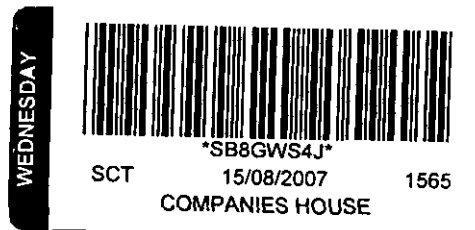


Company No: SC304646

**THE COMPANIES ACTS 1985 AND 1989
COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
of
QUILLCO 226 LIMITED**



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of

QUILLCO 226 LIMITED

(Adopted by special resolution passed
on 10 July 2006 and amended by
Written Resolutions on 18 May 2007 and 5 June 2007)

1. DEFINITIONS

1 1 The regulations contained in Table A shall apply to the Company save in so far as they are excluded or varied by or are inconsistent with these articles and such regulations (save for such exclusions, variations or inconsistencies) and the articles hereinafter contained shall be the articles of association of the Company and references in these articles to a regulation shall be to the regulation of that number contained in Table A

1 2 In these articles, unless the context otherwise requires, the following words and expressions shall have the following meanings

"A Shares" means the A ordinary shares of £0 001 each in the capital of the Company,

"Act" means the Companies Act 1985 including any statutory modification or re enactment of it for the time being in force,

"Adoption Date" means that date of the special resolution by which these Articles of Association were adopted by the Company,

"alternate director" means an alternate director appointed by any director in accordance with these articles,

"Auditors" means the auditors for the time being of the Company,

"B Shares" means B ordinary shares of £0 001 each in the capital of the Company,

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

"Business Plan" means the business plan as defined in the Investment Agreement,

"Chairman" means the chairman of the Board appointed pursuant to article 3 3 and on the terms set out in the Investment Agreement,

"connected persons" shall have the meaning provided by section 839 of the Income and Corporation Taxes Act 1988,

"Credit Agreements" means the agreements entered into between Clydesdale Bank plc and the Company on the date of adoption of these articles relating to the provision of term loan and working capital facilities to the Company (as amended, supplemented or restated from time to time),

"directors" means any director of the Company for the time being,

"Equity Shares" means the A Shares and the B Shares for the time being in issue and all shares derived from them (and any of them) whether by conversion, consolidation or subdivision or by way of rights or bonus issue or otherwise in issue,

"Fair Value" means the price payable for any shares in the Company determined (where required by article 6 2, 6 3 or 6.4) pursuant to article 6 5,

"Family Member" means in relation to Christopher Giles and/or Robin Kirkland and/or Andrew Prescott only, their spouses, children and grandchildren (including step and adopted children),

"Family Trust" means in relation to Christopher Giles and/or Robin Kirkland and/or Andrew Prescott only, a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) under which the only persons being (or capable of being) beneficiaries are those persons and/or their Family Members, and no power of control over the voting powers conferred by such B Shares or A Shares (if any) is exercisable at any time by or subject to the consent of any person other than the trustees as trustees or such individual beneficial owners or their Family Members,

"Financial Year" means a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act,

"Fund" means any collective investment scheme as defined in section 235 of the Financial Services and Markets Act 2000, any investment company or investment trust, any portfolio of assets managed pursuant to a discretionary management agreement and any co investment scheme established in relation to any of the foregoing or any bank, investment trust or investment company, unit trust, building society, industrial provident or friendly society, any other collective investment scheme, any business investor, partnership, limited partnership, pension fund or insurance company or any person who is an authorised person under the Financial Services and Markets Act 2000, and the term will include any subsidiary undertaking of any of the foregoing and any co investment scheme in relation to any of the foregoing,

"Giles Member" means Michael E Giles, Sally A Giles and Nicholas J Giles,

"Good Leaver" means a Leaver (as defined in article 6 3) who ceases to be employed by a Group Company as a result of death, incapacity, wrongful dismissal or redundancy or who is deemed to be a Good Leaver with Investor Consent,

"Group Company" means the Company and any subsidiary or subsidiary undertaking for the time being of the Company,

"holder" means in relation to shares the Member whose name is entered in the Register of Members as the holder of such shares,

"Interest Rate" means four per cent over the base rate from time to time of Clydesdale Bank plc,

"Investment Agreement" means the investment agreement of even date to the date of the adoption of these articles and made between (1) the Company, (2) the Subsidiary, (3) the Managers (as defined therein), (4) the Investors (as defined therein) and (5) The Lead Investor as the same may be amended or supplemented from time to time,

"Investor" means as that term is defined in the Investment Agreement,

"Investor Consent" means the consent or approval of the Investors, the Majority Investors or the Investor Director as appropriate (or of The Lead Investor on behalf of the Investors, the Majority Investors or the Investor Director as appropriate) (including any conditions to which such consent or approval is subject) given in writing,

"Investor Director" means a director appointed pursuant to article 3 3 as an Investor Director and on the terms set out in the Investment Agreement,

"Lead Investor" means Gresham LLP, on behalf of the Investors,

"Listing" means the unconditional granting of permission for any of the Equity Shares (or any Ordinary Shares arising on conversion) to be dealt in on any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),

"Loan Notes" means the £26,465,750 unsecured loan notes issued by the Subsidiary and constituted by the loan note instrument dated the same date as the date of adoption of these articles,

"Majority Investors" means the holders of more than 50 per cent of the issued A Shares from time to time,

"Member" means a person for the time being registered in the Register of Members as the holder of any shares in the capital of the Company,

"Permitted Transfer" means a transfer of shares in the Company permitted by article 6 2,

"Sale" means the acceptance of an offer or the making or signing of a binding agreement which upon the satisfaction of the conditions (if any) of

such offer or agreement results in the obtaining of a Controlling Interest as defined in article 6 6,

"Table A" means the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000, and

"Transfer Notice" means a notice given or deemed to have been given in relation to any shares in the Company as specified in article 6

1 3 If appropriate, the word **"company"** shall be deemed to include a limited liability partnership, and references to employees or directors of a company shall be deemed to include members of a limited liability partnership

1 4 For the purposes of these articles, a body corporate shall be deemed to be in the same group as another body corporate if the second body corporate is a subsidiary or holding company of the first body corporate, or it is a subsidiary of any such holding company and the words **"holding company"** and **"subsidiary"** shall have the meanings given in section 736 of the Companies Act 1985, except that when used in connection with an entity which is a limited liability partnership the words "holding company" and "subsidiary" shall have the meanings given in section 736 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001

2. SHARE CAPITAL

The authorised share capital of the Company at the date of the adoption of these articles is £101,616 161 divided into

2 1 56,126,161 A Shares, and

2.2 45,490,000 B Shares,

3. CLASS RIGHTS

The special rights and restrictions attached to and imposed on the A Shares and the B Shares respectively are set out below

3.1 Income:

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

3.2 Capital: General

In the event of a winding up of the Company or other return of capital the assets of the Company remaining after payment of its debts and liabilities (exclusive of the costs, charges and expenses of such winding up) shall be paid to the holders of the A Shares and the holders of the B Shares, as if one class, *pari passu* and in proportion to the number of Equity Shares held by them

3.3 Directors

- 3.3 1 The Investors or any one of them shall have the right from time to time to appoint one person as a non executive director (who shall be designated as the Investor Director) of the Company and of each of its subsidiaries and to remove from office any person so appointed and to appoint another person in his place
- 3 3 2 Any appointment or removal pursuant to article 3 3 1 above shall be effected in the manner specified in the Investment Agreement and shall be subject to the terms and conditions contained therein

3.4 Voting: Equity Shares

- 3 4 1 Subject to the provisions of article 3 4 2 and subject to article 6 3 2 1, the holders of the Equity Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company and upon any resolution proposed at such general meeting on a show of hands and on a poll every holder thereof who (being an individual) is present in person or by proxy or (if a corporation) by a duly authorised representative shall have one vote in respect of each fully paid Equity Share registered in his name
- 3 4 2 If
- 3 4 2.1 there is a breach of these articles by any holder of B Shares who are directors of the Company or of the Investment Agreement by any of the Managers (as defined therein) having a material adverse effect on the Company and remaining unremedied for a period exceeding 14 days from the date when the Investors serve notice requiring the breach to be remedied, or
- 3 4 2 2 either the chief executive or the chief operating officer are guilty of fraud and/or gross negligence in relation to the operation of the Company or any Group Company or any such person knowingly conceals the commission of any fraud and/or gross negligence and/or fails to disclose it to the Investor Director, or
- 3 4 2 3 the financial information considered at a Board meeting (which shall not be varied from the financial information contained in the budget of the Company for that financial period, which budget has been approved by the Lead Investor) forecasts that an Event of Default (as defined in the Credit Agreements) is likely to occur when the financial covenants contained in the Credit Agreements are next tested, or
- 3.4 2.4 the occurrence of an Event of Default (as defined in the Credit Agreements), or
- 3 4 2 5 any interest which becomes payable in cash by the Subsidiary in respect of the Loan Notes is not paid on its due date (for

whatever reason) and remains unremedied for a period exceeding 14 days from the due date, or

3 4 2 6 the Subsidiary has failed or been unable to redeem any of the Loan Notes on their due date for redemption in accordance with the Loan Note Instrument and remains unremedied for a period exceeding 14 days from the due date;

then, the Lead Investor or the Investor Director may serve a notice ("**Step-in Notice**") in writing upon the Company specifying that, with effect from the date of such Step in Notice until either

3 4 2 7 such Step in Notice is withdrawn by a further notice in writing from the Lead Investor or the Investor Director, or

3 4 2 8 if the Step in Notice was served due to the occurrence of circumstances falling within articles 3 4 2 4 to 3 4 2 6 (inclusive), and in the opinion of the Investor Director (acting reasonably) such circumstances have been remedied to such an extent that the rights to serve a Step in Notice would not then apply by reference to the circumstances that exist at that time and no other circumstances exist which would entitle a Step in Notice to be served,

the holders of the B Shares shall not (in their capacity as holders of such shares) be entitled to receive notice of or to attend and vote at general meetings of the Company, and that the A Shares held by the Investors shall entitle the holders thereof to 10 votes per A Share held by such Investors

3 4 3 If any one or more of the circumstances or events giving rise to the application of article 3 4 2 above shall arise or occur the Board shall, upon receipt of a written requisition to that effect signed by the Lead Investor forthwith convene an extraordinary general meeting for a date not later than 28 days after receipt of the requisition to consider such resolutions as shall be specified in such requisition and in default, such Member shall be entitled at the cost of the Company to convene such meeting but any meeting so convened shall not be held after the expiry of 56 days after the date of such requisition

4. VARIATION OF RIGHTS

4 1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may only be varied or abrogated with the consent in writing of the holders of more than three fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class, but not otherwise

4 2 To every meeting of the members of a class or classes of shares, all the provisions of these articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply except that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal value of the issued shares of the class, unless

- 4 2 1 all the shares of any class are registered in the name of a single shareholder, in which case the quorum shall be one person being that Member or the duly authorised representative of such Member, or
- 4 2 2 if at any adjourned meeting of such holders a quorum, as above defined, is not present those Members who are present shall be a quorum
- 4 3 Without prejudice to the generality of articles 4 1 and 4 2, the special rights attached to the A Shares shall be deemed to be varied by, and accordingly the prior consent (in writing or in separate meeting) of the Majority Investors shall be required in accordance with the provisions of articles 4 1 and 4 2, the occurrence of any matter listed in schedule 5 to the Investment Agreement

5. SUBSCRIPTION RIGHTS

- 5 1 Save as otherwise provided in any special resolution of the Company, all new shares shall be offered for subscription to the holders of Equity Shares (as if one class), as nearly as possible to avoid fractions of shares, in amounts which are pro rata to the number of Equity Shares held by them
- 5 2 The offer shall be made by notice specifying the number of shares to which the relevant holder is entitled and limiting a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined After the expiration of such time, or on the receipt of an intimation from the holder to whom such notice is given that he declines to accept the shares so offered, the Company shall extend the offer to all other Members (on a pro rata basis) to include those shares not taken up
- 5 3 If, owing to the inequality in the number of new shares to be issued and the number of shares held by Members entitled to have the offer of new shares any difficulty shall arise in the apportionment of any such new shares amongst the Members such difficulties shall be determined by the Investor
- 5 4 If the share capital of the Company comprises shares of more than one class, a Member holding shares in the Company of one class only to whom shares are to be allotted pursuant to this article 5, shall be allotted shares of the same class as those held by him immediately prior to such allotment The Members shall vote in favour of such resolutions as may be required to re classify shares to give effect to this article 5 4
- 5 5 The provisions of section 89(1) and sections 90(1) to (6) of the Act shall not apply to the Company

6. TRANSFER OF SHARES

6.1 General provisions

- 6 1 1 Notwithstanding any other provision in these articles, the Board shall refuse to register the transfer of any shares in the capital of the Company

6 1 1 1 being a share which is not fully paid, to a person of whom it does not approve,

6 1 1 2 on which the Company has a lien,

6 1 1 3 to a person who is (or whom the Board reasonably believes to be) under 18 years of age or a person who does not have (or whom the directors reasonably believe does not have) the legal capacity freely to dispose of any shares without let, hindrance or court order, or

6 1 1 4 purported to be made otherwise than in accordance with or as permitted by these articles,

6 1 1 5 to any person who has not executed a deed of adherence to the Investment Agreement in a form approved by the Board (with Investor Consent) and/or has not executed the Management Rights (ERISA) letter in a form approved by the Board (with Investor Consent),

6 1 1 6 to any person whom the Board or the Investor Director (acting reasonably) considers to be interested in any way in any business or activity which is in competition with any business activity carried on or intended to be carried on by the Company or to any persons whose interests conflict with the interests of the Company

6 1 2 The transferor of the legal interest in shares shall remain the legal holder of the shares concerned until the name of the transferee of the legal interest in the shares concerned is entered into the Register of Members in respect thereof

6 1 3 For the purpose of these articles the following shall be deemed (but without limitation) to be a transfer by a Member of shares in the Company

6 1 3 1 any direction (by way of renunciation or otherwise) by a Member entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself, and

6 1 3 2 any sale or any other disposition of any legal or equitable interest in a share or the granting of any mortgage or charge or any other security interest over any share and whether or not effected by a Member or otherwise, whether or not for consideration or otherwise and whether or not effected by an instrument in writing

6 1 4 The lien conferred by regulation 8 of Table A 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, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder of them or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company

6.2 Permitted Transfers

- 6 2 1 Any Member being a company shall be entitled, without restriction as to price or otherwise, to transfer all or any of their shares in the Company or any beneficial interest therein or any rights attaching thereto to any subsidiary or holding company for the time being of any of such Member or any subsidiary of any such holding company
- 6 2 2 Where a Member holds shares in the Company as a nominee or trustee, that Member may transfer those shares to any other nominee or trustee, whether directly or indirectly, holding shares for the same beneficiaries
- 6 2 3 Christopher Giles and/or Robin Kirkland and/or Andrew Prescott may transfer shares to a Family Member or a Family Trust provided that
- 6 2 3 1 no such person shall transfer more than 50 per cent of the shares registered in his name at the Adoption Date,
- 6 2 3 2 if a person to whom shares have been transferred ceases to be a Family Member or ceases to be a trustee of a Family Trust of such person, then the transferee shall promptly notify the Company and transfer all such shares to the original holder or to another Family Member of that original holder.
- 6 2 4 A Giles Member may at any time transfer shares in the Company to Christopher Giles without restriction as to price or otherwise
- 6 2 5 Any Investor, or their nominee, or any person whose business is to make, manage or advise on investments (or any person to whom any of them may have transferred shares in the Company pursuant to this article 6 2 5 or any subsequent permitted transferee of such shares) may transfer shares in the Company
- 6 2 5 1 to the beneficial owner or owners in respect of which the transferor is a nominee, custodian or trustee or to any other nominee, custodian or trustee for such beneficial owner or owners,
- 6 2 5 2 in the case of an Investor which is a Fund
- (a) to any Fund managed or advised by the manager or investment adviser for the time being of the Investor or by any company which is in the same group as the manager or investment adviser of the Investor,
 - (b) to any investor in the Investor, or
 - (c) to any manager or investment adviser for the time being of the Investor, to any company which is in the same group as the manager or investment adviser for the time being of the Investor and to any employee or director of, or any consultant to, any such entity,

6 2 5 3 to any entity which invests in parallel to, or co invests with, the Investor, or

6 2 5 4 to a nominee, custodian or trustee of, or to a member of the same group as, the transferor or any of the persons referred to in articles 6 2 5.1, 6.2 5 2 or 6 2.5 3

6 2 6 In the event that any person to whom shares are transferred pursuant to this article 6 2 ceases to be within the required relationship to the original transferee such shares shall be transferred back to the person who originally transferred them or to any other person falling within the required relationship and if the holder of such shares fails to transfer the shares in those circumstances such holder shall be deemed to have served a Transfer Notice and the provisions of article 6.4 shall apply mutatis mutandis provided that the Transfer Price shall be the Fair Value

6 2 7 Subject to the provisions of these articles, any Member may at any time transfer any shares in accordance with the provisions of the Act to the Company

6 2 8 Any Member may at any time transfer shares or any beneficial interest therein to any other person for whatever consideration with the prior written consent of the holders of 90 per cent of the Equity Shares

6.3 Compulsory transfers

6 3 1 For the purpose of this article

6 3 1 1 "**Leaver**" means any person who is at the date of adoption of these articles or who later becomes an employee of any Group Company and who subsequently ceases to be so employed (and does not continue to be so employed) for any reason whatsoever (including death or as a result of a Group Company ceasing to be a subsidiary of the Company),

6 3 1 2 "**Leaver's Shares**" means, at the date a person becomes a Leaver, all B Shares held by the Leaver and all B Shares held by his Family Members and Family Trusts;

6 3 1 3 "**Cost Price**" means the consideration payable or credited as paid (including any share premium) in respect of the first allotment of the Leaver's Shares

6 3 1 4 "**Good Leaver**" means a Leaver who becomes a Leaver as a result of death, incapacity, or wrongful dismissal or redundancy, or with Investor Consent

6 3.2 Upon a person becoming a Leaver

6 3.2 1 all Shares held by the Leaver and all Shares held by his Family Members and Family Trusts shall immediately cease to entitle the holders thereof to attend and vote at general meetings of the Company, provided that this restriction shall

cease to apply to the Leaver's Shares (but not to any A Shares held by the Leaver and his Family Members and Family Trusts) immediately upon those Leaver's Shares being registered in the name of another person pursuant to this article 6,

6 3 2 2 the Company shall, within 14 days of the date on which the person became a Leaver, give written notice of such occurrence (such notice to include details of all the Leaver's Shares) to the Investor Director;

6 3 2 3 unless the Board (with Investor Consent) otherwise resolves within 90 days (or such shorter period as the Investor Director shall determine) following the date on which that person becomes a Leaver, the Leaver shall be deemed to have issued a Transfer Notice in respect of all the Leaver's Shares on the date on which such period expires, in which case the provisions of article 6 4 will apply, and

6 3 2 4 unless the Board with Investor Consent otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's Shares shall immediately be cancelled (unless all the shares subject to it have already been sold) and no further Transfer Notice shall be issued or deemed to be issued in respect of the Leaver's Shares (except under article 6 3 2 3 above)

6 3 3 In respect of a deemed Transfer Notice under article 6 3 2 3 above the price per B Share shall be determined as follows

6 3.3 1 where the Leaver is Christopher Giles, or Robin Kirkland or Andrew Prescott the price shall be Fair Value,

6 3 3 2 if the Leaver ceases to be employed and is a Good Leaver the price shall be Fair Value,

6 3 3 3 subject to article 6 3 3 1, if the Leaver ceases to be employed prior to the third anniversary of the Adoption Date in the case of Gordon Tulloch, Michael Quinn, Keith Syrett, Steven Lee Smith and Sean Finnigan and the fifth anniversary of the Adoption Date in the case of Derek Gardner or any other Leaver who acquires B Shares on or after the Adoption Date for any reason other than as a Good Leaver, the price shall be the lower of Fair Value and Cost Price, and

6 3 3 4 if the Leaver ceases to be employed after the third anniversary of the Adoption Date in the case of Gordon Tulloch, Michael Quinn, Keith Syrett, Steven Lee Smith and Sean Finnigan and the fifth anniversary of the Adoption Date in the case of Derek Gardner or any other Leaver who acquires B Shares on or after the Adoption Date for any reason other than as a Good Leaver, the price shall be the Fair Value

6 3 4 The Fair Value shall be calculated as at the date the Leaver becomes a Leaver. In any particular case, the Board, with Investor Consent, may agree with the transferor a variation of the amount of the Fair Value or the Cost Price for the purposes of these articles

6 3 5 Unless and until the Board shall have passed a resolution under article 6 3 2 3 above, none of the relevant Leaver's Shares shall, until transferred in accordance with this article 6 3 or article 6 4, entitle the transferor of such shares to receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of shares of the same class and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of a written resolution of any Members or class of Members albeit that all shares so disenfranchised shall on a transfer in accordance with this article be re enfranchised

6 3 6 If within 14 days of a Transfer Notice having been deemed to have been issued or, if later, within 7 days of agreement or determination of the transfer price of the Leaver's Shares, the Investor Director requires, by written notice to the Company ("**Priority Notice**") that all or any of such Leaver's Shares be offered for sale to one or more of the following (to be determined by the Investor Director)

6 3 6 1 a person or persons (whether or not then ascertained) who it is proposed should be appointed as a director(s) and/or employee(s) of the Company whether or not in place of the Leaver ("**New Member(s)**"),

6 3 6 2 any person or persons who is or are already a director or employee of the Company, whether or not that person already holds Equity Shares ("**Existing Director(s)**"),

6 3 6 3 the Company, for the purposes of an own share purchase pursuant to sections 162 169 of the Act,

6 3 6 4 an employee benefit trust established for the benefit of some or all of the employees of the Company or any Group Company; or

6 3 6 5 not less than two persons designated by the Investor Director (together 6.3 8 4 and 6 3 8 5 being "**Custodians**"),

then the provisions of article 6 3 7 below shall apply

6 3.7 If a Priority Notice is given in relation to all or any of the Leaver's Shares ("**Priority Shares**") and Priority Shares are acquired by

6 3 7 1 New Member(s),

6 3 7 2 Existing Director(s),

6 3 7 3 the Company, or

6 3 7 4 Custodian(s),

within 90 days of service of the Priority Notice, the provisions of article 6 3 2 3 shall cease to apply to the Priority Shares so acquired and any Transfer Notice deemed to have been served in respect of the acquired Priority Shares shall lapse. For the avoidance of doubt, the provision of article 6 3 2 3 and article 6 4 shall continue to apply if and to the extent that the Priority Shares are not acquired by the Company or the relevant person or Custodian specified in the Priority Notice within the said 90 day time period

6 3 8 If Custodians become the holders of Priority Shares, then they shall hold the same on, and subject to, the following terms

6 3 8 1 save with Investor Consent, they may not exercise the voting rights (if any) for the time being attaching to such Priority Shares,

6 3 8 2 save with Investor Consent, they shall not encumber the same, and

6 3 8 3 they will transfer the legal title to such Priority Shares and all such other interests as they may have therein to (and only to) such person or persons and at such time or times and otherwise on such terms as the Majority Investors, may from time to time direct by notice in writing to the Custodians

6 3 9 For the purposes of article 6 3 8 3 above, the Board, with the consent of the Majority Investors may not direct the Custodians to transfer all or any Priority Shares other than to a person who is an existing director and/or employee of the Company or who has agreed (subject only to Priority Shares being transferred to him) to accept appointment as such a director and/or employee save with the prior approval of the holders of more than 50 per cent of the B Shares, provided that the Custodians shall always be at liberty to transfer shares to the Company pursuant to an own share purchase pursuant to sections 162 169 of the Act

6 3 10 To the extent that the Priority Shares remaining in issue are not transferred to a director and/or employee of the Company in accordance with this article 6 3 within 12 months of a Priority Notice being issued to the Company (or such shorter period as the Board (with Investor Consent) shall determine), the Custodians shall be deemed to have served a Transfer Notice on the date on which such period expires and the provisions of article 6 4 shall apply

6.4 Transfer procedure

6 4 1 Any Member who wishes to sell or transfer shares or any beneficial interest therein ("**Vendor**") otherwise than by means of a Permitted Transfer and save as provided in article 6 3 (Compulsory transfers) or where article 6 6 (Change of control) applies shall give a Transfer Notice to the Company specifying

6 4 1 1 the shares which he wishes to sell or transfer ("**Sale Shares**"),

- 6 4.1 2 the name of any third party to whom he proposes to sell or transfer the Sale Shares (if any),
- 6 4.1 3 the price at which he wishes to sell or transfer the Sale Shares, and
- 6 4 1 4 whether or not it is conditional upon all and not part only of the Sale Shares comprised being sold or offered and in the absence of such stipulation it shall be deemed not to be so conditional ("**Total Transfer Condition**")
- 6 4 2 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares in accordance with this article 6 4, at the following price ("**Transfer Price**")
 - 6 4 2 1 with Investor Consent, at the price specified in the Transfer Notice; or
 - 6 4 2 2 at such other price as may be agreed between the Vendor and the Board (with Investor Consent), or
 - 6 4 2 3 if such price cannot be so agreed, at the Fair Value
- 6 4.3 A Transfer Notice once given or deemed to be given shall not be capable of withdrawal without Investor Consent, save that
 - 6 4 3 1 where the Vendor has served (as opposed to being deemed to have served) a Transfer Notice in circumstances where the Vendor is not obliged to do so pursuant to these articles, and
 - 6 4 3 2 the Fair Value is either less than the price specified in the Transfer Notice or, if no price was specified, is otherwise not acceptable to the Vendor,

the Vendor shall be entitled to withdraw such Transfer Notice. The Vendor shall be obliged to accept the Fair Value or reject the same and withdraw the Transfer Notice within seven days of having been notified of the Fair Value in writing. If he fails so to do, the Vendor shall be deemed to have accepted the same and the Transfer Notice may not subsequently be withdrawn without Investor Consent.
- 6 4 4 The Company shall
 - 6 4 4 1 subject to articles 6 4 4 2 and 6 4 4 3, not earlier than 14 days nor later than 21 days of receipt of a Transfer Notice,
 - 6.4 4 2 subject to article 6 4 4 3, where the Fair Value is to be determined, not earlier than 7 days nor later than 14 days of receipt of such valuation, or
 - 6 4 4 3 where a Priority Notice has been served in accordance with article 6 3 6, upon expiry of the 90 day period stated in article 6 3 7,

give notice in writing to each of the Members who are Members holding Equity Shares at the close of business on the date that the Transfer Notice is received by the Company (other than the Vendor or any other Member who has served or who is deemed to have served a Transfer Notice which is still outstanding) ("**Relevant Member**") informing them that the Sale Shares are available and of the Transfer Price and shall invite him to state in writing within 45 days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares

6 4 5 All Sale Shares mentioned in any Transfer Notice shall be offered on the terms that, in the case of competition, the shares so offered shall be sold to the Relevant Members accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares of the relevant class of Shares as shown below ("**proportionate entitlement**") It shall be open to each Relevant Member to specify if he is willing to purchase shares in excess of his proportionate entitlement ("**excess shares**") It will be a term of any offer made pursuant to this article that, if Members holding Shares of more than one class apply for some or all of the Sale Shares, the Sale Shares of a particular class specified in column (1) in the table below will be treated as offered

(a) in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below, and

(b) to the extent not accepted by persons in column (2) (whether as part of their proportionate entitlement or as excess shares), to all persons in the category set out in the corresponding line in column (3) in the table below

(1)	(2)	(3)
Class of Sale Shares	First Priority	Second Priority
A Shares	A Shareholders	B Shareholders
B Shares	B Shareholders	A Shareholders

6 4 6 After the expiry of the said period of 45 days or sooner, if all the Sale Shares offered shall have been accepted in the manner provided in article 6 4 5 above, the Board shall allocate the Sale Shares in the following manner

6 4 6 1 if the total number of shares applied for is equal to or less than the number of the Sale Shares, the Company shall allocate the number applied for in accordance with the applications, or

6 4 6 2 if the total number of shares applied for is more than the number of Sale Shares, each Relevant Member shall be allocated his proportionate entitlement or such lesser number of Sale Shares for which he may have applied and applications for excess shares shall be allocated (as nearly as may be) in

the proportions which applications for excess shares bear to one another,

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

- 6 4 7 Subject to article 6 4 8 below, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the shares comprised in the Allocation Notice to the Applicant named therein at the time and place therein specified. If he makes any default in so doing the Chairman, or failing him one of the directors or some other person duly nominated by the Investor Director, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, a transfer of the relevant Sale Shares to the Applicant and the Board may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Applicant in the register of Members as the holder or holders by transfer of the shares so purchased by him or them. The Company shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the Vendor until he shall deliver up his certificate or certificates for the relevant shares to the Company (or an indemnity in respect thereof reasonably satisfactory to the Company) when he shall thereupon be paid the purchase money. The Company shall have no liability to pay or account for any interest on any such monies
- 6 4 8 If the Transfer Notice included a Total Transfer Condition then, if the total number of shares applied for is less than the number of Sale Shares, the Allocation Notice shall refer to such provision and shall contain a further invitation open for 28 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sale in accordance with the preceding paragraphs of this article 6 4 shall be conditional upon such provisions as aforesaid being complied with in full
- 6 4 9 In the event of all the Sale Shares not being sold under the preceding paragraphs of this article 6 4 the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares not sold to any person or persons at any price being not less than the Transfer Price provided that
- 6 4 9 1 such person or persons must have been previously approved by the Majority Investors such approval not to be unreasonably withheld unless the proposed transferee is a person reasonably considered by the Majority Investors to be a

competitor or connected with a competitor of the business of the Company and its subsidiaries,

6 4 9 2 if the Transfer Notice included a Total Transfer Condition, the Vendor shall not be entitled, save with the written consent of the holders of 90 per cent of the Equity Shares (excluding the Vendor), to sell hereunder only some of the Sale Shares to such person or persons, and

6 4 9 3 any such sale shall be a bona fide sale and the Board and/or the Investor Director may require to be reasonably satisfied, in such manner as they may require, that the Sale Shares are being sold in pursuance of a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied the Board may refuse to register the instrument of transfer

6 4 10 For the purpose of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Board and/or the Investor Director may from time to time require any Member or the legal personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Board and/or the Investor Director may, acting reasonably, think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names and addresses and interests of all persons respectively having interests in the shares from time to time registered in the Member's name Failing such information or evidence being furnished to the satisfaction of the Board and/or the Investor Director within 28 days after request the Board (unless otherwise agreed by the Investor Director) shall refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any shares the Board and/or the Investor Director may by notice in writing require that a Transfer Notice be given in respect of the shares concerned

6.5 Fair Value

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

6 5 1 The Fair Value shall be determined on the application of the Board (with Investor Consent) by the Auditors acting as experts and not as arbitrators and their determination shall be final and binding The costs of the Auditors shall be payable by the Company unless the Board (with Investor Consent) has offered a price for the shares which has not been accepted by the Vendor and the Fair Value is determined to be less than that price, in which case, the costs of the Auditors shall be borne by the Vendor

6 5 2 The Fair Value shall be determined by the Auditors first valuing the Equity Shares then in issue

6 5 2 1 assuming that the entire issued share capital of the Company is being sold as between willing buyer and willing seller by arm's length private treaty for cash payable in full on completion, and

6 5 2 2 taking account of any shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding,

6 5 3 Having valued the Equity Shares in issue, the Auditors shall determine the Fair Value of the shares concerned having regard to the rights and restrictions attached to the shares concerned in respect of income and capital but disregarding the fact that the shares represent a minority or majority of the Equity Shares then in issue and the restrictions in article 6 3

6.6 Tag Along and Drag Along

6 6 1 Notwithstanding the provisions relating to the transfer of shares in these articles, no transfer of shares which would result, if made and registered, in a person obtaining or increasing a Controlling Interest shall be made or registered unless an Approved Offer is made

6 6 2 For the purposes of this article 6 6

"Approved Offer" means an offer in writing for all the Equity Shares (including any shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into shares in existence at the date of such offer) on equal terms as if the Equity Shares were one class (unless in the case of a particular Member less favourable terms are agreed in writing) and which

6.6 2 1 is stipulated to be open for acceptance for at least 21 days,

6 6 2 2 includes an undertaking by the offeror that neither it nor any person acting by agreement or understanding with it has entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of Equity Shares,

6 6 2.3 except with Investor Consent, in the case of the A Shares includes provision for the payment of a price for each A Share which is not less than the subscription price (including any premium),

6 6 2 4 except with Investor Consent, makes provision for the redemption of all outstanding Loan Notes (including payment of all arrears or accruals of interest), and

6 6 2 5 has Investor Consent

"Controlling Interest" in relation to a person means the ownership by that person and his or its connected persons of shares carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at a general meeting of the Company at the date of the Approved Offer

6 6 3 Any transfer of shares in the Company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these articles

6 6 4 Any transfer of A Shares which is a Permitted Transfer and which results in a person obtaining or increasing a Controlling Interest shall not require an Approved Offer

6 6 5 If at any time

- (a) following the service of a Step in Notice, or
- (b) the Lead Investor or the Investor Director may serve a Step in Notice in accordance with article 3 4, or
- (c) following the date when Christopher Giles becomes a Leaver,

an Approved Offer is made which is accepted by the Investors, the holders of shares in the Company who have not accepted the Approved Offer shall be obliged to accept the Approved Offer in respect of the shares held by them and to sell all of the shares held by them in accordance with such Approved Offer

6 6 6 If any person ("**Compulsory Transferor**") fails to transfer any shares in accordance with article 6 6 5 above within 28 days of the Approved Offer having been made the directors may (and will, if so requested by the Investor Director) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty) The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) The Compulsory Transferor shall in such case be bound to deliver up his certificate for such shares to the Company whereupon he shall be entitled to receive the purchase price without interest

7. GENERAL MEETINGS

7 1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business Two persons, being a Member present in person or by proxy or a duly authorised representative of a corporation, shall be a quorum at any general meeting Notwithstanding the foregoing and so long as there are any A Shares in issue, there shall be no quorum unless there shall be present (in person or by proxy or by duly authorised representative) one or more of the Investors

Notwithstanding the foregoing, unless a Step In Notice has been served, for so long as B Shares are in issue there shall be present in person or by proxy or by duly authorised representative, the holder(s) of not less than 30 per cent of the issued B Shares in the Company. If no such quorum is so present then the meeting shall stand adjourned for a period of not less than seven days to such time and place as the directors shall agree and notify to the Members. If no such Member is so present at the adjourned meeting then subject to the foregoing provisions of this article the Members then present in person or by proxy or by duly authorised representatives shall constitute a quorum

- 7 2 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote
- 7 3 With respect to any such resolution in writing as is referred to in regulation 53 of Table A, in the case of a corporation which holds a share, the signature of any director or the secretary thereof shall be sufficient for the purposes of regulation 53
- 7 4 All business shall be deemed special that is transacted at an extraordinary general meeting and also all that is transacted at an annual general meeting, with the exception of the consideration of the audited accounts and the reports of the directors and the Auditors and the appointment, and the fixing of the remuneration of the Auditors
- 7 5 The instrument appointing the proxy shall be effective if such appointment is brought to the attention of the chairman of the meeting at any time prior to the taking of any vote (whether on a show of hands or on a poll) (including after the commencement of the meeting). A proxy shall be entitled to vote on a show of hands

8. ACCOUNTS AND ANNUAL GENERAL MEETINGS

- 8 1 Every Financial Year of the Company shall commence on 1 September and end on 30 August in the following year. The directors shall cause to be prepared, in accordance with the provisions of the Act
 - 8 1 1 a consolidated balance sheet of the Company and its subsidiaries as at the end of each such Financial Year,
 - 8 1 2 a consolidated profit and loss account of the Company and its subsidiaries for each such Financial Year, and
 - 8 1 3 a cash flow statement of the Company and its subsidiaries as at the end of each such Financial Year,which said balance sheet, profit and loss account and cash flow statement are hereinafter collectively referred to as the "**Accounts**"
- 8 2 An annual general meeting of the Company shall be held not later than the last business day of the month of July in each calendar year in respect of the Financial Year ended on the immediately preceding 31 March. The directors shall cause to be laid before each such annual general meeting the Accounts for such Financial Year together with the respective reports thereon of the

directors and of the Auditors such reports complying with the provisions of the Act

9. DIRECTORS

- 9 1 The directors shall not be subject to retirement by rotation and regulations 73 to 75 (inclusive) and the last sentence of regulation 84 of Table A shall not apply and regulations 76 to 79 (inclusive) shall be amended accordingly
- 9.2 A person may be appointed a director notwithstanding that he shall have attained the age of 70 years and no director shall be liable to vacate office by reason of his attaining that or any other age
- 9 3 In the case of an equality of votes at any meeting the chairman of the meeting shall not be entitled to a second or casting vote Regulation 88 of Table A shall be modified accordingly.
- 9 4 No director of the Company, other than the Investor Director or another director acting with the prior written consent of the Investor Director, shall be entitled to appoint an alternate. An alternate director shall be entitled, at any meeting of the Board or of any committee of the Board, to one vote (save to the extent that clause 6 8 of the Investment Agreement may apply) for the Investor Director whom he represents in addition to his own vote (if any) as a director
- 9 5 The Investor Director may by notice in writing served on the Company appoint such person as he shall determine to be their alternate director and may by notice in writing served on the Company remove an alternate director so appointed by him and regulation 65 of Table A shall be amended accordingly
- 9 6 The quorum for the transaction of the business of the Board shall be three (one of whom shall be the Investor Director) provided that no business transacted at a meeting of the Board shall be valid unless at least seven days' prior written notice of such meeting shall have been served on the Investor Director or (if one has not been appointed) on the Lead Investor or such notice has been waived in writing by the Investor Director or (if one has not been appointed) by the Lead Investor and unless (if appointed) the Investor Director is present in person or by their alternate directors (unless they shall have previously waived in writing the requirement of his attendance in relation to that meeting) If the Investor Director is not present notwithstanding such notice (unless they have waived their attendance as aforesaid) then the meeting shall stand adjourned for a period of not less than seven days to such time and place as those directors present shall agree and notify to the Investor Director If the Investor Director fails to attend such adjourned meeting whether in person or by their alternate directors the meeting may notwithstanding proceed
- 9 7 Any director or member of a committee of the Board may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting

9 8 Except with Investor Consent, a director shall not vote as a director on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever and if he shall so vote on any such resolution as aforesaid his vote shall not be counted.

9.9 The remuneration of the directors shall be determined in accordance with the Investment Agreement

10. BORROWING POWERS

10 1 Subject as provided in these articles the Board may exercise all the powers of the Company (whether express or implied).

10 1 1 to borrow or secure the payment of money,

10 1 2 to guarantee the payment of money and the fulfilment of obligations and the performance of contracts,

10 1 3 to enter into leasing, hire or credit purchase transactions, and

10 1 4 to mortgage or charge the property, assets and uncalled capital of the Company and issuing debentures

10 2 In exercising such powers no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this article 10 is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to whom the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed had been or was thereby exceeded

11. INDEMNITY

11 1 Subject to the provisions of the Act, every director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, 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 (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company 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 proper execution of the duties of his office or in relation thereto

11 2 Without prejudice to the provisions of article 11 1, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the Company or of any subsidiary undertaking of the Company including (without prejudice to the generality of the foregoing) insurance against any

liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such subsidiary undertaking

- 11 3 Subject to the provisions of the Act, a director shall (in the absence of some other material interest as is indicated below) be entitled to vote in respect of any resolution concerning any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any directors of the Company provided that for the purposes of this article 11 3 insurance shall mean only insurance against the liability incurred by a director in respect of any such act or omission by him as is referred to in article 11 2 or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including directors of the Company

12. TABLE A

- 12 1 Regulation 1 shall apply to the construction of these articles and in the final sentence of regulation 1 "Articles" shall be substituted for "Regulations"
- 12 2 Regulations 2, 26, 40, 41, 62, 65, 73 to 80 (inclusive), 82, 89, 91, 95, 96 and 118, shall not apply to the Company
- 12 3 The following provisions of Table A shall not apply to the Company
- 12 3 1 the first sentence of regulation 24,
- 12 3 2 paragraph (e) of regulation 81,
- 12 3 3 the last sentence of regulation 84, and
- 12 3 4 the third sentence of regulation 88
- 12 4 The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 of the words "and all expenses that may have been incurred by the Company by reason of such non payment"
- 12 5 The first sentence of regulation 37 shall be amended by inserting the words "(without prejudice to the rights of the holders of the B Ordinary Shares)" after the words "general meeting and," and by replacing the words "eight weeks" with the words "28 days"
- 12 6 Regulation 38 shall be modified by the addition of the following new sentence "General meetings shall be held at the office or such other place and at such time as the Board shall determine (with Investor Consent)"
- 12 7 Regulations 42 and 43 shall not apply if the Chairman has been appointed pursuant to article 3 3 and is in attendance at the meeting in question In the absence of the Chairman, the Investor Director (if appointed) shall be entitled (but not obliged) to preside as chairman of the meeting and regulations 42 and 43 shall be modified accordingly

- 12 8 The first sentence of regulation 72 shall be amended by inserting the words "with Investor Consent" after the word "may"
- 12 9 Regulation 94 shall be amended by adding a new paragraph (e) as follows.
- "(e) his interest arises solely by virtue of his being a shareholder or because he is an employee or director of any shareholder of the Company "
- 12 10 References in these articles to writing shall include any method of representing or reproducing words in a legible form.