

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

**Resolutions In Writing Of
SAFECUT LIMITED
(passed on 8th May 2000)**

THE UNDERSIGNED, being the sole shareholder of the Company and the only person entitled to attend and vote at general meetings of the Company HEREBY PASSES the following resolutions pursuant to Regulation 53 of Table A (which Regulation applies to the Company by virtue of Article 1.1 of the Articles of Association) :

ORDINARY RESOLUTIONS

1. THAT the one share of £1 in issue in the capital of the Company be and is hereby redesignated as an Ordinary Share of £1 having the rights as set out in the Articles of Association adopted pursuant to Resolution 3 below and that the remaining 999 authorised but unissued shares in the capital of the Company be redesignated likewise.
2. THAT the authorised share capital of the Company be and it is hereby increased from £1,000 divided into 1,000 Ordinary Shares of £1 each to £3,100,000 divided into 100,000 Ordinary Shares of £1 each and 3,000,000 Preference Shares of £1 each, such Preference Shares having the rights set out in the Articles of Association adopted pursuant to Resolution 3 below.

SPECIAL RESOLUTION

3. THAT the existing Articles of Association of the Company be of no further force or effect and that the document annexed hereto and for the purposes of identification initialled by the signatory hereto be and it is hereby adopted as the new Articles of Association of the Company.

Dated 8th May 2000


.....
J. G. HILL



Company No. 3940496

WE CERTIFY THIS TO BE
A TRUE COPY
ASHURST MORRIS CRISP

[Signature]
8/5/2000

[Signature]
8/5/2000

THE COMPANIES ACTS 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SAFECUT LIMITED

Incorporated 6 March 2000

adopted by special resolution passed on 8 May 2000

THE COMPANIES ACTS 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SAFECUT LIMITED

PRELIMINARY

- 1.1 The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as they are excluded or modified hereby.
- 1.2 The regulations of Table A numbered 2, 8, 39, 40, 41, 54, 60, 61, 64, 65, 73, 74, 75, 76, 77, 81, 84, 89, 90, 94, 95, 96, 97, 98, 109, 115, 117 and 118 shall not apply. The regulations of Table A numbered 1, 24, 35, 37, 45, 46, 53, 57, 59, 62, 66, 68, 88, 110, 112 and 116 shall be modified. Subject to such exclusions and modifications, and in addition to the remaining regulations of Table A, the following shall be the Articles of association of the Company.
- 1.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective.
- 1.4 In these Articles:

"Act" means the Companies Act 1985, including any modification or re-enactment from time to time whether before or after the date of adoption of these Articles and regulation 1 of Table A shall be modified accordingly;

"Articles" means these Articles of association as from time to time amended;

"Associate" means:

- (i) in relation to a holder of Ordinary Shares which is a company, a company in which the holder of Ordinary Shares has the right to exercise at least 51% of voting rights; and
- (ii) in relation to a holder of Preference Shares, a company which is a subsidiary of such holder, a holding company of such holder or the subsidiary of a holding company of such holder.

"Auditors" means the auditors of the Company from time to time;

"Authorised Issue" means an issue of Shares to a person who is not already a Shareholder made by the Company after the Further Subscription Date and before 30 April 2001 provided that (a) such Shares have first been offered to existing Shareholders in accordance with these Articles, (b) such Shares have not been taken up by existing Shareholders and are offered to new Shareholders on the same terms as they were offered to the existing Shareholders, and (c) the number of Shares offered shall not exceed 15% of the issued Ordinary Share capital of the Company at the relevant time (for which purpose the Preference Shares shall be deemed to have converted into Ordinary Shares in accordance with these Articles, immediately prior to the offer by the Company);

"Bad Leaver" means an individual who is an employee of the Company whose employment with the Company ceases as a result of death (occurring before 30 October 2000 or if later, first commercial launch of the Company's proposed packaged insurance product) or of any circumstance other than those contemplated under the definition of Good Leaver;

"Business Day" means a day other than a Saturday or a Sunday on which clearing banks are generally open for business in London;

"Dividend Date" means 1 April in each year;

"Fair Market Value" has the meaning given in Article 5.4;

"GE Group Company" means a direct or indirect subsidiary of General Electric Corporation;

"Good Leaver" means an individual who is an employee of the Company whose employment with the Company ceases as a result of (a) ill health, (b) disability for a period of 6 months or more, (c) the sale of the whole or any part of the business or assets of the Company, (d) the sale of the Ordinary Shares by the holder for the time being of the majority of Ordinary Shares, (e) termination of the relevant contract of service or contract for services other than for misconduct or (f) death (occurring on or after 30 October 2000 or if later, first commercial launch of the Company's proposed packaged insurance product);

"Ordinary Share" means an ordinary share of £1 in the capital of the Company;

"Preference Share" means a cumulative redeemable convertible preference share of £1 in the capital of the Company;

"Preference Shareholder" means a holder of a Preference Share;

"Qualifying IPO" means the admission of any Shares to listing or trading on a recognised investment exchange (within the meaning of the Financial Act 1986) and such admission becoming effective on terms which value the Company at more than £12,000,000;

"Qualifying Offer" means an offer made on arm's length terms by a person (other than a Shareholder) to acquire the entire issued share capital of the Company on terms which values the Company at not less than 120% of the value of the Company on 15 June 2000 which shall be deemed to be the aggregate cash subscribed by all Shareholders at that date (and for the avoidance of doubt excluding any non-cash consideration);

"Sale" means a sale of all of or substantially all of the assets of the Company;

"Share" means any share in the Company;

"Shareholder" means the holder of any Share;

"Transfer Notice" has the meaning set out in Article 5.1.

- 1.5 Words and expressions contained in these Articles which are not defined in paragraph 1.1 have, unless the contrary is indicated, the same meaning as in the Act, but excluding any modification to or re-enactment of the Act not in force at the date of and regulation 1 of Table A shall be modified accordingly.
- 1.6 The pre-emption provisions of sub-section 89(1) of the Act and the provisions of sections 90(1) to (6) exclusive of the Act shall not apply to any allotment of the Company's equity securities.
- 1.7 The directors of the Company are authorised to allot all unissued Shares pursuant to Section 80 of the Act.

PRIVATE COMPANY

2. The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARE CAPITAL

- (A) The Company's authorised share capital at the date of adoption of this Article is £3,100,000 divided into 100,000 Ordinary Shares and 3,000,000 Preference Shares.
- (B) The rights and restrictions attaching to the Preference Shares are as follows:

(i) Income

- (a) Holders are entitled to be paid in respect of each financial year of the Company out of profits available for distribution a fixed cumulative Preferential Dividend at the annual rate (excluding the amount of any associated tax credit) of 6 per cent. on the nominal amount of each of the Preference Shares (the "**Preferential Dividend**").
- (b) The Preferential Dividend is payable on the Dividend Date in each year (or if not a business day, on the next business day) (except that the first Preferential Dividend is payable on 1 April 2001 pro rata in respect of the period starting on the day after the date of first allotment of the Preference Shares and ending on that date.
- (c) The Preferential Dividend is payable in priority to a payment of a dividend to the holders of any other class of share.
- (d) The Preference Shares do not confer a further right to participate in the Company's profits.
- (e) On each Dividend Date, the amount of the Preferential Dividend shall, without any resolution of the board or the Company in general meeting, become a debt due from and immediately payable by the Company.
- (f) If on the occurrence of a conversion event (as defined in paragraph (iii)(a) below), any Preferential Dividend remains due but unpaid, such debt shall be satisfied by the issue to the holders of Preference Shares of Ordinary Shares (to which the provisions of paragraph (iii)(b) shall apply, as if they had been issued on a conversion) and such Ordinary Shares shall be issued at the rate of one Ordinary Share for each one pound of due but unpaid Preferential Dividend.

(ii) Capital

- (a) On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares) the Company's assets available for distribution among the members shall be applied in repaying to the holder of each Preference Share the following amounts, in priority to a repayment to the holders of any other class of share:
 - (I) the amount of any accruals of the Preferential Dividend relating to the Preference Share, to be calculated down to and including the date of commencement of the winding up (in the case of a winding up) or of the return of capital (in another case), to be payable whether or not the Preferential Dividend has been declared or earned;
 - (II) the nominal amount of the Preference Share.

- (b) The Preference Shares do not confer a further right to participate in the Company's assets available for distribution among the members unless and until the capital paid up on the Ordinary Shares has been repaid. After that, the Preference Shares confer a right to participate in further assets of the Company available for distribution among the members *pari passu* in all respects with the Ordinary Shares.
- (iii) Conversion
 - (a) The issued Preference Shares shall immediately before a Qualifying IPO (a "conversion event") convert into such number of fully-paid Ordinary Shares as equals 25% of the issued Ordinary Shares (where the Preference Shareholder has subscribed a total of £3,000,000) or 6.25% of the issued Ordinary Shares (where the Preference Shareholder has subscribed a total of £750,000), calculated on a fully diluted basis (but excluding, for the purposes of this calculation, any Ordinary Shares issued as a result of an Authorised Issue and any Ordinary Shares falling to be issued pursuant to paragraph (i)(f) above) (the "Conversion Ratio").
 - (b) The Ordinary Shares to which a holder is entitled upon conversion ("New Ordinary Shares"):
 - (I) shall be credited as fully paid;
 - (II) shall rank *pari passu* in all respects and form one class with the Ordinary Shares then in issue; and
 - (III) entitle the holder to be paid an appropriate proportion of all dividends and other distributions declared, made or paid on Ordinary Shares in respect of the financial year in which the conversion event falls, but not in respect of an earlier financial year nor in respect of the whole or part of any financial year for which a dividend has been declared, made or paid on Preference Shares.
 - (c) The allotment of New Ordinary Shares shall be made within two weeks of the conversion event. A certificate for New Ordinary Shares shall be sent within four weeks of the conversion event to each holder without charge, and, if appropriate, a cheque in respect of a fractional entitlement. In the meantime transfers of New Ordinary Shares shall be certified against the register.
 - (d) The board may in its absolute discretion from time to time decide the manner in which relevant shares are to be converted, subject to the provisions of the Articles and the Acts.

(iv) **Purchase and redemption**

- (a) Subject to the provisions of the Articles and the Acts, the Company may purchase Preference Shares through the market, by tender (available to all holders of Preference Shares alike) or by private treaty, in each case at a price (exclusive of expenses but inclusive of the accrued Preferential Dividend) which does not exceed 110 per cent. of the nominal amount of the Preference Share.
- (b) A holder may (subject to the Articles and the Acts) give notice to the Company requiring the Company to redeem all of its Preference Shares outstanding on the fifth anniversary of completion (the "redemption date").
- (c) The redemption money payable on each Preference Share is the total of:
 - (I) the amount of any accruals of the Preferential Dividend, to be calculated down to and including the date fixed for redemption, to be payable whether or not the Preferential Dividend has been declared or earned; and
 - (II) the nominal amount of the Preference Share.
- (d) On the redemption date each holder whose Preference Shares are to be redeemed shall deliver to the Company the certificate (or certificates) for those shares. On receipt, the Company shall pay to the holder the redemption money due to him. The redemption money shall be paid to the holder within five business days of receipt of the certificate (or certificates) or an indemnity in respect of the certificate (or certificates) in a form satisfactory to the board.
- (e) As from the redemption date, the Preferential Dividend ceases to accrue in respect of redeemed Preference Shares unless, on the presentation of the certificate (or certificates) for the shares to be redeemed and a receipt for the redemption money signed and authenticated in such manner as the board requires, payment of the redemption money is refused.
- (f) The board may, pursuant to the authority given by the adoption of this Article, consolidate and sub-divide the share capital available for issue as a consequence of a redemption of Preference Shares pursuant to paragraph (iii) or (iv) into Ordinary Shares or any other class of share into which the authorised share capital of the Company is at the time divided, each of a like nominal amount as the shares of that class then in issue, or into unclassified shares of the same nominal amount as the Preference Shares. The board may issue shares in anticipation of redemption to the extent permitted by the Acts and the Articles.

(v) Restrictions

If Preference Shares are capable of being converted into Ordinary Shares, the Company may not, except with the written consent of the holders or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Preference Shares then in issue validly held in accordance with the Articles:

- (a) distribute to members capital profits (whether realised or not) or capital reserves or profits or reserves arising from a distribution of capital profits (whether realised or not) or capital reserves by a subsidiary except by means of a capitalisation issue permitted under paragraph (v)(b); for this purpose if the relevant audited accounts do not distinguish between capital and revenue profits and reserves, the Company may rely on a written estimate of the auditors as to the extent to which any part of the profit or reserve should be regarded as capital;
- (b) capitalise profits or reserves other than by way of a capitalisation issue made only to the holders of Ordinary Shares in the form of fully-paid Ordinary Shares and, if there is outstanding pursuant to paragraph (v)(d) equity share capital of a class other than the Ordinary Shares, to holders of share capital of that class in the form of fully-paid equity share capital of that class or of fully-paid Ordinary Shares;
- (c) make an offer or extend an invitation to the holders of Ordinary Shares or allot any shares pursuant to a capitalisation of profits or reserves during a conversion period or by reference to a record date occurring during a conversion period or, following a conversion period, by reference to a record date before that conversion period;
- (d) permit equity share capital to be in issue which is not in all respects uniform with a class of shares in issue or authorised to be issued on the date of adoption of this Article for equity share capital issued in connection with or pursuant to an employees' share scheme;
- (e) reduce its share capital or any uncalled liability on it (except as authorised by section 146(2) of the Act, or by section 160 or 162 of the Act in respect of redeemable shares or of shares purchased by the Company) or an amount standing to the credit of a share premium account or capital redemption reserve (except as authorised by sections 130(2), 160(2) and 170(4) of the Act);
- (f) change its accounting reference date; and
- (g) pass a resolution directly or adversely varying any of the special rights attached to the Ordinary Shares.

(vi) Obligations

- (h) The Company shall keep available and authorised for issue sufficient Ordinary Shares to satisfy all outstanding rights of conversion into Ordinary Shares.

(vii) Voting

- (i) At a general meeting of the Company, on a show of hands, each holder present in person or (being a corporation) by a representative has one vote. On a poll each holder present in person or by proxy or (being a corporation) by a representative, is entitled to exercise the number of votes which he would have been entitled to exercise if all the Preference Shares held by him had been converted into Ordinary Shares immediately before the holding of the general meeting at the Conversion Ratio.

(viii) Fully-paid shares

- (a) Preference Shares may only be issued fully paid or credited as fully paid.

LIEN

3. The Company shall have a first and paramount lien on every Share registered in the name of a Shareholder (whether solely or jointly with others) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of the Share or payable by the Shareholder or the Shareholder's estate to the Company.

PERMITTED TRANSFERS

- 4.1 A Shareholder may at any time transfer all (but, except with the consent of all Shareholders, not some) of its shares (the "**Relevant Shares**") to an Associate. Article 5 shall not apply to the transfer of any Relevant Shares pursuant to this Article 4.1.
- 4.2 If Relevant Shares have been transferred under Article 4.1 by a Shareholder (the "**Transferor**") to its Associate (the "**Transferee**") and subsequently the Transferee ceases to be an Associate of the Transferor then the Transferee shall (subject to Article 4.4) below forthwith re-transfer the Relevant Shares to the Transferor or at the Transferor's option to an Associate of the Transferor. If, being required to do so by this Article, the Transferee fails to transfer the Relevant Shares within twenty-eight days of the Transferee ceasing to be an Associate of the Transferor then the Transferee shall be deemed to have served a Transfer Notice in respect of the Relevant Ordinary Shares and the provisions of Article 5 shall apply accordingly. The Transfer Notice shall not be withdrawn in any circumstances.

- 4.3 The directors may require the holder of the Relevant Shares or the person named as transferee in any transfer lodged for registration to furnish the directors with such information as the directors may reasonably consider necessary for the purpose of ensuring that a transfer of shares is permitted under Article 4.1. If the information is not provided within twenty-eight days of the request the directors may refuse to register the transfer of the Relevant Shares.
- 4.4 Article 4.2 shall not apply to a transfer by a holder of Ordinary Shares if, notwithstanding that the Transferee has ceased to be an Associate of the Transferor the Transferor remains the single largest shareholder of the Transferee, entitled to exercise at least 10% more of the voting rights of the Transferee than the next largest shareholder, and has the right to appoint at least two directors to the board of the Transferee.
- 4.5 If a Qualifying Offer has been made to Shareholders and Shareholders together entitled to exercise 85% or more of the voting rights in respect of the Company ("Accepting Shareholders") wish to accept the Qualifying Offer, the Accepting Shareholders may by notice to any Shareholders who are not Accepting Shareholders require such non Accepting Shareholders to accept the Qualifying Offer. Article 5.1 shall not apply to any transfer of Shares pursuant to a Qualifying Offer.

TRANSFERS

- 5.1 Before a Shareholder (the "**Vendor**") transfers or disposes of any share or any interest in any Share the Vendor shall first give notice in writing (the "**Transfer Notice**") to the Company of its desire to do so.
- 5.2 The Transfer Notice shall:
- 5.2.1 specify the number and class of shares desired to be transferred or disposed of ("**Offered Shares**");
 - 5.2.2 where the Vendor has identified a transferee who has offered to buy the Offered Shares pursuant to a bona fide offer ("**Bona Fide Offer**") specify the sale price per share offered by such transferee;
 - 5.2.3 certify that such transferee has made a Bona Fide Offer in respect of the Offered Shares at such sale price;
 - 5.2.4 constitute the Company by its directors as the Vendor's agent to offer and sell the Offered Shares to other members (the "**Purchasers**");
 - 5.2.5 not be withdrawn.
- 5.3 For the purposes of Article 5.5, if no Bona Fide Offer is specified in the Transfer Notice, the Sale Price of the Offered Shares shall be the Fair Market Value (determined in accordance with Article 5.4) of such Offered Shares, and if a Bona Fide Offer is specified in the Transfer Notice, the Sale Price of the Offered Shares shall be the sale price specified pursuant to Article 5.2.2.

5.4 The "Fair Market Value" of any Offered Shares shall be the value determined by one of the 5 leading firms of chartered accountants appointed by agreement between the parties, failing which by the President for the time being of the Institute of Chartered Accountants of England and Wales upon the first application by the Company (the "Valuer") and in any event at the cost of the Vendor. In determining the Fair Market Value the Valuer shall:

- (a) be considered to be acting as an expert and not as an arbitrator;
- (b) value the Offered Shares using generally accepted principles of valuation and shall not take account of the fact that the Offered Shares constitute a minority or majority of the total issued Share capital.

The determination of the Fair Market Value shall be final and binding on the Company and the Shareholders.

5.5 The Company shall offer each Purchaser the Offered Shares at the Sale Price. Each Purchaser shall be entitled to purchase a portion of the Offered Shares that is equal to such Purchaser's pro rata portion of the number of issued Shares (on the assumption that all outstanding Preference Shares have been converted into Ordinary Shares at the Conversion Ratio in accordance with Article 3(B)(iii)) and may elect to purchase any Offered Shares not purchased by other Purchasers pursuant to the foregoing entitlement (a Purchaser making such an election being an "Electing Purchaser"), in each case by giving written notice to the Company within 20 business days of receipt of the Company's offer. Such notice from a Purchaser shall be deemed to be an irrevocable commitment to purchase from the Vendor the Offered Shares the subject of such notice. Any Offered Shares not purchased by other Purchasers pursuant to their pro-rata entitlement shall be deemed to, be accepted for purchase by the Electing Purchasers, in respect of such proportion of the Offered Shares as shall preserve the pro rata holding of Shares of each Electing Purchaser.

5.6 The Company shall promptly give notice (the "Allocation Notice") to the Vendor and the relevant Purchasers of the acceptance(s) of the offer to purchase the Offered Shares in accordance with Article 5.5. The Allocation Notice shall specify the place and time at which the Sale Price is to be paid by the relevant Purchaser and the Offered Shares are to be transferred by the Vendor to the relevant Purchaser(s).

5.7 The Vendor shall be bound to transfer the Offered Shares against tender of the Sale Price in accordance with the terms of the Allocation Notice.

5.8 If after having become bound to transfer the Offered Shares pursuant to Article 5.7 the Vendor defaults in transferring the Offered Shares, then the following provisions shall apply:

- 5.8.1 the Company may receive the purchase money and the Vendor shall be deemed to have appointed any director or the secretary as the Vendor's agent to execute a transfer of the Offered Shares in favour of the relevant Purchaser and to receive the purchase money in trust for the Vendor;

- 5.8.2 the receipt of the Company for the purchase money shall be a good discharge to the relevant Purchaser and after its name has been entered in the register of members in purported exercise of the power the validity of the proceedings shall not be questioned by any person; and
 - 5.8.3 the Vendor shall be bound to deliver up the share certificate for the Offered Shares and on its delivery shall be entitled to receive the purchase price without interest. If the certificate comprises any shares which the Vendor has not become bound to transfer the Company shall issue to the Vendor a share certificate for the balance of those shares.
- 5.9 If not all of the Offered Shares are accepted for purchase by Purchasers or if through any fault of any Purchaser the purchase of any Offered Shares is not completed in accordance with the terms of the Allocation Notice, then the following provisions shall apply:
- 5.9.1 the Company shall notify that fact to the Vendor; and
 - 5.9.2 the Vendor may before the expiration of six months from receiving the notification referred to in Article 5.9.1 elect by notice in writing to the Company to transfer the unsold Offered Shares to any person (the "proposed purchaser") provided that the Vendor shall have procured that the proposed purchaser has made a binding offer to each Purchaser to acquire such Purchaser's Shares at the same price per Share and on terms which are not worse or more onerous than those on which the Vendor proposes to transfer the unsold Offered Shares to the proposed purchaser.
- 5.10 If any Shareholder (a "**Defaulting Shareholder**"):
- 5.10.1 is unable to pay its debts;
 - 5.10.2 enters into a composition or arrangements with its creditors;
 - 5.10.3 takes any action to appoint or suffers the appointment of a receiver, administrative receiver, trustee or similar officer over all or a material part of its or his assets or undertakings;
 - 5.10.4 has a winding-up, bankruptcy or similar order made in relation to it or him,
- then any other Shareholder may give notice in writing to the Defaulting Shareholder and to the Company whereupon the Defaulting Shareholder shall be deemed to have given a notice to the Company in accordance with the foregoing provisions of this Article that it irrevocably offers to sell the Shares held by it and the foregoing provisions of this Article 5 shall apply save that the Fair Market Value of such Shares shall be not more than the nominal value of such shares.
- 5.11 Each Shareholder who is an individual and becomes a Good Leaver shall be deemed automatically to have served a Transfer Notice in respect of all Shares held by him but

the Fair Market Value of the Shares held by such Shareholder shall be not less than the nominal value of such Shares; and

- 5.12 Each Shareholder who is an individual and becomes a Bad Leaver shall be deemed automatically to have served a Transfer Notice in respect of all Shares held by him but the Fair Market Value of the Shares held by such Shareholder shall be not more than the nominal value of such Shares.
6. An obligation to transfer a share pursuant to Article 5.6 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in the share free from all liens, mortgages, charges, encumbrances and other third party rights of whatever nature.
7. The directors shall register the transfer of a share to any person only if the transfer has been carried out in accordance with these Articles and in no other circumstances and the first sentence of regulation 24 of Table A shall not apply.

PURCHASE OF OWN SHARES

8. Regulation 35 of Table A shall be modified by the deletion of the words "otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares" and the substitution for them of the words ", whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise".

NOTICE OF GENERAL MEETINGS

9. Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks" and the substitution for them of the words "twenty-eight days".

PROCEEDINGS AT GENERAL MEETINGS

- 10.1 No business shall be transacted at any general meeting unless a quorum is present.
- 10.2 A quorum shall be two members present in person or by proxy or a representative duly authorised of whom one shall be a Preference Shareholder and one an Ordinary Shareholder holding a majority of the issued Ordinary Shares.
- 10.3 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.
- 10.4 If within half an hour of the time appointed for a meeting a quorum is not present the members present and entitled to vote shall constitute a quorum.
- 10.5 Notice of a meeting adjourned for absence of a quorum shall be given to all members. If a general meeting at which a quorum is present is adjourned it shall not be necessary

to give any notice of the adjourned meeting and regulation 45 of Table A shall be modified accordingly.

11. A poll may be demanded by the chairman or by any member present in person or by proxy or a representative and entitled to vote and regulation 46 of Table A shall be modified accordingly.
12. Regulation 53 of Table A shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."

VOTES OF MEMBERS

- 13.1 Subject to Article 13.2 and to any rights or restrictions attached to any share, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for each share held by the member.
- 13.2 No Share any class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of any other class.
14. Regulation 57 of Table A shall be modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".
15. Regulation 59 of Table A shall be modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of the meeting."
16. An instrument appointing a proxy shall be in writing in any form which is usual or in which the directors may approve and shall be executed by or on behalf of the appointor.
17. Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraph (a) of the words "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

NUMBER OF DIRECTORS

18. The number of directors (other than alternate directors) shall not exceed eight and the minimum number shall be six.

ALTERNATE DIRECTORS

19. Each class of members with a right to appoint a director pursuant to these Articles may appoint any person to be an alternate director in the place of such director for such

period as it determines and the alternate need not be approved by resolution of the directors.

20. An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A shall be modified accordingly.
21. Regulation 68 of Table A shall be modified by the deletion of the words "by the director" and by the substitution for them of the words "by the members and by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

POWERS OF DIRECTORS

22. Subject to these Articles and approval by special resolution the Board may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

APPOINTMENT AND REMOVAL OF DIRECTORS

- 23.1 The holder of the majority of the Preference Shares may from time to time appoint up to 2 persons to be directors, and these directors and any alternate shall be called Investor Directors; the holder of the majority of the issued Ordinary Shares shall be entitled to appoint up to 5 persons to be directors, and these directors and any alternate shall be called Ordinary Directors; Jeremy Coll shall be entitled to be appointed as a director provided that he holds 5% or more of the issued share capital of the Company.
- 23.2 Each Investor Director and each Ordinary Director may at any time be removed from office by the Preference Shareholder or Ordinary Shareholder who appointed him.
- 23.3 A director appointed pursuant to this Article shall cease to be a director from the date on which the Preference Shareholder or Ordinary Shareholder who appointed him ceases to be a Preference Shareholder or Ordinary Shareholder, or in the case of Mr Coll, if he ceases to hold 5% of the issued share capital of the Company or if Article 26.7 applies.
- 23.4 Any appointment or removal of a director shall be made by notice in writing served on the Company and signed by the persons appointing or removing the director. In the case of a corporation the notice may be signed on its behalf by a director or the secretary of the corporation or by its duly appointed attorney or duly authorised representative.

24. The directors shall not be subject to retirement by rotation. Regulations 73, 74 and 75 of Table A shall not apply, and reference in any other regulation to retirement by rotation shall be disregarded.
25. No person shall be or become incapable of being appointed a director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age. Section 293 of the Act shall not apply to the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

26. The office of a director shall be vacated if:
- 26.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- 26.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 26.3 he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director;
- 26.4 he resigns his office by notice in writing to the Company;
- 26.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during this period have attended any meetings instead of him, and the directors resolve that his office be vacated;
- 26.6 if he is an Investor Director, he ceases to be an employee of a GE Group Company;
- 26.7 if he is an Ordinary Shareholder who is employed by the Company he ceases to be an employee of the Company;
- 26.8 if an Ordinary Director, he ceases to be employed by the BG Group; or
- 26.9 the Shareholder responsible for his appointment requires his removal.

DIRECTORS' APPOINTMENTS AND INTERESTS

27. Subject to the provisions of the Act, the directors may appoint one or more of their number to any other executive office under the Company and may enter into an agreement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment or agreement may be made upon such terms as the directors may determine. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

28. Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty and if he does so vote his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution.

PROCEEDINGS OF DIRECTORS

29. Regulation 88 of Table A shall be modified by the exclusion of the third sentence and the substitution of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom." and by the exclusion of the fifth sentence and the substitution of the following sentence: "In the case of an equality of votes the chairman shall not have a second or casting vote."
- 30.1 The quorum for the transaction of business of the directors shall be two directors of whom one shall be an Investor Director and one an Ordinary Shareholder holding a majority of the issued Ordinary Shares.
- 30.2 Unless agreed by all the directors not less than seven days notice in writing shall be given of all meetings of the directors.
- 30.3 Each notice convening a meeting of the directors shall:
- (i) be sent to the address notified from time to time by each director to the secretary (or if none has been supplied, to his last known address); and
 - (ii) contain an agenda specifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by any relevant paper for discussion at the meeting.
- 30.4 If within half an hour of the time appointed for a meeting of the directors a quorum is not present the meeting shall stand adjourned to the same day seven days later at the same time and place unless agreed by all the directors. If at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting the directors present shall constitute a quorum. Notice of a meeting adjourned for absence of a quorum shall be given to all directors.
31. Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of the directors shall for the purposes of the Articles be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be

deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

CAPITALISATION OF PROFITS

32. The Board may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any Shareholding in respect of a holding by the member of any partly paid shares shall, so long as those shares remain partly paid, rank for dividends only to the extent that the partly paid shares rank for dividend.

NOTICES

33. Regulation 112 of Table A shall be modified by the deletion of the last sentence and the substitution of the following sentence: "Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."
34. Any notice sent to any Shareholder (or any other person entitled to receive notices under the Articles) by the Company by post to an address within the United Kingdom shall be deemed to have been given within twenty-four hours, if prepaid as first class, and within forty-eight hours, if prepaid as second class, after the same shall have been posted. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if prepaid as airmail. In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted. Any notice not sent by post but left at a member's registered address shall be deemed to have been given on the day it was so left.
35. Regulation 116 of Table A shall be modified by the deletion of the words "within the United Kingdom".

WINDING UP

- 36.1 On a Sale, the directors shall if and to the extent permitted by law validly convene an Extraordinary General Meeting of the Company at which a Special Resolution will be proposed pursuant to Section 84.1 of the Insolvency Act 1986 requiring the Company to be voluntarily wound up. On such Resolution, each Shareholder voting in favour of the resolution shall have on a poll such number of votes in respect of each Share held by him that the number of votes cast in favour of the resolution is four times the number of votes cast against the Resolution.
- 36.2 On any voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine subject to the right of the Preference Shareholder to require the distribution to it of

assets in whole or part substitution of his entitlement under the provisions of these Articles to receive a cash distribution on a winding up. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

INDEMNITY

37. Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor or other officer or employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including, without prejudice to the generality of the foregoing, any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
38. The directors may exercise all the powers of the Company to purchase and maintain for any director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.

NAMES AND ADDRESSES OF SUBSCRIBERS

DATED 2000.

WITNESS to the above signatures: