the Secretary of the Company, or any Director whom the Directors may authorise, shall be deemed to have been appointed agent of the member who has failed to discharge his said obligation or has failed to make the said exchange with full power to complete, execute and deliver any document of transfer and to do such other things necessary, in the name and on behalf of such member, to sell and transfer his shareholding to enable the entire issued share capital of the Company to be sold and transferred to any purchaser or acquired by any proposed holding company of the Company, to receive payment of the price for the member's shareholding on his behalf (including receipt of any certificate for any new shares in the proposed holding company) and to give a valid receipt and discharge therefor and the Directors shall then be entitled to register the purchaser or the proposed holding company as the holder and transferee of the member's shareholding and to issue a certificate for the Shares comprised in such shareholding whereupon the purchaser or holding company shall become indefeasibly entitled thereto. The member who has failed to discharge his obligation to execute the necessary stock transfer form or has failed to exchange his Shares for new shares in the proposed holding company of the Company shall be bound thereupon to deliver up to the Directors for cancellation his certificate(s) for the Shares of which he is the registered holder and on so delivering such certificate(s) shall thereupon be entitled to the purchase price (including new shares in the holding company exchanged in consideration) for those of his Shares which have been transferred to the purchaser or the holding company. Prior to the member delivering for cancellation his certificate(s) for the Shares being purchased or exchanged the purchase price or consideration shares for such Shares shall be held in trust for him by the Directors without any obligation to earn interest on the purchase price or remit the dividend on the consideration shares. The Directors, if they so decide, shall be entitled to retain for the benefit of the

Company any dividend declared in respect of the consideration shares prior to the member delivering for cancellation his certificate(s) for the Shares being exchanged for consideration shares in the new holding company.

The powers conferred by this Article 18 (D) upon the Secretary of the Company, or any Director whom the Directors may authorise, shall not extend to enabling such Secretary or Director to give warranties or indemnities on behalf of a member or otherwise expose such member to the risk of litigation and shall be limited to signing such documents and doing such things necessary to effect the transfer of the member's shareholding.

#### VALUATION OF B ORDINARY SHARES

19. (A) The price at which a B Ordinary Share may be purchased on the occurrence of a Transfer Event shall be the price as certified by the Auditors in a certificate of value concerning the B Ordinary Shares ("a Certified Value Certificate") and the price for the B Ordinary Shares in question shall be the price set out in the Certified Value Certificate in force at the relevant time.
- (B) In the event of the Auditors either being unable or unwilling to act in the preparation of a Certified Value Certificate, a certificate shall be prepared by such independent Chartered Accountants as shall be determined by the Directors.
- (C) In giving a Certified Value Certificate the Auditors or, where applicable, the independent Chartered Accountants shall act as experts and not arbiters and their determination of Certified Value shall be binding under the provisions of these Articles in respect of B Ordinary Shares.
- (D) In certifying the value of a B Ordinary Share the Auditors or, where applicable, the independent Chartered Accountant shall be required to assume that B Ordinary Shares are being sold for open market value as between a willing purchaser and a willing seller with no account being taken of any special purchaser who may be willing to pay a higher price:-
- (i) have proper regard not only to the maintainable earnings but also the underlying value of the assets of the Company;
  - (ii) proceed on the hypothesis that they are valuing the entire share capital

- of the Company as a single unit and shall then calculate the value of a B Ordinary Share as a percentage of such value corresponding to the percentage of the issued share capital of the Company which such B Ordinary Share represents, without discount or enhancement by reference to the number of Ordinary Shares any person may hold; and
- (iii) proceed on the basis that the value of a B Ordinary Share is intended to be the same as the value of an A Ordinary Share.

If the Auditors or, where applicable, the independent Chartered Accountants, should encounter any problem in the application of the foregoing principles, the problem shall be resolved by the Auditors or the independent Chartered Accountants in such manner as the Auditors or the independent Chartered Accountants shall in their absolute discretion think fit.

- (E) At any time, but in any event not less than once a year, the Directors may, in order to determine the Certified Value of B Ordinary Shares, instruct the Auditors (or, if necessary, independent Chartered Accountants) to prepare a Certified Value Certificate. The Certified Value Certificate shall remain in force until replaced by a subsequent Certified Value Certificate and the value of any B Ordinary Shares shall be as determined by reference to the value set out in the Certified Value Certificate in force at a particular time. However if an event has occurred which the Directors consider may have reduced the value of a B Ordinary Share and the Certified Value Certificate in force on the date or around the period the event occurred does not reflect the effect of the event, then the Directors may instruct the preparation of a further Certified Value Certificate. Provided the later Certified Value Certificate reflecting the effect of the event values B Ordinary Shares at a lower value then the Directors may retrospectively apply the lower value with effect from the date or around the period the event occurred.

#### **NOTICE OF AND PROCEEDINGS AT GENERAL MEETINGS**

20. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by at least twenty-one days' notice. All other extraordinary general

be called by at least twenty-one days' notice. All other extraordinary general meetings shall be called by at least fourteen days' notice but a general meeting may be called by shorter notice if it is so agreed.

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

Such agreement must be signed by the requisite percentage of members specified above, which consent and signature may be evidenced by letter, telex, cable, electronic mail, facsimile, or otherwise and may consist of several documents in the like form consented to and signed by one or more members as the Directors may from time to time resolve to permit.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all members, to all persons entitled to a Share in consequence of the death of a member and to the Directors.

#### **GENERAL MEETINGS**

- 21. Subject to the provisions of the Articles a member may participate in a meeting of the Company by means of conference telephone or similar communications equipment whereby all the members participating in the meeting can hear each other and the members participating in a meeting in this manner shall be deemed to be present in person at such a meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 22. No business shall be transacted at any general meeting or any adjourned general meeting unless a quorum is present. A person or persons entitled to vote upon the business to be transacted, being a member or members or being a proxy for a member or members, and holding in aggregate at least one-half of the issued A Ordinary Shares of the Company, shall be a quorum.

23. If a quorum is not present within half an hour from the time appointed for a general meeting, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved and Regulation 41 shall be amended accordingly.

#### VOTES OF MEMBERS

24. On a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every member shall have one vote to every Share of which he is the holder.

#### MEMBERS RESOLUTIONS

25. A resolution in writing which has been consented to and signed by or on behalf of all the members who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present (which consent and signature may be evidenced by letter, telex, cable, electronic mail, facsimile, or otherwise as the Directors may from time to time resolve to permit) shall be as effective as a resolution passed at a meeting of members duly convened and held and may consist of several documents in the same terms each consented to and signed by or on behalf of one or more members.

#### DIRECTORS

26. A Director shall not require any share qualification but nevertheless shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and Regulation 44 of Table A shall be amended accordingly.
27. Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than one.
28. In Regulation 67 of Table A the words from "but if a director retires" to "after his reappointment" shall be deleted and Regulation 67 shall be modified accordingly.
29. No Director shall be subject to retirement by rotation unless the instrument of

appointment provides otherwise and accordingly Regulations 73 to 80 of Table A shall be modified accordingly.

30. Subject to the provisions of the Articles the Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

#### **DISQUALIFICATION OF DIRECTORS**

31. No person shall be disqualified from being appointed a Director in accordance with the provisions of these Articles by reason of having attained the age of 70 years or any other age, nor shall special notice or other special formality be required on that account. No Director shall vacate his office by reason only of age.

#### **POWERS AND DUTIES OF DIRECTORS**

32. No Director shall be disqualified from his office by reason of his contracting with the Company or holding any office (except that of Auditor) under or being employed by the Company nor shall any such contract, office, or employment or any contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any Director shall be a director or member or otherwise interested or any other matter in which any Director shall have any interest be affected or avoided or avoidable by reason of his holding that office or of the fiduciary relationship thereby established and any Director so contracting, holding office or being employed or being so interested shall be counted in the quorum present at any meeting of the Directors and shall be entitled to deliberate and vote in respect of any such contract, office, employment, arrangement or matter, provided always that his interest shall be disclosed in manner provided by Section 317 of the Act. For the purpose of this Article, a general notice given to the Directors of the Company by a Director to the effect that he is a director or member of a specified company or firm and is to be regarded as interested in any contracts made with that company or firm shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

### **PROCEEDINGS OF DIRECTORS**

33. No business shall be transacted at any meeting of Directors unless a quorum is present. At any time there is only one Director a quorum shall be one and at any time there is more than one Director a quorum shall be two.
34. Subject to the provisions of these Articles, a Director may participate in a meeting of the Board of Directors or of a committee of the Board of Directors by means of conference telephone or similar communications equipment whereby all the Directors participating in the meeting can hear each other, and the Directors participating in a meeting in this manner shall be deemed to be present in person at such meeting.
35. A resolution in writing which has been consented to and signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors (which consent and signature may be evidenced by letter, telex, cable, electronic mail, facsimile, or otherwise as the Directors may from time to time resolve to permit) shall be as effective as a resolution duly passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the same terms each consented to and signed by one or more Directors but a resolution signed by an alternate director need not also be signed by his appointor, and if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

### **BORROWING POWERS**

36. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge the whole or any part of its undertaking, property and uncalled capital, and to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **GRATUITIES, PENSIONS AND EMPLOYEE SHARE SCHEMES**

37. (A) The Directors may establish or concur or join with any companies (being Subsidiaries or companies with which the Company is associated in business) in establishing and making contributions out of the Company's moneys to any

schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and paragraph (B) of this Article 37 shall include any Director who may hold or have held any executive office or other office or place of profit, or have been appointed to exercise special powers or authorities) and ex-employees of the Company and of any such other companies and their dependants, or any class or classes of such persons.

(B) The Directors may pay, enter into agreements to pay or make grants (revocable or irrevocable and either subject or not subject to any terms or conditions) of pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in paragraph (A) of this Article 37. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(C) The Directors shall be entitled by board resolution to establish and maintain or procure the establishment and maintenance of an "employees' share scheme" in terms of Section 743 of the Act or any other scheme for encouraging or facilitating the holding of shares or debenture in the Company for the benefit of an employee or employees of the Company or any subsidiary.

#### **NOTICES**

38. In Regulation 115 of Table A the figure "48" shall not apply and the figure "24" shall be substituted therefor.

#### **UNDERTAKING IN RESPECT OF APPROVED SHARE SCHEME**

39. If and for so long as the Company operates an Approved Share Scheme under which options may be granted to Directors and employees to acquire Shares or Shares may otherwise be acquired by Directors and employees, the Directors and such of the Original Shareholders who remain members shall endeavour to procure, for the purpose of ensuring that the Approved Share Scheme maintains the formal

approval of the Board of Inland Revenue and that paragraph 14(1) of Schedule 9 to ICTA is complied with, that a majority of the issued Shares of the relevant class are held by the Original Shareholders who remain members or such other persons and, in either case, have not been acquired by them in pursuance of a right conferred on them or an opportunity afforded to them as a Director or employee of the Company. This Article 39 shall apply only insofar as there are two classes of shares in the Company.

#### INDEMNITY

40. Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise 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 in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

#### LIABILITY INSURANCE

41. The Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company or of any Subsidiary or other company in which the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or who are or were at any time trustees of an Employee Trust or trustees of any pension fund in which employees of the Company or of any Subsidiary or of any such other company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or *purported execution and/or* discharge of their duties and/or in the exercise or *purported exercise* of their powers and/or otherwise in relation to their duties, powers or offices in relation to the

Company or any Subsidiary or of any other such company, an Employee Trust or pension fund.