

Filing Copy

Company Number: 204818

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

CLAVAMORE LIMITED

(the "Company")

The following resolution was passed on 26th February 2003 as a special resolution of the Company pursuant to s.381A of the Companies Act 1985 (as amended):-

"That the Regulations attached hereto and initialled by a director of the Company for the purposes of identification be and are hereby approved and adopted as the Company's Articles of Association in substitution for and to the entire exclusion of the existing Articles of Association of the Company."

Director

For and on behalf of Clavamore Limited

Date: 21. FEB 2003



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COMPANIES HOUSE 12/03/03

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CLAVAMORE LIMITED

(Adopted by Special Resolution on 26th February 2003)

These are the
regulations referred
to in the articles
Special Resolution of
the Company



INTERPRETATION

1. In these Articles, unless the context requires a different interpretation:-

- (a) **"A Director"** means any person appointed by the holder(s) of A Shares in accordance with Article 24 hereof;

"B Director" means any person appointed by the holder(s) of B Shares in accordance with Article 24 hereof;

"A Shares" means the A Ordinary Shares of £1.00 (sterling) each in the capital of the Company;

"B Shares" means the B Ordinary Shares of £1.00 (sterling) each in the capital of the Company;

"C Share" means the C Ordinary Share of £1.00 (sterling) in the capital of the Company;

"D Share" means the D Ordinary Share of £1.00 (sterling) in the capital of the Company;

"A Shareholder(s)" means the registered holder(s) for the time being of the A Shares;

"B Shareholder(s)" means the registered holder(s) for the time being of the B Shares;

"C Shareholder" means the registered holder for the time being of the C Share;

“D Shareholder” means the registered holder for the time being of the D Share;

“Articles” means these articles of association, together with the regulations of Table A not excluded or modified herein;

“Board” means the directors of the Company from time to time or the directors present at a meeting of directors at which a quorum is present;

“Cross Option Agreement” means the cross option agreement dated on or around the date of adoption of the Articles among Mr Collier, Mr Ord, Mrs Collier, Mrs Ord and the Company;

“Member” means a member of the Company;

“Mr Collier” means Clifton George Collier, residing at 21 Cromar Gardens, Kingswells, Aberdeen, AB15 8TF;

“Mr Ord” means Ian Ord residing at Jardinile, 6 Wellwood Terrace, Cults, Aberdeen, AB15 9JA

“Mrs Collier” means Patricia Collier, residing at 21 Cromar Gardens, Kingswells, Aberdeen, AB15 8TF;

“Mrs Ord” means Lorna Ord, residing at Jardinile, 6 Wellwood Terrace, Cults, Aberdeen, AB15 9JA;

“Paid Up Amount” means, in respect of any share, the amount paid up or credited as paid up on that share and “Paid Up Amount” includes the amount of any premium paid on such share;

“Relevant Agreement” means the Shareholders Agreement and any agreement amending, re-stating or otherwise varying or replacing same, or any other agreement relating to the management of the Company’s affairs binding on the Company and all of the Members and which (expressly or by implication) supplements and/or prevails over these Articles;

“Shareholders” means the A Shareholders, the B Shareholders, the C Shareholder and the D Shareholder;

“Shareholders Agreement” means the shareholders agreement dated on or around the date of the adoption of the Articles among Mr Collier, Mr Ord, Mrs Collier, Mrs Ord and the Company;

“Shares” means shares in the capital of the Company from time to time;

“Table A” means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A-F) (Amendment) Regulations 1985; and

- (b) words and expressions defined in the Companies Act 1985 (as amended from time to time, and including any statutory modification or re-enactment thereof for the time being in force being hereinafter referred to as the “Act”) shall have the same meaning when used in these Articles;

CONSTITUTION OF COMPANY

2. The Company is established as a private company within the meaning of Section 1(3) of the Act.

TABLE A

3. The Regulations contained in Table A shall be deemed to be incorporated with these Articles and shall apply to the Company with the exception of Regulations 3, 4, 23, 24, 25, 35, 40, 41, 50, 54, 64 to 69 inclusive, 73 to 82 inclusive, 85 to 89 inclusive, 93 to 97 inclusive, 101, 105, 109, 112, 115 and 118 of Table A and any other Regulation or part thereof which is inconsistent with the terms hereinafter set forth.

SHARE CAPITAL

- 4.
- 4.1 The authorised share capital of the Company at the date of these adoption of these Articles is £100,000 divided into 49,999 A Shares, 49,999 B Shares, 1 C Share and 1 D Share.
- 4.2 The Company may from time to time by special resolution of the A Shareholders and the B Shareholders (as if the same constituted one class of Share) increase its share capital by such sum as may be prescribed by such resolution.

THE SHARES

5. The rights and restrictions attaching to the Shares are as follows:-
- 5.1 Income
- 5.1.1 A Shares and B Shares

First, the Company shall pay in respect of any financial period to the A Shareholders and the B Shareholders *pari passu* as if the same constituted one class of Share and according to the Paid Up Amount of A Shares and B Shares respectively held by them such dividend as the Board may declare and which may be approved by special resolution of the A Shareholders and the B Shareholders (as if the A Shares and B Shares constituted one class of Share).

5.1.2 C Shares and D Shares

Second, the Company shall pay in respect of any financial period to the C Shareholders and the D Shareholders according to the Paid Up Amount of C Shares and D Shares respectively held by them such dividend in respect of each such class of Shares as the Board may declare and which may be approved by special resolution of A Shareholders and the B Shareholders (as if the A Shares and the B Shares constituted one class of Share) provided that, for the avoidance of doubt, the Board may declare, and the A Shareholders and B Shareholders may approve, a higher rate of dividend in respect of the C Shares than the D Shares or vice versa.

5.2 Capital

5.2.1 A Share and B Shares

On a return of assets on liquidation, reduction of capital or otherwise, the A Shareholders and the B Shareholders shall, in priority to the rights of the C Shareholder and D Shareholder conferred by Regulation 5.2.2 below, be entitled (*pari passu* as if the A Shares and B Shares constituted one class of Share and in proportion to the number of A Shares and B Shares held by each of them) to be paid out of the surplus assets of the Company remaining after the payment of its liabilities an amount equal to the Paid Up Amount of the A Shares and B Shares held by each of them. Thereafter, but subject to the rights of the C Shareholders and D Shareholders conferred by Regulation 5.2.2 below, the A Shareholders and B Shareholders shall be entitled to share in any balance *pari passu* as if the A Shares and B Shares constituted one class of Share and in proportion to the number of A Shares and B Shares held by each of them

5.2.2 C Shares and D Shares

On a return of assets on liquidation, reduction of capital or otherwise, the C Shareholders and D Shareholders shall, subject to the rights of the A Shareholders and B Shareholders conferred by Regulation 5.2.1 above, be entitled (*pari passu* as if the C Shares and D Shares constituted one class of Share and in proportion to the number of C Shares and D Shares held by each of them) to be paid out of the surplus assets of the Company remaining after the payment of its liabilities an amount equal to the Paid Up Amount of the C Shares and D Shares held by each of them. The C Shareholders and D Shareholders shall not be entitled to any further payment of, or participation in, such surplus assets in respect of their holdings of C Shares and D Shares.

5.3 Voting

5.3.1 A Shares and B Shares.

On a show of hands every A Shareholder and B Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a Member entitled to vote, shall have one vote. On a poll every A Shareholder and B Shareholder 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 for each A Share or B Share (as the case may be) of which he is the registered holder.

5.3.2 C Shares and D Shares

The C Shareholders and D Shareholders shall not be entitled to receive notice of, nor to attend or vote at, general meetings of the Company.

SECTION 80 AUTHORITY

- 6 Subject as provided in Regulation 7 of these Articles, the Directors are unconditionally authorised for the purpose of Section 80 of the Act to exercise for a period of five years from the date of adoption of these Articles any power of the Company to allot any Shares from time to time unissued (including “relevant securities” as defined in Section 80 (2) of the Act) up to the total amount of the authorised share capital of the Company for the time being remaining unissued.

DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS AND PRE-EMPTION ON NEW ISSUES

- 7 The provisions of Section 89 (1) and Section 90 (2) to 90 (6) of the Act shall not apply to the Company and, unless in any particular case all the holders for the time being of the A Shares and the B Shares otherwise agree in writing, all Shares (whether forming part of the original share capital of the Company or hereafter created) which it is determined to issue shall be in the same classes and in identical proportions to the issued Shares and shall be offered in the first instance to all the holders of Shares of the same class in proportion to the number of Shares of that class held by them respectively. The person to whom the offer is made may elect to accept such offer in respect of a lesser number of Shares than his entitlement and to decline in respect of the balance. Such offer shall be made by notice specifying the number of Shares to which each holder is entitled and prescribing a time (not being less than fourteen days) after which the offer, if not previously accepted, shall be deemed to be declined. After the expiration of that time or on receipt of an intimation from the person to whom the offer is made that he declines to accept any or all of the Shares offered those Shares so deemed to be declined shall be offered in the proportion aforesaid to the holders of Shares of every other class and the foregoing provisions shall *mutatis mutandis* apply. Any Shares not accepted pursuant to such offer or further offer as aforesaid shall be under the control of the Directors who may dispose of such remaining Shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the Shares which it is determined to issue bear to the Shares held by a person entitled to receive notice as aforesaid) cannot in the opinion of the Directors be conveniently offered under this Regulation. For the purposes of this Regulation the executors or administrators of a deceased member who was a sole holder shall be treated as the holders of the shares registered in the name of the deceased Member.

POWER TO ISSUE REDEEMABLE SHARES AND TO PURCHASE OWN SHARES

- 8 Subject to the provisions of the Act, any Shares may be issued on the terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member and any

Shares may be purchased by the Company on such terms and conditions as the Company, before it enters into a contract or contingent contract for the purchase of such Shares, may by special resolution determine. A payment in respect of such a redemption or purchase by the Company may with the sanction of a special resolution be made otherwise than out of the distributable profits of the Company (within the meaning of Section 152 (1) (b) of the Act) or the proceeds of a fresh issue of Shares made for the purpose of the redemption or purchase notwithstanding that such payment may constitute a payment out of capital.

MODIFICATION OF RIGHTS

- 9 Whenever the capital of the Company is divided into different classes of Shares, the special rights if any, attaching to each 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 holder(s) of not less than 50% in nominal value of the issued Shares of that class. Without prejudice to the foregoing generality and other rights of the holders of Shares, whether express or implied, the special rights attached to the A Shares and the B Shares shall be deemed to be varied, *inter alia*, by:
 - 9.1.2 any variation of the rights attached to any of the Shares or any of the shares in its subsidiaries; or
 - 9.1.3 the sale or other disposal (and that whether by one or a series of transactions) of the undertaking, business or assets of the Company or any of its subsidiaries or any substantial part thereof; or
 - 9.1.4 the calling of a meeting of the Company or any of its subsidiaries for the purpose of considering a resolution for amending, or the passing of a resolution effecting the amendment of, the Memorandum or Articles of Association of the Company or any of its subsidiaries; or
 - 9.1.5 the calling of a meeting of the Company or any of its subsidiaries for the purpose of considering a resolution for the winding up of the Company or any of its subsidiaries or the passing of any such resolution; or
 - 9.1.6 the purchase or redemption by the Company or any of its subsidiaries of, or the giving of financial assistance by the Company or any of its subsidiaries in connection with the acquisition of or subscription for any Shares or any shares comprised from time to time in the capital of any of its subsidiaries; or
 - 9.1.7 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock, loan or loan stock of the Company or any of its subsidiaries; or
 - 9.1.8 the capitalisation by the Company or any subsidiary of any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or any capital redemption reserve; or

- 9.1.9 the creation or grant of any option or other rights to subscribe for Shares or securities convertible into Shares or the creation or grant of any option or other rights to subscribe for shares for the time being in the capital of any of its subsidiaries of securities convertible into such shares or the issue or allotment of such convertible securities; or
- 9.1.10 the entering into by the Company or one of its subsidiaries of any partnership, joint venture or profit sharing arrangement or agreement with any person.
- 9.2 To any separate general meeting of the holders of any class of Share, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply but so that
 - 9.2.1 the necessary quorum shall be any person or persons holding or representing by proxy not less than one half in nominal value of the issued Shares of that class;
 - 9.2.2 every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him; and
 - 9.2.3 any holder of Shares of the class present in person or by proxy may demand a poll.

LIEN

- 10 The lien conferred by Regulation 8 of Table A shall attach also to fully paid up Shares and to all Shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders.

UNDERWRITING

- 11 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other.

TRANSFER OF SHARES

- 12 The Instrument of Transfer of any Share shall be in the form recommended in The Stock Transfer Act 1963, or in such other form as the Directors shall from time to time approve and, when lodged for registration, shall be accompanied by the Certificate of the Share to be transferred and such other evidence (if any) as the Directors may require to prove the title of the intending transferor.
- 13 All transfers of Shares need be executed by the transferor only and he shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the Register of Members in respect thereof provided that, in the case of partly paid Shares, the Instrument of Transfer must also be signed by or on behalf of the transferee.

- 14 (a) The Directors shall refuse to register the transfer of any Share unless such transfer is permitted by, or is made pursuant to and in accordance with Regulation 15 or Regulation 16 hereof.
- (b) If a Member or other person entitled to transfer a Share at any time attempts to deal with or dispose of the Share or any interest therein otherwise than in accordance with the provisions of Regulation 15 or Regulation 16 hereof he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of the relevant Share.
- (c) Where a Transfer Notice in respect of any Share is deemed to have been given under any provision of these Articles (a “**deemed Transfer Notice**”) and the circumstances are such that the Directors are unaware of the facts giving rise to the same, such Transfer Notice shall be deemed to have been received by the Directors on the date on which the Directors receive actual notice of such facts and the provisions of Regulation 16 hereof shall apply accordingly.
- (d) A deemed Transfer Notice shall be deemed to specifically exclude a Total Transfer Condition (as defined in Regulation 16 hereof) and shall not be revocable.
- (e) The Directors shall (unless the holders of the A Shareholders and B Shareholders unanimously direct in writing otherwise) decline to register any transfer of any Share which would otherwise be permitted under these Articles if it is a transfer:
- (i) of a Share on which the Company has a lien;
 - (ii) of a Share, not being a fully paid share, to a person of whom they shall not approve;
 - (iii) to any person who is of unsound mind, an undischarged bankrupt (or in the case of a body corporate is insolvent) or who is below the age 16; or
 - (iv) to any person who has not executed a deed of adherence in terms of clause 22 of the Shareholders Agreement.

PERMITTED TRANSFERS

15. (a) Any Member may at any time transfer their Shares in accordance with, and subject to the terms of, the Shareholders Agreement or the Cross Option Agreement.
- (b) The personal representatives of a Member may at any time transfer all or any of the Shares to which they are entitled to any person to whom the registered holder would be permitted to transfer the same under these Articles.
- (c) The transfer of any Share pursuant to this Regulation shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal

and beneficial interest in such Share free from all liens, charges and other encumbrances.

- (d) If the personal representatives of a deceased member are permitted under these Articles to become registered as the holders of any of the deceased member's shares and elect so to do, then such Shares may at any time be transferred by those personal representatives to any person to whom under this Article the same could have been transferred by the deceased member if he had remained the holder thereof, but no other transfer of such shares by the personal representatives shall be permitted under this Article.

PRE-EMPTION RIGHTS

The Transfer Notice

- 16 (a) Except as otherwise specifically provided elsewhere in these Articles, before transferring or agreeing to transfer any Share or any interest therein (including for this purpose, but without limitation, the assignation of the beneficial interest in, and the creation of any charge or other security interest over, such Share) any person proposing to transfer the same (the **"Proposing Transferor"**) shall be obliged to give notice in writing (the **"Transfer Notice"**) to the Directors that he desires to transfer such share.

In the Transfer Notice the Proposing Transferor shall specify:

- (i) the number and class of Shares which he wishes to transfer (the **"Transfer Shares"**) (which may be all or part only of the Shares then held by him); and
- (ii) whether or not he has received an offer from a third party for the Transfer Shares and if so, the identity of such third party and the price offered for the Transfer Shares.

Except as otherwise specifically provided in these Articles and unless specifically stated otherwise therein, a Transfer Notice shall be deemed to contain a condition that unless all Transfer Shares specified therein are sold pursuant to the following provisions of this Regulation, none shall be so sold (a **"Total Transfer Condition"**).

The Transfer Notice shall constitute the Directors as the agents of the Proposing Transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) at the Transfer Price (as hereinafter defined) and on the terms of this Regulation. Save as expressly provided otherwise in these Articles, a Transfer Notice shall be revocable at any time until the expiration of the Withdrawal Period (as hereinafter defined). If a Proposing Transferor revokes a Transfer Notice he may not subsequently transfer or agree to transfer any of the Shares which are the subject of the Transfer Notice (or any interest therein) otherwise than in accordance with these Articles.

More than one Class of Share

- (b) Where a Transfer Notice is given in respect of more than one class of Share it shall be deemed for the purposes of this Article to comprise a number of separate Transfer Notices one in respect of each such class.

Service of Transfer Notice

- (c) Within seven days after the receipt of any Transfer Notice the Directors shall serve a copy of that Transfer Notice on all the Members other than the Proposing Transferor.

In the case of a deemed Transfer Notice the Directors shall similarly serve notice on all the Members (including the Proposing Transferor) notifying them that the same has been deemed to have been given.

The Transfer Price

- (d) Subject as specifically provided otherwise in these Articles, the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price (the “**Transfer Price**”) determined in accordance with paragraph (e) of this Regulation.
- (e) The Transfer Price shall be such price as shall be agreed in writing among all the A Shareholders and the B Shareholders (as of/or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within twenty one days after the service of notices by the Directors pursuant to paragraph (c) of this Article the Transfer Price will be determined by an independent Chartered Accountant of not less than ten years standing (the “Expert”) who shall be nominated by agreement among all the A Shareholders and the B Shareholders or, failing such agreement within 14 days after the request of any A Shareholder or B Shareholder to the others, by the President or other senior office bearer for the time being of the Institute of Chartered Accountants in Scotland (as constituted, reconstituted, formed or reformed from time to time). In determining the Transfer Price as aforesaid, the Expert shall be considered to be acting as an expert and not an arbiter and accordingly all provisions of law or statute relating to arbitration shall not apply. Where the relevant Transfer Shares form part of the equity share capital of the Company (as defined in Section 744 of the Companies Act 1985) the relevant Transfer Price determined by the Expert shall be the value of the whole issued equity share capital of the Company (as so defined) divided by the number of such shares in issue, such value being the full price which would be paid for such whole issued equity share capital as between a willing seller and willing buyer thereof on an arm’s length basis and having regard to the profit (or loss) performance (historic and reasonably anticipated), net assets (including goodwill) of the Company and its subsidiaries (if any) on a going concern basis.

Determination Date

- (f) If the determination of the Transfer Price is referred to the Expert, the date of determination of the Transfer Price (the **"Determination Date"**) shall be the date upon which the Directors receive the Expert's determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement among all the A Shareholders and the B Shareholders as aforesaid, the Determination Date shall be the date on which such agreement is made.

Revocation of Transfer Notice

- (g) Where the Expert has determined the Transfer Price as aforesaid, the Proposing Transferor shall (save as otherwise provided in these Articles) be entitled if the Transfer Price is not acceptable to him to revoke the Transfer Notice by notice in writing to the Directors within a period of fourteen days after the Determination Date (such period being herein referred to as the **"Withdrawal Period"**).

Expert's Costs

- (h) The costs and expenses of the Expert in determining the Transfer Price as aforesaid shall be borne as to one half by the Proposing Transferor and as to the other half by the Purchasers (as hereinafter defined) pro rata according to the number of Transfer Shares purchased by them unless (1) the Proposing Transferor shall revoke the Transfer Notice pursuant to paragraph (g) of this Regulation; or (2) none of the Transfer Shares are purchased by any Member in either of which events the Proposing Transferor shall pay all of such costs and expenses.

Offer to Same Class

- (i) Within seven days after the Determination Date or, if the Transfer Notice is capable of being revoked, within seven days after the expiry of the Withdrawal Period, the Transfer Shares shall be offered by the Directors for purchase at the Transfer Price by the Directors in the first instance to those members who, at the date of the offer are registered as the holders of shares of the same class as the Transfer Shares (other than the Proposing Transferor) and, in the case of competition, shall be sold to the acceptors of such offer in proportion (as nearly as may be without involving fractions or selling to any Member a greater number of the Transfer Shares than the maximum number applied for by him) to the number of Shares of that class then held by them respectively. If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, the same shall be offered among the acceptors, or some of them, in such proportions or in such manner as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the Directors shall think fit.

Offer to Other Classes

- (j) If and to the extent that the Transfer Shares are not accepted by Members holding Shares of the same class as the Transfer Shares within the period limited for acceptance

(determined as below) or if there are no holders of Shares of that class (other than the Proposing Transferor) the Directors shall (in the former case) within seven days after the expiration of such period or (in the latter case) immediately, offer the Transfer Shares for sale as follows:

- (a) in the case of A Shares, to all B Shareholders (other than the Proposing Transferor if applicable) pro-rata as nearly as may be to the respective numbers of B Shares then held by such Members;
- (b) in the case of B Shares, to all A Shareholders (other than the Proposing Transferor if applicable) pro-rata as nearly as may be to the respective numbers of A Shares then held by such Members;
- (c) in the case of C Shares, to all A Shareholders, (other than the Proposing Transferor if applicable) pro-rata as nearly as may be to the respective numbers of A Shares then held by such Members;
- (d) in the case of D Shares, to all B Shareholders (other than the Proposing Transferor if applicable) pro-rata as nearly as may be to the respective numbers of B Shares then held by such Members;

The Offer Notice

- (k) Any offer made pursuant to paragraph (i) of this Article shall be made by notice in writing and shall specify (1) the number and class of the Transfer Shares; (2) the proportionate entitlement of the relevant Member (on the assumption that there will be competition for the Transfer Shares); (3) the Transfer Price; (4) whether or not the Transfer Notice specifically excluded a Total Transfer Condition; and (5) a period (being not less than fourteen days and not more than twenty eight days) within which the offer must be accepted or shall lapse.

Sale by Proposing Transferor (where Total Transfer Condition not Fulfilled)

- (l) If the Transfer Notice did not specifically exclude a Total Transfer Condition then the offer(s) of the Transfer Shares made by the Directors pursuant to this Article shall be conditional upon acceptances having been received by the Directors for all the Transfer Shares. If by the foregoing procedure the Directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the Proposing Transferor and (save as hereinafter provided) none of the Transfer Shares will be sold to the Members. The Proposing Transferor may within a period of three months after the date of the Directors' said notice, sell and transfer all (but not some only) of the Transfer Shares to any person(s) (including any existing Member) at any price which is not less than the Transfer Price.

Completion of Transfer (where Total Transfer Condition Fulfilled)

- (m) If any Members (the “**Purchasers**”) shall within the period(s) of the aforesaid offer(s) agree to purchase all of the Transfer Shares pursuant to the foregoing provisions, the Directors shall forthwith give notice in writing as hereinafter mentioned to the Proposing Transferor and to the Purchasers and the Proposing Transferor shall thereupon become bound upon payment of the Transfer Price to the Proposing Transferor (whose receipt shall be a good discharge to the Purchasers, the Company and the Directors therefor, none of whom shall be bound to see to the application thereof) to transfer to each Purchaser those Transfer Shares accepted by him. Each such notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the Directors for the completion of the purchase (being not less than seven days nor more than twenty eight days after the date of the said notice and not being a place outside the United Kingdom). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the Directors.

Sale by Proposing Transferor (where no Total Transfer Condition)

- (n) If the Transfer Notice contained a specific exclusion of a Total Transfer Condition and if by the foregoing procedure the Directors shall receive acceptances in respect of part only of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the Proposing Transferor and the Proposing Transferor:-
- (i) shall thereupon become bound upon payment of the Transfer Price to transfer to each Purchaser those Transfer Shares accepted by him and the provisions of paragraph (m) of this Regulation shall apply *mutatis mutandis* thereto; and
 - (ii) may within a period of three months after the date of the Directors' said notice sell and transfer all or any of those Transfer Shares which have not been accepted as aforesaid to any person(s) (including any existing member) at any price which is not less than the Transfer Price.

Default by Proposing Transferor

- (o) If a Proposing Transferor, having become bound to transfer any Transfer Shares pursuant to this Regulation makes default in transferring the same, the Directors may authorise some person (who shall be deemed to be the attorney of the Proposing Transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on behalf of the Proposing Transferor and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the Proposing Transferor. The Company shall not be bound to earn or pay interest on any money so held. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to seek to the application thereof, and after the

name of the relevant transferee has been entered in the Register of Members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

Satisfaction of Directors

- (p) The Directors may require to be satisfied that any shares being transferred by the Proposing Transferor pursuant to either paragraph (l) or paragraph (n)(ii) of this Regulation are being transferred in pursuance of a *bona fide* sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

Deemed Transfer Notices

- (q) (i) In this paragraph a “**Relevant Event**” means:
- (1) in relation to a Member being an individual:
 - (a) such Member becoming bankrupt; or
 - (b) such Member becoming of unsound mind or becoming a patient within the meaning of the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984 or any legislation amending, replacing or re-enacting the same;
 - (c) an order being made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for the detention of such Member or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs
 - (2) a Member making any arrangement or composition with his creditors generally;
 - (3) a Member committing a material breach of its obligations under the Shareholders’ Agreement and, in the case of a breach capable of remedy, failing to remedy it within 7 days of being specifically required in writing to do so by, in the case of a Member who is an A Shareholder or a C Shareholder committing such breach, the B Shareholders, and in the case of the Member who is a B Shareholder or a D Shareholder committing such breach, by the A Shareholders;
 - (4) in relation to a Member being a C Shareholder, if the A Shareholder serves a Transfer Notice pursuant to Article 16(a) hereof or if he is deemed to have served a Transfer Notice pursuant to this sub Article 16(q) or, in relation to a Member being a D Shareholder if the D

Shareholder serves a Transfer Notice pursuant to Article 16(a) hereof or if he is deemed to have served a Transfer Notice pursuant to this Article 16(q);

- (ii) Upon the happening of any Relevant Event, the Member in question, shall be deemed to have immediately given Transfer Notices in respect of all the Shares as shall then be registered in his name.
- (iii) If the Relevant Event shall be the bankruptcy of a Member and if any of the Shares which are offered to the Members pursuant to the deemed Transfer Notice shall not be sold to the Members (or any of them) (the “**Unsold Shares**”) then, after the expiration of the period during which the Unsold Shares might have been purchased by Members pursuant thereto, the person who has become entitled to the Unsold Shares in consequence of the bankruptcy of the Member shall be entitled either:
 - (a) to sell the Unsold Shares to any persons in the same manner and subject to the same conditions *mutatis mutandis* as a Proposing Transferor could under paragraph (n) of this Article; or
 - (b) to elect at any time to be registered himself as the holder of the Unsold Shares (but so that such election shall not give rise to any obligation to serve a Transfer Notice in respect of the Unsold Shares).

Personal Representatives

- (r) The election by the personal representatives of a member to become the registered holders of any share pursuant to Regulation 30 of Table A shall be permitted by the Directors and shall not give rise to any obligation to serve a Transfer Notice in respect of such share. Regulation 30 of Table A shall be modified accordingly.

Entire Interest Only

- (s) An obligation to transfer a Share under the provisions of this Article shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.

Waiver

- (t) The provisions of this Regulation may be waived in whole or in part in any particular case with the prior written consent of all the A Shareholders and B Shareholders.

FORFEITURE OF SHARES

- 17 In Regulation 18 of Table A the words “and all expenses that may have been incurred by the Company by reason of such non-payment” shall be added at the end of the first sentence of said Regulation.

GENERAL MEETINGS

- 18 Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any Member is entitled to receive shall be sent to the Directors and the auditor for the time being of the Company.
19. No business shall be transacted at any general meeting unless a quorum of members is present throughout the meeting. The quorum at a general meeting shall be one (1) A Shareholder and one (1) B Shareholder present in person or by proxy, or in the case of a corporate member by duly authorised representative.
20. In Regulation 43 of Table A the words “the members present” shall be held to be delete and the words “the persons present, being Members or proxies for Members or duly authorised representatives” shall be inserted in lieu thereof.
21. In Regulation 46 of Table A paragraphs (b) to (d) inclusive shall be held to be delete and the words “(b) by any member present in person or by proxy or in the case of a corporate member, by duly authorised representative and entitled to vote” shall be inserted in lieu thereof.
22. In the case of a corporation, a director or its secretary is deemed to be a duly authorised representative for the purposes of Regulations 53 and 54 of Table A.

VOTES OF MEMBERS

23. (a) It shall suffice that Instruments appointing proxies be deposited at the registered office of the Company at least 24 hours before the time for holding the meeting, and Regulation 62 of Table A shall be modified accordingly.
- (b) The chairman shall not have a casting or second vote in the case of equality.
- (c) Without prejudice to Article 24(c) below, the B Shares shall not confer any right to vote upon a resolution for the removal from office of a director appointed by the holders of the A Shares and the A Shares shall not confer any right to vote upon a resolution for the arrival from office of a person appointed by holders of the B Shares.

DIRECTORS

24. (a) The number of Directors shall be not more than two (2) of whom one (1) shall be an A Director and one (1) shall be a B Director.

- (b) The A Shareholders may from time to time appoint any person to be a Director and may determine the period for which such person is to hold such office and such person shall, if appointed, be an A Director. The B Shareholders may from time to time appoint any person to be a Director and may determine the period for which such person is to hold such office and such person shall, if appointed, be a B Director.
 - (c) An A Director may be removed from office only by the A Shareholders, and a B Director may be removed from office only by the B Shareholders
 - (d) Any such appointment or removal shall be in writing served on the Company and signed by or on behalf of the A Shareholders or the B Shareholders as the case may be or, being corporations, by their duly authorised representative. The appointment or removal shall take effect when the relevant notice is delivered to the Company as aforesaid, or such later date, if any, as shall be specified for the purpose in the notice.
25. A Director shall not be required to hold Shares in order to qualify for office as a Director but he shall be entitled to receive notice of and attend and speak at every general meeting of the Company and at every separate meeting of the holders of any class of shares in the capital of the Company.

ALTERNATE DIRECTORS

26. (a) Any Director (other than as Alternate Director) may at any time appoint any person (including another Director) to be his Alternate (hereinafter called an “**Alternate Director**”) and may at any time terminate such appointment.
- (b) The office of an Alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director concerned (hereinafter called “**his principal**”) ceases to be a Director.
- (c) An Alternate Director shall be entitled to receive notice of meetings of the Directors and to attend and where applicable vote as a Director and to be counted in the quorum at any such meeting at which his principal is not personally present and generally at such meetings to perform all functions of his principal as a Director. If his principal is for the time being unable to act through ill health or disability an Alternate Director’s signature to any resolution in writing of the Directors shall be as effective as the signature of his principal. An Alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles, nor the agent of his principal but he shall, in the execution of his duties as aforesaid, be subject to the provisions of the Articles with regard to Directors.
- (d) An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive

any remuneration from the Company in respect of his appointment as Alternate Director.

DIRECTORS' INTERESTS

27. (a) No Director or intending Director shall be disqualified from holding office by his contracting with the Company either as vendor, purchaser, lessor, customer or otherwise nor shall any such contract or any contract or any transaction or arrangement (whether or not constituting a contract) entered into with or by or on behalf of the Company with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract, transaction or arrangement by reason only of such Director holding that office or of the fiduciary relationship thereby established, provided that the fact of his being interested therein and the nature of his interest be disclosed by him at the meeting of Directors at which the contract, transaction or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest; and such Director may vote and have his vote counted in respect of any such contract, transaction or arrangement and shall be counted in the quorum present at the meeting. Provided, if the Director be a sole Director or if all the Directors be interested in the contract, transaction or arrangement, the contract, transaction or arrangement may only be entered into by the Company in general meeting, and before the contract, transaction or arrangement is entered into the Director or Directors must disclose his or their interest to the meeting.
- (b) For the purposes of this Regulation:-
- (i) a general notice given 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 contract, 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; and
 - (ii) 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.

GRATUITIES AND PENSIONS

28. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or of any company which is the holding or a subsidiary company of the Company whether or not they have held any salaried employment or office in the Company or such other company, and the wives, widows, families

and dependants of any such persons, and also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and wellbeing of the Company or of any such other company as aforesaid and make payments for or towards the insurance of any such persons as aforesaid and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public general or useful object and do any of the matters aforesaid either alone or in conjunction with any such other company aforesaid. Any Director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument and may vote in favour of the exercise of any of the powers aforesaid notwithstanding that he is or may become interested therein.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

29. The office of Director shall be vacated if:-

- (a) a Director becomes apparently insolvent or makes any arrangement or composition with his creditors generally;
- (b) a Director is or may be suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act, 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act, 1984; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (c) a Director resigns his office by notice in writing to the Company;
- (d) a Director is removed from office in accordance with these Articles and the provisions of the Shareholders Agreement;
- (e) if, in the case of an A Director, the A Shareholders shall sell their Shares pursuant to the Cross Option Agreement or the Shareholders Agreement or if, in the case of a B Director, the B Shareholders shall sell their Shares pursuant to the Cross Option Agreement or the Shareholders Agreement;
- (f) a Director becomes prohibited by law from being a Director or ceases to be a Director by virtue of any provision of the Act; or
- (g) a Director shall for more than six months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

AND EXECUTIVE DIRECTORS

30. (a) The Board of Director shall from time to time determine the remuneration of the Directors, the amount of which, and the proportions, as between each Director, of which shall require to be the subject of a unanimous decision.
- (b) The Directors shall also be paid all travelling, hotel, entertainment and other expenses properly incurred by them in connection with the business of the Company.

ROTATION OF DIRECTORS

31. The Directors shall not be subject to retirement by rotation and accordingly Regulations 73 to 75 of Table A shall not apply and in Regulation 76 the words "other than a Director retiring by rotation" shall be deleted. All other references in Table A to retirement by rotation shall be disregarded.

PROCEEDINGS OF DIRECTORS

32. (a) The Directors may meet together for the dispatch of business, adjourn and, subject as hereinafter provided, otherwise regulate their meetings and proceedings as they think fit. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. It shall be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Each of the Directors attending a meeting shall be entitled to one vote. In the case of an equality of votes, the Chairman shall not have a second or casting vote.
 - (b) Subject as herein otherwise provided the quorum necessary for the transaction of business of the Directors shall throughout the meeting be one A Director and one B Director.
 - (c) A director may participate in a meeting of the directors of which he is a member by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. Participation in a meeting in this manner is deemed to constitute presence in person at the meeting.
33. If the number of Directors shall be reduced to below two, such remaining Director may act for the purpose of summoning a meeting of the A Shareholders or the B Shareholders as the case may be for the purpose of electing a Director or Directors of the same class as the Director whose death, removal from office or vacation of office has resulted in the number being so reduced but for no other purpose.
 34. A Resolution in writing, signed or approved by letter or fax by each Director, or his alternate shall be as valid as a resolution duly passed at a meeting of the Directors. When signed, a resolution may consist of several documents each signed by one or more of the persons aforesaid.

THE SEAL

35. (a) If the Company has a seal it shall only be used with the authority of the Directors.

The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director.

- (b) The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

ACCOUNTS AND INFORMATION

36. (a) The Accounts and other documents to be prepared by the Directors shall be prepared in accordance with Section 229, Section 235 and Schedule 7 of the Act.

- (b) Every Member shall be entitled, either himself or through his agents duly authorised in writing, during the Company's normal hours of business to inspect and take copies of the books of account and all other records and documents of the Company and each of its subsidiaries on giving not less than 48 hours written notice to the secretary (or, if there is none at that time, the chairman). The Company shall give each such Member all such facilities as he may reasonably require for such purposes including the use of copying facilities. The Company may make a reasonable charge for any copies taken but otherwise shall not charge for any facilities requested as aforesaid.

NOTICES

37. Every notice to be given by the Company will be sent by first class recorded delivery post (airmail if overseas) to the registered address, or, if appropriate, to the address for the time being supplied for the purpose to the Secretary of the Company by the person entitled to receive the same; every notice to be sent by letter post to an address within the United Kingdom shall be deemed to have been served on the expiry of forty eight hours from the time of posting and every Notice to be sent by Airmail to an address outwith the United Kingdom shall be deemed to have been served on the expiry of seven days from the time of posting. In the case of joint holders of a Share all notices shall be given to the joint holder whose name stands first in the Register of Members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. In proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and delivered into the custody of the postal authority as a prepaid first class recorded delivery or airmail letter (as appropriate).

WINDING UP

38. If the Company shall be wound up any Director, Agent, Trustee or Member of the Company alone or jointly with any other person may become a purchaser of property belonging to the Company.

OVERRIDING PROVISION

39. Notwithstanding the provisions of these Articles, the Members and Directors of the Company shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement.

INDEMNITY

40. (a) Every Director or other Officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liability 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 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 be incurred by the Company in the execution of the duties of his office or in relation thereto. But these Articles shall only have effect insofar as the provisions are not avoided by Section 310 of the Act
- (b) The Directors shall have power to purchase and maintain for any Director or other officer of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.
41. The Directors may from time to time require any person whose name is entered in the Register of Members of the Company to furnish them with any information which they may consider necessary for the purpose of determining whether or not the Company is a Close Company within the meaning of Section 414 (1) of The Income & Corporation Taxes Act 1988; and if such requirement is not complied with they may withhold any dividends or other payments otherwise due or becoming due in respect of the shares registered in the name of such person.