

No. SC291481

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COMPANIES HOUSE 26/06/2006

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ADDIEWELL PRISON (HOLDINGS) LIMITED

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the above named Company will be held at Capital House 25 Chapel Street London NW1 5DH on 12 June at 2pm for the purpose of considering, and if thought fit, passing the following resolutions which will be proposed as ordinary or special resolutions as indicated.

ORDINARY RESOLUTIONS

- 1 THAT the authorised share capital of the Company be increased from £1000 to £99,999 by the creation of 98,999 ordinary shares of £1 each in the capital of the Company having the rights and privileges and being subject to the rights and restrictions contained in the Articles of Association of the Company to be adopted pursuant to resolution 4.
2. THAT the Directors be and hereby are generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("**the Act**") to allot relevant securities (within the meaning of Section 80(2) of the Act) on the basis that:-
 - 2.1. the maximum amount of the relevant securities to be allotted pursuant to this authority shall be 98,999 ordinary shares of £1 each in the capital of the Company;
 - 2.2 this authority shall expire, unless sooner revoked or varied, on the expiry of the period of five years from the date of the passing of this resolution;


but provided that the Directors may after such revocation, variation or expiry allot relevant securities pursuant to an offer or agreement so to do made by the Company prior to such revocation or variation or expiry which the Company, by this authority, is allowed to make or enter into. This authority is in substitution for all subsisting authorities, to the extent unused

SPECIAL RESOLUTIONS

- 3 THAT the Directors be and they are hereby empowered pursuant to Section 95(1) of the Companies Act 1985 ("**the Act**") to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred by resolution 1 as if Section 89(1) of the Act does not apply to such an allotment, on the basis that this power shall be limited to any allotment made pursuant to the authority conferred on the Directors by resolution 1. This power shall cease to have effect when the authority conferred by resolution 1 is revoked or (if not revoked) expires but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry



of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.

- 4 THAT new articles of association in the form contained in the draft articles of association produced to the meeting and initialled by the Chairman for the purposes of identification be adopted as the articles of association of the Company in substitution for and to the exclusion of the previous articles of association. 

Dated 12 June 2006

BY ORDER OF THE BOARD



.....
Director/Secretary

Registered office: 35 North Canal Bank Street
Glasgow
G4 9XQ
Scotland

NOTE:

Any member of the Company entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend and, on a poll, to vote on his behalf. A proxy need not be a member of the Company.

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DATE: 08/06/06

DRAFT NO: 1

No. SC291481

THE COMPANIES ACTS 1985 TO 1989
PRIVATE COMPANY HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION
of
ADDIEWELL PRISON (HOLDINGS) LIMITED

Burness 

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THE COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

of

ADDIEWELL PRISON (HOLDINGS) LIMITED

(adopted by special resolution passed on 12 June 2006)

1.1 In these Articles, any reference to:

"the Act" means the Companies Act 1985, including any statutory modification or re-enactment thereof for the time being in force;

"Table A" means Table A set out in the schedule to the Companies (Table A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (amendment) Regulations 1985 (SI 1985 No. 1052);

"Regulation" means the appropriate regulation from Table A;

"Article" means the appropriate section of these Articles;

"Board" means the board of directors of the Company from time to time;

"Business" means the proposed business of the Company specified in the Shareholders Agreement;

"Business Day" means a day on which clearing banks in the City of London are open for business excluding Saturdays and Sundays;

"Chairman" means the chairman from time to time of the board as determined by the Shareholders Agreement;

"company" includes any body corporate, wherever incorporated;

"Controlling Interest" means:

- (i) the ownership or control (directly or indirectly) of more than 50 per cent. of the voting share capital of the relevant undertaking, or
- (ii) the ability to direct the casting of more than 50 per cent. of the votes exercisable at general meetings of the relevant undertaking on all, or substantially all, matters; or

- (iii) the right to appoint or remove directors of the relevant undertaking holding a majority of the voting rights at meetings of the Board on all, or substantially all, matters;

"Deed of Adherence" means a deed in the form set out in Schedule 1 of the Shareholders Agreement;

"director" means a director of the Company from time to time (and "directors" shall be construed accordingly);

"Fair Price" shall be calculated in the manner set out in the Shareholders Agreement;

"Group" means in relation to a company, the group of companies comprising that company and its Subsidiaries and any company (a **"parent company"**) of which that company is a Subsidiary and any other Subsidiary of that parent company for the time being;

"Member" means a shareholder of the Company from time to time;

"Percentage Interest" means the respective proportions in which the issued shares of the Company are held from time to time by its Members,

"Relevant Agreement" means an agreement or deed relating (in whole or in part) to do management and/or affairs of the Company or the business or operations of the Company or Addiewell Prison Limited to which the Company or Addiewell Prison Limited is expressed to be a party (including, inter alia, any banking document or other agreement with financiers or investors);

"shares" means the Company shares, and

"Shareholders Agreement" means the agreement so titled dated between the Members of the Company.

- 1.2 A reference to "subsidiary" or "holding company" is to be construed in accordance with section 736 of the Act.
- 1.3 The following are the Articles of the Company. Table A applies to the Company, as amended or excluded by the following Articles.

ALLOTMENT OF SHARES

- 2.1 All shares of the Company which the directors propose to issue shall first be offered to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in general meeting shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and stating a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, any shares declined or deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares

offered to them; the further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same on terms no more favourable to the subscribers therefor than the terms on which they were offered to the members to such persons, on such terms, and in such manner as they think fit. The foregoing provisions of this Article 2.1 shall have effect subject to section 80 of the Act.

- 2.2 Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- 2.3 Save as authorised by the Act., the Company shall not give, whether directly or indirectly, any financial assistance for the acquisition of shares or other securities of the Company or any of its holding company (as defined by Section 736 of the Act).

SHARES

- 3.1 The lien conferred by Regulation 8 shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, registered in the name of any person indebted or under liability to the Company, whether he is the sole registered holder or one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Regulation 8 shall be modified accordingly.
- 3.2 The liability of any Member who has not paid a call shall be increased by the addition at the end of the first sentence of Regulation 18 of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

TRANSFER OF SHARES

- 4.1 Regulation 24 shall not apply to the Company.
- 4.2 **Restriction on transfer**

No Member may, without the prior written consent of all other Members:-

- 4.2.1 transfer any shares (otherwise than in accordance with this Article 4);
or
- 4.2.2 grant, declare, create or dispose of any right or interest in any shares (otherwise than in accordance with this Article 4); or
- 4.2.3 create or permit to exist any pledge, lien, charge (whether fixed or floating) or other encumbrance over any shares.

4.3 Permitted transfers

- 4.3.1 Save for transfers for which consent is given under Article 4.2 or for intra-Group transfers permitted under Article 4.9, no shares held by any Member (or an interest in such shares) may be transferred otherwise than pursuant to a transfer by that Member (the "Seller") and/or members of its Group of all or any part of the Seller's and/or members of its Group's shares in the Company collectively held by it and any member of its Group (the "Seller's Shares") in accordance with Articles 4.4 to 4.8 (inclusive).
- 4.3.2 Notwithstanding any other provisions of these Articles, no shares shall be transferred if such transfer would cause (directly or indirectly) either Addiewell Prison Limited or the Company to be in breach of any of its obligations under any Relevant Agreement.

4.4 Transfer Notice

- 4.4.1 Prior to the Seller (and/or any Member in its Group) making any transfer of the Seller's Shares, the Seller shall first give to each other Member (other than any Member in its Group) (the "Continuing Parties" and "Continuing Party" shall be construed accordingly) notice in writing (a "Transfer Notice") of any proposed transfer together with details of the proposed third party purchaser thereof (the "Third Party Purchaser"), the purchase price and other material terms agreed between the Seller and the Third Party Purchaser.
- 4.4.2 A Transfer Notice shall, at the option of the Seller, be revocable by notice in writing given to the Continuing Parties at any time prior to any Continuing Party notifying the Seller of its intention to purchase the Seller's Shares.

4.5 Right of Continuing Party to purchase

- 4.5.1 On receipt of the Transfer Notice, each Continuing Party shall have the right to purchase the Seller's Shares pro rata to its Percentage Interest at the purchase price (on a per share basis) stated in the Transfer Notice.
- 4.5.2 If a Continuing Party elects not to purchase any or all of the Seller's Shares to which it is entitled, the Seller shall notify the remaining Continuing Parties in writing (the "Second Notice"), and the remaining Seller's Shares may be acquired by one or more of the remaining Continuing Parties and, if there is competition for such remaining Seller's Shares, each such remaining Continuing Party shall have the right to acquire those Seller's Shares pro rata to its Percentage interest.
- 4.5.3 The purchase of the Seller's Shares pursuant to this Article 4.5 shall be at the purchase price specified in the Transfer Notice (or at such

other price as shall be agreed between the Seller and the relevant Continuing Party).

- 4.5.4 Any Continuing Party which elects to purchase any of the Seller's Shares shall give written notice to the Seller within 30 days of receipt of the Transfer Notice or within 15 days of receipt of the Second Notice (as the case may be). Failure by a Continuing Party to notify the Seller of its election within these time periods shall be deemed to be an election by that Continuing Party not to purchase the relevant Seller's Shares.

4.6 **Obligation to complete**

The Continuing Party shall become bound to purchase the Seller's Shares on giving one or more written notices to the Seller to exercise its rights under Article 4.5. In such event, completion of the sale and purchase of the Seller's Shares shall take place within 14 days after the giving of the later of such notices.

4.7 **Seller's right to sell to Third Party Purchaser**

If no Continuing Party exercises its rights of purchase under Article 4.5, or if, after any such exercise by one or more Continuing Parties, not all of the Seller's Shares have been acquired by the Continuing Parties, the Seller shall (subject to Article 4.8 below) be entitled to transfer such of the Seller's Shares that have not been acquired by the Continuing Parties (the "Remaining Shares") on a bona fide arm's length sale to the Third Party Purchaser at a price being not less than the purchase price specified in the Transfer Notice, provided that:-

- 4.7.1 the acquisition of the Seller's Shares by the Third Party Purchaser would not, in the reasonable opinion of any Continuing Party, be materially detrimental to the interests of the Company or Addiewell Prison Limited; and
- 4.7.2 such transfer shall have been completed within a period of 60 days after the date of the Transfer Notice.

4.8 **Conditions applicable to Third Party Purchaser**

Completion of any transfer of shares to a Third Party Purchaser shall be subject to the conditions that:-

- 4.8.1 the Third Party Purchaser shall first have entered into an agreement in the form of the Deed of Adherence;
- 4.8.2 the Third Party Purchaser shall first have complied with all applicable provisions of any Relevant Agreement;
- 4.8.3 any loans, loan capital, borrowings and indebtedness in the nature of borrowing (but excluding, for the avoidance of doubt, any debts incurred in the ordinary course of trade which are at the relevant time

outstanding on inter-company account) owing at that time from the Company to the Seller or any member of its Group shall first have been assigned to, or equivalent finance made available by, the Third Party Purchaser,

4.8.4 if and insofar as the Seller requires the Third Party Purchaser to assume the obligations of the Seller under any guarantees and/or counter-indemnities to third parties in relation to the Business, such assumption shall first have taken place provided that:-

4.8.4.1 any such assumption is without prejudice to the right of each Continuing Party to receive a contribution from the Seller for its share of any claims attributable to any liabilities arising in respect of the period during which the Seller and/or any members of its Group held shares; and

4.8.4.2 all of the Seller's obligations under the Shareholders Agreement are novated to the Third Party Purchaser; and

4.8.4.3 any such assumption does not give rise to a default by the Seller, the Company, Addiewell Prison Limited or the Continuing Parties under any Relevant Agreement.

4.9 Intra-Group transfers

A Member shall be entitled at any time to transfer any of the shares held by it to any member of its own Group provided that:-

4.9.1 the transferee enters into an agreement in the form of the Deed of Adherence;

4.9.2 the transferee shall first have complied with all applicable provisions of any Relevant Documents; and

4.9.3 the transferor provides the Company and the remaining Members with a guarantee of its obligations in such form and substance as the Company or the Members may reasonably require.

4.10 Member ceasing to be a Subsidiary

Each Member undertakes to procure that, if any Member in its Group ceases at any time to be a member of its Group, such Member prior to so ceasing shall transfer any of the shares in the Company held by it at the time in question to an existing Member in its Group or to a company which is a member of the same Group as the Member provided that the said transferee shall first have complied with all applicable provisions of any Relevant Documents.

4.11 Change of control

Subject to Article 4.3, the provisions of Articles 4.12 to 4.19 shall apply in the event of a change in the holder (the "Changed Party") of the Controlling Interest in a Member (a "Change of Control") (other than where the new

holder of the Controlling Interest in that Member was a member of that Member's Group immediately prior to such change). The Members shall procure that no Change of Control occurs if such Change of Control would result in any breach of the provisions of any Relevant Agreement.

4.12 **Notice of Change of Control**

If there is a Change in Control in respect of a Member (the "Changed Party") then the Changed Party shall give notice of such Change of Control as soon as is practicable thereafter to each other Member. If a Changed Party neglects or omits to give such notice in circumstances involving a Change of Control, as and when any other Member becomes aware of the relevant Change of Control, notice of such change of control shall be deemed to have been given and, in such circumstances, the Company shall be entitled to issue notice of the Change of Control as the Changed Party's agent and attorney.

4.13 **Right to make offer**

At any time prior to the expiry of a period of 90 days after notice has been given of such Change of Control each remaining Member shall be entitled to make an offer in respect of the Company's Shares (the "Relevant Shares") held by the Changed Party and/or any members of its Group) pro rata to its Percentage Interest. In the event that not all the Relevant Shares are acquired by the remaining Members, the remaining Relevant Shares may be acquired by one or more of the remaining Members and, if there is competition for such remaining Relevant Shares, each such remaining Member may acquire such Relevant Shares pro rata to its Percentage Interest.

4.14 **Offer Notice**

Any offer by a remaining Member (the "Buyer") for the Relevant Shares referred to in Article 4.13 shall take the form of a notice to the Changed Party (the "Offer Notice"). Included in such Offer Notice shall be the price offered (the "Offered Price") and a statement that the offer is to be accepted within a period of 14 days of receipt of the Offer Notice (the "Acceptance Period").

4.15 **Reference to Expert**

If the Changed Party notifies a Buyer within the said 14 day period that it does not accept the Offered Price or fails to respond to the Buyer within such period, an internationally recognised firm of accountants (the "Expert") shall be appointed by the Changed Party and the Buyer to determine the Fair Price. The following principles shall apply:-

- 4.15.1 the Expert shall, unless otherwise agreed between the Changed Party and the Buyer, be a firm which is independent of both parties;
- 4.15.2 if the Changed Party and the Buyer are unable to agree upon such firm within a period of 15 days after the expiry of the Acceptance

Period, then the Expert shall be appointed by the President for the time being of the Institute of Chartered Accountants of Scotland;

- 4.15.3 the Parties shall procure that there is made available to the Expert such information relating to the Company as it reasonably requires in order to determine the Fair Price;
- 4.15.4 in certifying the Fair Price (which, in the case of the Relevant Shares, shall be the open market value of the Relevant Shares between a willing seller and a willing third party buyer at the date of the Offer Notice without any premium or discount by reference to the percentage of Relevant Shares being sold), the Expert shall take into account all factors it considers to be relevant, including the purchase price and other material terms agreed between the Changed Party and the Buyer,
- 4.15.5 the Expert shall be deemed to be acting as an expert and not an arbitrator and its decision shall be final and binding on the Parties;
- 4.15.6 the cost of obtaining the Expert's certificate (the "Certificate") shall be borne by the Parties equally.

4.16 Right to purchase at Fair Price

If an appointment of the Expert is, made under Article 4.15 the Buyer shall have the right to purchase the Relevant Shares to which it is entitled from the Changed Party at the Fair Price and the Buyer shall exercise such right of purchase by giving written notice to the Changed Party within 30 days of the issue of the Certificate (which, for the avoidance of doubt, shall be issued by the Expert to both the Changed Party and the Buyer).

4.17 Completion

Subject only to any necessary approvals of any governmental or regulatory agencies or authorities ("Approvals"), the Changed Party shall become bound to sell and the Buyer shall become bound to purchase the Relevant Shares:-

- 4.17.1 at the Offered Price on the Changed Party giving written notice of acceptance of the Offered Price under Article 4.14; or
- 4.17.2 at the Fair Price on the Buyer giving written notice of the exercise of its right under Article 4.16.

In such event, completion of the sale and purchase of the Relevant Shares shall take place within 60 days of the day on which the Parties become so bound (the "Reference Date") or, if any Approval that is required to be obtained has not been obtained by the expiry of that period, within ten days of the date on which the last Approval to be obtained is obtained provided that, if any such Approval has not been obtained, within 180 days after the Reference Date, the Offer Notice shall lapse and be without further effect and

the Relevant Shares the subject of that Offer Notice may be acquired by the remaining Members in accordance with the provisions of this article.

4.18 Exclusions

For the purposes of these Articles, the term "**Change of Control**" shall be deemed not to include a change in the Controlling Interest in a Member resulting from transactions on the London Stock Exchange or on the Alternative Investment Market of the London Stock Exchange or any other recognised stock exchange whether in the United Kingdom or overseas.

4.19 Change of Control Notice

Notice of a Change of Control Notice shall constitute the Company as the Changed Party's agent and attorney for the sale of the Relevant Shares held by the Changed Party and/or any members of its Group at the Offered Price or at the Fair Price (as the case may be) in accordance with the provisions of Article 4.

4.20 Insolvency Events

It shall be an Insolvency Event in relation to a Member if:-

- 4.20.1 an order is made by a court of competent jurisdiction, or a resolution is passed, for the dissolution or administration of that Member (otherwise than in the course of a reorganisation or restructuring previously approved in writing by each other Member, such approval not to be unreasonably withheld or delayed); or
- 4.20.2 a liquidator, manager, receiver, administrator, trustee or other similar officer is appointed in respect of any assets held by that Member, which assets include the Shares; or
- 4.20.3 that Member convenes a meeting of its creditors or makes or proposes any arrangement or composition with, or any assignment for the benefit of, its creditors; or
- 4.20.4 that Member does not pay within 30 Business Days of demand by any other Member any amount payable by it under any provision of the Shareholders Agreement in the manner in which it is expressed to be payable in this Agreement, unless such failure is due to a bona fide dispute between that Member and the other relevant Members.

4.21 Action following an Insolvency Event

Subject to Article 4.3, if an Insolvency Event shall occur in relation to a Member (the "**Affected Party**") then at the instance of the Company either the Affected Party shall be deemed to be a Seller which has given a Transfer Notice in respect of its Shares and the Shares held by any member of its Group, and each other Member shall have the right to purchase those Shares in such manner as set out in Article 4.5 at such price as shall be agreed between the Affected Party and the other Party and, failing agreement as to

such price within 14 days, at the Fair Price to be determined in accordance with Article 4.15. The provisions of Article 4.15 shall apply to this Article 4.20 *mutatis mutandis*.

4.22 Tag Along Rights

On receipt of a Transfer Notice from a Seller, if each Continuing Party elects not to purchase any of the Seller's Shares to which it is entitled, any Continuing Party may (within the time limit prescribed in Article 4.5) give written notice to the Seller that it wishes to participate in the offer by the Third Party Purchaser (in respect of the shares to which that Transfer Notice relates) pro rata its Percentage Interest. Completion of any transfer of shares to a Third Party Purchaser pursuant to this Article 4.22 shall be subject to the conditions that:-

- 4.22.1 the Third Party Purchaser shall first make a written offer (open for acceptance for a period of not less than 20 days from its delivery and served personally on each of the Members) to all the Members to purchase (pro rata their Percentage Interests) the numbers and amounts of shares set out in the Transfer Notice;
- 4.22.2 the Third Party Purchaser simultaneously completes the purchase of all the shares agreed to be sold and purchased as a result of such offer at the same purchase price (on a per share basis) and otherwise on the same terms and conditions) as set out in the Transfer Notice;
- 4.22.3 the offer by the Third Party Purchaser shall not be made conditional upon all or any proportion of the Members accepting such offer,
- 4.22.4 the Third Party Purchaser shall first have entered into an agreement in the form of the Deed of Adherence undertaking to be bound by the terms of the Shareholders Agreement as a Member to the same extent as the relevant Sellers would have been bound had the transfer not been effected;
- 4.22.5 the Third Party Purchaser shall first have complied with all applicable provisions of any Relevant Agreements.

GENERAL MEETINGS AND RESOLUTIONS

- 5.1 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 to the auditors for the time being of the Company.
- 5.2 No business shall be transacted at any general meeting unless a quorum is present. Subject to Article 53 two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.

- 5.3 If and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative shall be a quorum.
- 5.4 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.
- 5.5 Regulations 40 and 41 shall not apply to the Company.
- 5.6 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman is not entitled to a casting vote in addition to any other vote he may have, and Regulation 50 shall not apply to the Company.
- 5.7 Unless otherwise determined by ordinary resolution, Regulation 62 shall apply without modification, except that in the case where the appointment of a proxy and any authority under it is contained in an instrument in writing, such instrument may be deposited at the office or at such other place as specified in the notice convening the meeting up to the commencement of the meeting or may be handed to the chairman of the meeting immediately prior to the commencement of such meeting.

WRITTEN RESOLUTIONS

- 6.1 If and for so long as the Company has only one Member and that Member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting save that this paragraph shall not apply to resolutions passed pursuant to sections 303 and 391 of the Act.
- 6.2 Any decision taken by a sole Member pursuant to Article 6.1 shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book.

APPOINTMENT OF DIRECTORS

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- 7.1 Regulation 64 shall not apply to the Company.
- 7.2 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution in general meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be two.
- 7.3 The board of directors of the Company shall be comprised initially of six voting directors. Each Member holding 15 per cent or more of the shares, or members of a Group individually and/or together holding 15 per cent. or

more of the shares shall be entitled to nominate, remove or replace one person as a director of the Company and in addition any Member holding 30 per cent. or more of the shares or members of a Group individually and/or together holding 30 per cent. or more of the shares, shall be entitled to nominate, remove or replace a second director of the Company. A Member entitled to appoint or remove a director shall exercise the right of appointment or removal by notice in writing served on the Company provided that any such appointment shall only become effective upon receipt by the Company of a Form 288a signed by the proposed director consenting to his appointment, and such director agreeing to any reasonable confidentiality obligations required by the Company.

- 7.4 The directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.
- 7.5 Any director of the Company shall be at liberty from time to time and at any time to make such disclosures concerning the business and affairs of the Company as he shall in his absolute discretion determine, to the Member who appointed him/her (or any company in such Member's group).

POWERS OF THE BOARD OF DIRECTORS

- 8.1 The directors may exercise all the powers of the Company to borrow money upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party. Any borrowing or raising of monies by the Company of an amount of over £10,000 (which shall include the entering into of any finance lease but exclude normal trade credit) shall require the prior unanimous written consent of the Members, other than in respect of any monies raised by the Company through the issue of subordinated loan notes, from time to time, pursuant to the terms of a subordinated loan note deed dated on or around June 2006 and entered into by the Company.
- 8.2 Any expenditure by the Company shall be authorised by at least two directors provided that where such expenditure is being made to a Member or any company within the Member's Group, neither of the authorising directors may be a director nominated by such a Member.

ALTERNATE DIRECTORS

- 9.1 Each director shall be entitled by notice in writing taking immediate effect upon delivery of the same to the registered office or the Company to appoint (and remove) one alternate director and Regulations 65 and 68 shall be amended accordingly. An alternate shall not be entitled to vote at or attend any meeting of the board of directors when the director appointing him is present.

- 9.2 Unless otherwise determined by the Company in general meeting by ordinary resolution an alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may be notice in writing to the Company from time to time direct; and the fast sentence of Regulation 66 in Table A shall be modified accordingly.
- 9.3 A director, or any such other person as is mentioned in Regulation 65 in Table A, may act as an alternate director to represent more the one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to the number of votes held by each director (as allotted to that director in accordance with Article 11.3) represented by him below in addition to his own votes (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

GRATUITIES AND PENSIONS

- 10.1 The directors may exercise the powers of the Company conferred by the Memorandum of Association in relation to the payment of pensions, gratuities and other benefits and shall be entitled to retain any benefits received by them or any of them by reason of such powers.
- 10.2 Regulation 87 shall not apply to the Company.

PROCEEDINGS OF DIRECTORS

- 11.1 A chairman of the board of directors shall be appointed by unanimous decision of the Members and Regulation 91 of Table A shall be amended accordingly.
- 11.2 The chairman of the board of directors shall be entitled to vote in his capacity as a director (but shall not be entitled to a casting vote) at any meeting of the board of directors, and Regulation 88 shall be amended accordingly.
- 11.3 On any vote of the board of directors, the voting rights of each director shall be weighted so that the directors appointed by a single Member or Members in the same Group cast collectively the number of votes equivalent to the total number of shares held by the Member or Group which nominated that-director.
- 11.4 In relation to any agreement relating to the business of the Company to which a Member (the "**Interested Shareholder**") or a member of the Interested Shareholder's Group is a party or proposed party (a "**Related Party Agreement**"), the acts of the Company relating to:-
- 11.4.1 the entry into, variation of and exercise of termination rights under or in connection with any such Related Party Agreement, and

11.4.2 all matters relating to any disputes or potential disputes in connection with any such Related Party Agreement or relating to the replacement of a defaulting party (if such party is an Interested Shareholder or a member of the Interested Shareholder's Group) including, without limitation, the selection of an alternative party and the negotiation and entry into of a replacement contract and the management of such contract,

shall be dealt with by the directors other than the directors) nominated by the Interested Shareholder (for the purposes of this Article 11 "**Interested Directors**") who shall be excluded from all decisions relating thereto, shall not be entitled to exercise any votes on any resolutions proposed in connection therewith and shall not be entitled to receive any information containing or referring to legal advice received by the Company in connection therewith (provided that the Interested Directors shall, unless the other Members unanimously decide otherwise, be permitted to attend and speak at any meeting of the directors held to consider matters contemplated by this Article). Any action on the Company relating to the matters outlined in Article 11.4.1 and 11.4.2 above shall first require a vote in favour by holders of 100 per cent. of the voting rights exercisable by directors other, than the Interested Directors (for the purposes of Article 11 being "**Non-Interested Directors**").

- 11.5 The Non-Interested Directors shall have full and exclusive authority to authorise and require the Company to enter into any such Related Party Agreement as is referred to in Article 11.4 above and to authorise and require that the Company exercise any rights in connection with any such Related Party Agreement on behalf of the Company (including, without limitation, to prosecute, negotiate, litigate and settle any claim arising out of a breach or to exercise any right of termination arising out of a breach).
- 11.6 Subject to Article 11.4 above, a director may vote at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, provided he declares his interest and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- 11.7 Each director shall comply with his obligations to disclose his interest in contracts under section 317 of the Act.
- 11.8 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.
- 11.9 The quorum for any meeting of a board shall, subject to Article 11.4, include at least one director appointed by each Member entitled to appoint a director or directors in accordance with Article 7.3 (or his/her alternate) provided that any director shall have the right to waive his/her entitlement to attend and vote at any meeting of the board by giving written notice thereof to the board and in those circumstances the absence of that director at the relevant

meeting of the board shall not invalidate the quorum. If within half an hour from the time appointed for any board meeting a quorum is not present the meeting shall stand adjourned to a specified time and place (which shall not be earlier than two Business Days after the date originally fixed for the meeting) and the quorum for such adjourned meeting will be any two directors (or their alternates). Provided that, at such adjourned meeting, the business shall be restricted to matters set out in the agenda of issues for discussion at the original meeting and no decision may be taken in relation to any matter listed in Clauses 6.1.1 or 6.1.2 of the Shareholders Agreement. If at any adjourned meeting two such directors (or alternates) are not present within half an hour from the time appointed for the adjourned meeting (or such longer interval as the Chairman of the meeting may think fit to allow) the meeting shall be dissolved. No business shall be transacted at any meeting of the board unless a quorum is present throughout the time that the relevant business is being considered. Each Member shall direct that its director (or alternate) or where any Member appoints two directors at least one of those directors (or their alternates) shall attend such board meeting of the Company properly convened in accordance with the terms of the Shareholders Agreement so that each directors shall not cause the management of the affairs of the Company to become ineffective or unduly delayed.

- 11.10 Regulation 89 of Table A shall not apply to the Company.
- 11.11 Board meetings shall take place on being requested by any one or more of the directors but in any event at least twice in each calendar year and shall be held in either London or Paris by telephone conference call or by any other method as may be agreed from time to time by all the directors. Notice of all board meetings shall be sent to each director in the manner referred to in Article 14 below (or to such other address or facsimile number provided by a director in writing to the Company for such purpose) at least five clear days prior to the dates specified in the notice of meeting unless otherwise agreed by all the directors in writing in relation to a specified notice.
- 11.12 Any director or member of a committee of the board may participate in a meeting of the board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.

THE SEAL

- 12.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of 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. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 shall not apply to the Company.

- 12.2 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.

INDEMNITY

- 13.1 Every director or other officer or auditor 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 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. This Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.
- 13.2 The directors shall have the power to purchase and maintain for any director, offices or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.
- 13.3 Regulation 118 shall not apply to the Company.

NOTICES

- 14.1 All notices given hereunder shall either be delivered by hand or sent by post or facsimile transmission to the addresses notified to the Company, and Regulations 111 to 116 of Table A shall be amended accordingly. A notice shall be deemed to have been served as follows:-
- 14.1.1 if delivered by hand, at the time of delivery;
- 14.1.2 if posted, at the expiration of three Business Days after the envelope containing the same was delivered into the custody of the postal authorities;
- 14.1.3 if communicated by facsimile, at the time of transmission,
- provided that where, in the case of delivery by hand or transmission by facsimile, such delivery or transmission occurs after 6:00pm on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9:00am on the next following Business Day. References to time in this clause are to local time in the country of the addressee and Regulation 115 of Table A shall be amended accordingly.
- 14.2 In proving such service it shall be sufficient to prove that the envelope containing such notice was properly addressed and delivered either to the address shown thereon or into the custody of the postal authorities as a pre-paid first class letter, or that the facsimile transmission was made after

obtaining in person or by telephone appropriate evidence of the capacity of the addressee to receive the same, as the case may be.

A handwritten signature or mark, possibly initials, located in the bottom right corner of the page.