

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
OF
**CENTER PARCS (UK) HOLDINGS
LIMITED**

(ADOPTED BY WRITTEN RESOLUTION PASSED ON 19th OCTOBER 2001)

NO. 4246719

ALLEN & OVERY

London
CO:881684.4



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Company Number
4246719

THE COMPANIES ACT 1985
A PRIVATE COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
OF
CENTER PARCS (UK) HOLDINGS LIMITED

(formerly Carp (UK) 2A Limited)

*(adopted by written resolution
passed on 19th October, 2001),*

PRELIMINARY

1. None of the regulations contained or incorporated in Table A shall apply to the Company. For the purposes of these articles, Table A means 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.

INTERPRETATION

2. (1) In these articles:

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

"**A Shares**" means A ordinary shares of £0.01 each in the capital of the Company and
"**A Shareholder**" means a holder of any of them;

"**Board**" or "**directors**" means the board of directors of the Company;

"**B Shares**" means B ordinary shares of £1 each in the capital of the Company and
"**B Shareholder**" means a holder of any of them;

"**C Shares**" means C ordinary shares of £0.01 each in the capital of the Company and "**C Shareholder**" means a holder of any of them;

"**Cash Flow**" means in relation to a given month, the aggregate of the following amounts:

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- (a) all subscription monies (including any premiums) paid to the Company during that month by the institutional investors in respect of A Shares and any other shares or debt securities issued by the Company and the Loan Stock ("**Instruments**");
 - (b) all amounts paid by the Company during that month to the institutional investors in respect of interest, dividend or capital on Instruments; and
 - (c) in the month of an Exit the value (as Finally Determined) of any unredeemed Instruments held by the institutional investors on Exit (other than Ordinary Shares),

where (in each case) references to an amount paid shall refer to the amount paid in cash net of any withholding or other deduction, shall not include the issue of Instruments in lieu of interest or amounts paid to the holders of Ordinary Shares (in that capacity) by the liquidator on the Distribution Date and payments by the Company will be treated as positive and payments to the Company as negative;

"**clear days**" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"**Connected Person**" in relation to an individual means his spouse, child or remoter issue;

"**Conversion**" means conversion of the A Shares and B Shares into Ordinary Shares and Deferred Shares and conversion of the C Shares into Ordinary Shares pursuant to article 17;

"**DB**" means Deutsche Bank AG, acting through its London branch;

"**DB Group**" comprises DB, its subsidiaries, holding companies and other subsidiaries of any such holding company, DBCP Europe GP (Jersey) Ltd and/or any partnership, fund or other investment entity established or managed by DB or any of its subsidiaries and any subsidiary of such a partnership, fund or investment entity;

"**Distribution Date**" means where the Company is in liquidation, the date on which the liquidator pays to the holders of Ordinary Shares (in their capacity as such) a distribution greater than RMC (as defined in the Appendix);

"**Deferred Shares**" means the 100 Deferred Shares of £1 each in the Company comprising part of the share capital of the Company as at the date of adoption of these Articles and the Deferred Shares of £0.01 each in the Company (if any) arising on Conversion, in each case having the rights set out in article 17(4);

"**employees**" shall be deemed to include consultants and directors (other than Institutional Directors) and the terms "**employee**" and "**employed**" shall be construed accordingly;

"**equity share**" means any share other than a share which, either as respects dividends or as respects capital, only carries the right to participate up to a specified amount in a distribution;

"**executed**" includes any mode of execution;

"**Exit**" means a Sale or Flotation or the occurrence of the Distribution Date;

"Fair Price" means:

- (a) the price which the auditors of the Company state in writing to be in their opinion the fair value of the shares concerned on a sale as between a willing seller and a willing purchaser and in determining such fair value the auditors shall be instructed in particular:
 - (i) to have regard to the rights and restrictions attached to such shares in respect of income, capital and voting but to disregard any other special rights or restrictions attached to such shares;
 - (ii) to disregard whether such shares represent a minority or a majority interest;
 - (iii) at their discretion, to take into account the value of any bona fide offer which may have been received to purchase the shares in question or any imminent Flotation; and
 - (iv) if the Company is then carrying on business as a going concern, to assume that it will continue to do so,and the auditors (all of whose charges shall be borne by the Company) shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding; or
- (b) such other price as may be agreed between the transferor and the Board, with Institutional Consent;

"Family Trust" means a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being or may in future be vested in any person other than the member or former member establishing the trust or a Connected Person of that member or former member;

"Finally Determined" means, in relation to a value, the value agreed between the Majority Holders and the holders of at least 50 per cent. of the B Shares, failing which the value which the auditors of the Company shall have stated in writing to be in their opinion the fair value of the subject matter of the valuation (and in this respect the auditors, all of whose charges shall be borne by the Company, shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding) provided that the value of any loan, debt security or preference share shall be no more than the amount payable by the Company were it to be repaid or redeemed immediately;

"Flotation" means the unconditional granting of permission for any of the equity shares in the Company to be dealt in on any recognised investment exchange (within the meaning of section 207 of the Financial Services Act 1986 or section 417 of the Financial Services and Markets Act 2000, upon that statute coming into force);

"General Offer" means the general offer to be made to the shareholders of Carp (UK) 1 Limited on or about the date of adoption of these articles;

"Group" means the Company and its subsidiaries from time to time and **"Group Company"** means any of them;

"holder" in relation to shares in the Company means the member whose name is entered in the Company's register of members as the holder of the shares;

"Institutional Consent" means:

- (a) the consent or approval of two of the Institutional Directors or, if there is only one appointed at the time, of that sole Institutional Director, given in writing or given at a meeting of the Board (or of a committee of the Board); or
- (b) the written approval of the Majority Holders,

and identified as being Institutional Consent to the matter in question;

"Institutional Directors" means those directors of the Company appointed under article 93 as Institutional Directors (or their respective alternates);

"Loan Stock" means the £63,000,000 unsecured discounted nominal loan stock 2012 constituted by Carp (UK) 2 Limited (registered number 4066196);

"Majority Holders" means the holders of more than 50 per cent. of the A Shares in issue for the time being;

"Market Capitalisation" or **"MC"** means:

- (a) in relation to a Flotation, the market value in pounds sterling of the Ordinary Shares, determined by reference to the price per share at which such shares are offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Flotation; or
- (b) in relation to a Sale, the aggregate cash consideration in pounds sterling payable by the offeror for the Ordinary Shares pursuant to the Approved Offer or agreement (as the case may be); or
- (c) in relation to a liquidation of the Company, the aggregate amount distributed to the holders of the Ordinary Shares (in that capacity) by the liquidator on the Distribution Date together with the value (as Finally Determined) of any remaining assets of the Company attributable to the Ordinary Shares;

"office" means the registered office of the Company;

"Ordinary Shares" means the ordinary shares of £0.01 each in the Company arising on Conversion, which shares shall rank *pari passu*, amongst themselves in all respects as one class of shares carrying none of the special rights or restrictions attaching to the A Shares, B Shares or C Shares;

"paid up" includes credited as paid up;

"Preference Shares" means 18 per cent. cumulative redeemable preference shares of £1 each in the capital of the Company and **"Preference Shareholder"** mean a holder of any of them;

"Sale" means the acquisition by a person (other than a member of the DB Group) of an interest which gives that person a Controlling Interest pursuant to an Approved Offer (as such terms are defined in article 31) or a Sale Agreement;

"seal" means any common seal of the Company or any official seal or securities seal which the Company may have or be permitted to have under the Statutes;

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

"Shareholders Agreement" means the agreement to be entered into on or around the date of the adoption of these articles and to be made between the Company, the Original Managers and Investor (each as defined in that agreement), as the same may be amended from time to time;

"Statutes" means the Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act;

"Subscription Price" means, in relation to a share, the amount paid up upon that share plus the amount of any premium at which that share was issued, to the extent the same has not been distributed by way of bonus issue, repayment of capital or otherwise in respect of that share;

"these articles" means these articles of association, as from time to time altered;

"United Kingdom" means the United Kingdom of Great Britain and Northern Ireland; and

"Wholly-Owned Group" in relation to a company, means that company, all its wholly-owned subsidiaries, all holding companies of which it is a wholly-owned subsidiary and all other wholly-owned subsidiaries of each of those holding companies.

- (2) Unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act but excluding any statutory modification of them not in force when these articles become binding on the Company.
- (3) References in these articles to the transfer of a share include the transfer or other disposal of any beneficial interest in that share.

SHARE CAPITAL

3. The share capital of the Company as at the date of the adoption of these Articles of Association is £53,150,500 divided into 100 Deferred Shares of £1, 52,000,000 Preference Shares of £1 each, 18,860,000 A Shares of one pence each, 960,000 B Shares of £1 each and 180,000 C Shares of one pence each.
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4. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
 5. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these articles.
 6. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
 7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety of it in the holder.
 8. Save with the prior written consent of the Majority Holders and of the holders of not less than 50 per cent. of the B Shares in issue for the time being, or in respect of the issue of shares pursuant to the General Offer:
 - (a) before issuing any equity shares in the Company, or any rights to subscribe for or convert securities into equity shares in the Company, the directors shall offer them for subscription to every person who at the date of the offer holds equity shares in the Company (the "**Offer**");
 - (b) the Offer shall be made by notice in writing stating the number or amount of shares (or rights to shares) being offered, the price at which they are being offered (the "**Offer Price**") and any other terms of the Offer;
 - (c) the Offer shall remain open for the period (being not less than 14 days) specified in the notice and, if not accepted within that period, the Offer will be deemed to be declined by the holder concerned;
 - (d) the directors shall allot the shares or rights to subscribe or convert (in the case of competition) to those holders who apply for them in proportion (as far as practicable) to the number of the equity shares in the Company then held by them respectively, but so that an applicant shall not be allotted more shares or rights than the number for which he has applied; and
 - (e) any share or right not taken up under the Offer may (at any time up to three months after the expiry of the Offer) be allotted by the directors at such price (being not less than the Offer Price), on such terms (being no less favourable to the Company than the terms of the Offer), in such manner and to such persons as the directors think fit, subject to the provisions of article 23(2).
 9. Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in section 91(1) of the Act) is excluded.
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ALTERATION OF SHARE CAPITAL

10. The Company may by ordinary resolution:
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
11. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
12. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

VARIATION OF SHARE RIGHTS

- 13.(1) Whenever the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares.
- (2) All the provisions of these articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every such separate general meeting, except that:
- (a) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class;
 - (b) at an adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy;
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- (c) every holder of shares of the class shall, on a poll, have one vote in respect of every shares of the class held by him; and
 - (d) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- (3) Unless otherwise expressly provided by the terms of their issue the rights attached to any class of shares shall not be deemed to be varied by:
- (a) the creation or issue of further shares ranking *pari passu* with them or in priority to them; or
 - (b) any alteration to these articles made conditional upon, or otherwise in connection with, a Flotation which does not adversely affect any income, voting or capital rights attaching to them.

INCOME, CAPITAL AND VOTING:

SPECIAL RIGHTS AND RESTRICTIONS

14. The A Shares, B Shares and C Shares shall be separate classes of shares and shall carry the rights and be subject to the restrictions set out in these articles but shall rank *pari passu* in all other respects and, for the avoidance of doubt, the separate classes of shares shall not be treated any differently by virtue of the fact that they may be of different nominal values.
15. The special rights, privileges and restrictions attached to the Preference Shares are as follows:

Income

- (1) The profits which the Company may decide to distribute shall be applied in paying to each holder of a Preference Share in priority to any payment to the holders of A Shares, B Shares and C Shares, a fixed cumulative preference dividend (the "preferential dividend") at the rate of 18 per cent. per annum on the amount for the time being paid up on that preference share.
 - (2) The preferential dividend shall accrue half-yearly in equal amounts on 24th February and 24th August in each year (each a "dividend accrual date") (or if any dividend accrual date is a Saturday, a Sunday or a day which is a public holiday in England on the next date which is not such a day) in respect of the half-year ending on those respective dates and shall be compounded half yearly on those dates on the accrued amounts, except that the first preferential dividend in respect of any Preference Share issued after the date of the adoption of these articles shall accrue on the dividend accrual date next following the date of allotment of that Preference Share on a *pro rata* basis in respect of the period from the date of its allotment to that dividend accrual date (both dates inclusive).
 - (3) The preferential dividend shall be due and payable on redemption and notwithstanding the fact that the preferential dividend is expressed to be cumulative, it shall *ipso facto* and without any resolution of the board or the Company in general meeting (and notwithstanding anything contained in articles 123 to 129 (inclusive) of these Articles) become a debt due
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from and immediately payable by the Company to the holders of the preference shares on redemption (subject only to there being profits out of which the same may be lawfully paid).

- (4) A Preference Share does not entitle the holder to any further rights of participation in the profits of the Company.

Capital

- (5) On a return of capital on a winding up or on a payment by the Company by way of a return of capital (by way of a purchase of own shares, a redemption of shares or a reduction of share capital) to a shareholder of any paid-up share capital (but not otherwise), the assets of the Company available for distribution to its members shall be applied in paying to each holder of a Preference Share in priority to any payment to the holders of A Shares, B Shares and C Shares in the Company a sum equal to all arrears and accruals (if any) of the preferential dividend whether or not the preferential dividend has been earned or declared, calculated down to and including the date of the commencement of the winding-up together with a sum equal to the capital paid up on that Preference Share.
- (6) Except as provided below regarding redemption, a Preference Share does not entitle the holder to any further rights of participation in the capital of the Company.

Redemption

- (7) Subject to the Act, the Company may at any time with Institutional Consent and shall on an Exit redeem any Preference Share for the time being in issue.
- (8) If the Company is not permitted by the Act to redeem any Preference Shares on a date determined in accordance with paragraph (7) above, it shall redeem those shares as soon after that date as it shall be permitted to do so by the Act and if at any time the Company is permitted to redeem under paragraph (7) above only some of the Preference Shares, it shall redeem those shares at that time and shall redeem the remaining shares as soon as it is permitted to do so.
- (9) Except in the case of a redemption upon Exit the Company shall give at least 28 days' notice in writing (a "redemption notice") to the holders of Preference Shares to be redeemed under this article. A redemption notice shall specify the particular Preference Shares to be redeemed, the date when the redemption is to be effective (the "redemption date") and the place at which the certificates for (or such other evidence (if any) as the board may reasonably require to prove title to) those Preference Shares are to be presented for redemption.
- (10) If any redemption date would otherwise fall on a Saturday, a Sunday or a day which is a public holiday in England, then the redemption date shall be the next date which is not such a day.
- (11) If only some of the Preference Shares are to be redeemed on any redemption date under paragraph (7) above, the particular Preference Shares to be redeemed shall be a proportionate part, as nearly as practicable, of each separate holding of preference shares.
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- (12) Subject to delivery on the redemption date to the Company of the documents required in the redemption notice by the holder of a Preference Share to be redeemed, the Company shall redeem that share and pay to the holder (or in the case of joint holders, the holder whose name first appears in the register in respect of that Preference Share) by cheque by post at the risk of the holder to (or to the order of) the holder the amount due to him in respect of that redemption.
- (13) No charge shall be made to the holder for a new certificate for (or other evidence which may reasonably be required to prove title to) Preference Shares which are not to be redeemed but which were included in a certificate (or in such other evidence of title) delivered to the Company under this article.
- (14) On each Preference Share to be redeemed under this article the Company shall pay the sum of £1 together with a sum equal to all accruals of the preferential dividend on that share calculated down to and including the relevant redemption date and to be payable irrespective of whether or not that dividend has been declared or earned or become due and payable.
- (15) As from the relevant redemption date of a Preference Share to be redeemed under this article the preferential dividend shall cease to accrue on that Preference Share, unless on presentation of the documents relating to it (as required in the redemption notice), payment of the moneys due at the redemption is refused, in which case the preferential dividend on that share shall be deemed to have accrued and shall continue to accrue from and excluding the redemption date to and including the date of payment.

Voting

- (16) Each Preference Share entitles the holder to receive notice of general meetings of the Company but does not entitle the holder to attend and vote at, general meetings of the Company unless the business of the meeting includes the consideration of a resolution for winding-up the Company, for a reduction in the capital of the Company (other than a reduction in capital involving a repayment or purchase of any shares of the Company other than Preference Shares) or any resolution directly or indirectly modifying or varying any of the special rights, privileges or restrictions attached to the Preference Shares.
- (17) If a holder of Preference Shares is entitled to attend and vote as a result of sub-paragraph (16) above, he may vote in respect of a resolution referred to in sub-paragraph (16) above only.
- (18) (i) On a show of hands, each holder of Preference Shares who (being an individual) is present in person or by proxy or (being a corporation or trust) is present by a duly authorised representative or by proxy, not being himself a member, shall have one vote; and
- (ii) on a poll, each holder of Preference Shares who (being an individual) is present in person or by proxy or (being a corporation or trust) is present by a proxy or a duly authorised representative, not being himself a member, shall have one vote for every Preference Share held by him.
16. (1) The special rights, privileges and restrictions relating to capital attached to the A Shares, B Shares, C Shares are as follows:
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Capital

Subject to the rights attaching to the Preference Shares in article 15(5), on a return of capital on a winding up but not otherwise the assets of the Company available for distribution to the holders of A Shares, B Shares and C Shares shall be applied:

- (a) first, in paying to the A Shareholders, the B Shareholders and the C Shareholders an amount equal to the aggregate Subscription Price of the A Shares, the B Shares and the C Shares or, if there are insufficient assets to repay such amount in full, in repaying such amount rateably between the A Shareholders, the B Shareholders and the C Shareholders; and
- (b) second, in distributing any surplus assets remaining after the payments under paragraph (a) above rateably between the A Shareholders, the B Shareholders and the C Shareholders.

Voting

The C Shares shall not entitle the holders of those shares to receive notice of, attend or vote at general meetings of the Company.

CONVERSION**17.(1) On an Exit:**

- (a) each B Share shall convert into ninety-nine Deferred Shares and one Ordinary Share;
- (b) the C Shares shall convert into an equal number of Ordinary Shares;
- (c) D (rounded down to the nearest whole number) in number of the A Shares shall convert into an equal number of Deferred Shares;
- (d) the remaining A Shares shall convert into an equal number of Ordinary Shares;

where D is calculated in accordance with the provisions of the Appendix to these articles.

- (2) Conversion of A Shares into Deferred Shares and Ordinary Shares shall be effected amongst the A Shareholders as far as practicable in proportion to their respective holdings of A Shares, and, as between the A Shareholders, the Board shall be entitled to deal as it thinks fit with fractional entitlements to Deferred Shares or Ordinary Shares arising as a result.
- (3) Immediately following Conversion, the Company shall give written notice to each shareholder of the number of Ordinary Shares and Deferred Shares (if any) of which he is the holder and that shareholder shall, forthwith upon receiving such notice, deliver to the Company the certificate(s) relating to the A Shares and/or B Shares and/or C Shares of which he was, prior to Conversion, a holder and the Company shall, on receipt of such certificate(s), deliver to him (a) new certificate(s) in respect of the Ordinary Shares and/or Deferred Shares of which he is a holder.

(4) The Deferred Shares shall enjoy the following rights and be subject to the following restrictions:

- (a) a Deferred Share shall entitle its holder on a return of capital on a winding-up (but not otherwise) only to repayment of the amount paid up on that share after repayment to each holder of an Ordinary Share of a sum equal to the capital paid up on that share plus £10,000,000 per Ordinary Share;
- (b) a Deferred Share shall not entitle its holder to receive any dividend or other distribution of the Company;
- (c) a Deferred Share shall not entitle its holder to receive notice of, or to attend and vote at, any general meeting of the Company ; and
- (d) Deferred Shares shall be redeemable at the instance of the Company by payment to each holder thereof of £0.01 for every 1,000 Deferred Shares (or part thereof) held by him, whereupon those Deferred Shares shall be deemed to be redeemed and cancelled and the holder thereof shall tender his certificate in respect of his Deferred Shares to the Company for cancellation.

TRANSMISSION OF SHARES

- 18. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing in these articles shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
- 19. Subject to article 30 (Leaver Provisions), a person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
- 20. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

PERMITTED TRANSFERS

21.(1) The following transfers of shares may be made free of the restrictions in article 22:

- (a) a transfer made by any member of the DB Group within 12 months after the date of adoption of these articles;

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- (b) a transfer by an individual to a Connected Person or the trustees of his Family Trust;
 - (c) a transfer by the trustees of a Family Trust of shares held by them in that capacity to any new trustees of that Family Trust;
 - (d) a transfer by the trustees of a Family Trust of shares held by them in that capacity to a person who has an immediate beneficial interest under the Family Trust or to the settlor;
 - (e) a transfer of shares by a member to a person who is to hold such shares as his nominee, but any transfer by such nominee shall be subject to the same restrictions as though it was a transfer by the original member himself;
 - (f) a transfer of shares by a nominee to the beneficial owner of such shares or to another nominee of the same beneficial owner;
 - (g) a transfer of shares by a corporate member to another member of its Wholly-Owned Group;
 - (h) a transfer of shares held by or on behalf of an investment fund (including investment trusts, limited partnerships, unit trusts and co-investment schemes) to:
 - (i) any person to hold on behalf of that same investment fund (whether as nominee, trustee, custodian, general partner or otherwise);
 - (ii) by way of a distribution in kind or otherwise under the documentation or laws governing that fund to any of the participants in that fund or their nominees;
 - (iii) to, or to any person to be held on behalf of, any other investment fund which has the same manager or investment adviser;
 - (i) a transfer made with Institutional Consent by or to the trustees (acting in that capacity) of a trust established for the benefit of employees of the Group;
 - (j) any other transfer with the consent in writing of the Majority Holders and the holders of more than 50 per cent. of the B Shares for the time being in issue; and
 - (k) a transfer of any share the transfer of which is required by any person, or any person's nominee, in order to perfect or enforce any charge or other security granted to such person in respect of such share,

but a trustee of a Family Trust may not transfer shares subject to that trust to a Connected Person of his except where permitted under subparagraphs (c) or (d).

- (2) If any Family Trust whose trustees hold shares in the Company ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and, if the Board with Institutional Consent so resolves, they shall be deemed to have served the Company with a Transfer Notice in respect of those shares.
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- (3) If a corporate member holding shares transferred to it under paragraph (l)(g) ceases to be a member of the same Wholly-Owned Group as the original corporate member who held such shares, the corporate member then holding those shares shall without delay notify the Company that such event has occurred and, if the Board with Institutional Consent so resolves, it shall be deemed to have served the Company with a Transfer Notice in respect of those shares.
 - (4) If a member, or other person entitled to a share by transmission, at any time attempts or purports to transfer a share otherwise than in accordance with these articles he shall, unless the Board with Institutional Consent shall otherwise resolve, be deemed immediately before the attempt to have served the Company with a Transfer Notice in respect of the share.
 - (5) If a Transfer Notice is deemed to have been served on the Company, the provisions of article 22 shall apply to the relevant shares. The Specified Price shall be the Fair Price as at such date as the Board may, with Institutional Consent, specify and the directors shall give notice under article 22(3) as soon as the Specified Price is ascertained.

TRANSFER OF SHARES

- 22.(1) Except as otherwise provided in articles 21 and 30 to 33 no member, or person entitled to shares in the Company by transmission, shall be entitled to transfer his shares without first offering them pursuant to this article. The offer may be in respect of all or part only of the shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company (a "**Transfer Notice**"). No B Shareholder or C Shareholder nor any person entitled to B Shares or C Shares by transmission may issue a Transfer Notice without Institutional Consent.
 - (2) The Transfer Notice shall specify the shares offered (the "**Offered Shares**") and the price at which they are offered (the "**Specified Price**"). The Transfer Notice shall constitute the directors as the agent of the proposing transferor for the sale of the Offered Shares to other holders of equity shares at the Specified Price. The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this article, none shall be sold. The Transfer Notice may not be revoked unless the directors, with Institutional Consent, otherwise decide.
 - (3) On receipt by the Company of the Transfer Notice the directors shall as soon as practicable give notice to all the holders of equity shares (other than the proposing transferor) of the number and description of the Offered Shares and the Specified Price. The notice shall invite each of the members to state in writing to the Company within 14 days whether he is willing to purchase any, and if so what maximum number, of the Offered Shares. The directors shall at the same time give a copy of the notice to the proposing transferor. A person who expresses a willingness to purchase Offered Shares is referred to below as a "**Purchaser**".
 - (4) On the expiration of the 14 day period the directors shall allocate the Offered Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows:
 - (a) Offered Shares shall be allocated firstly to Purchasers who hold shares of the same class as the Offered Shares (and in the case of competition shall be allocated amongst such Purchasers pro rata to the nominal amount of shares of the same class as the Offered Shares held by them). To the extent that any Offered Shares remain
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unallocated after satisfaction of the requests of the Purchasers who are holders of the same class as the Offered Shares, those remaining Offered Shares shall be allocated to any other Purchasers (and in the case of competition shall be allocated amongst those Purchasers pro rata to the number of equity shares in the Company held by them); and

- (b) if the Transfer Notice states that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated.
- (5) On the allocation being made, the directors shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the fourteenth day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchase price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made.
- (6) If after becoming bound to transfer any Offered Shares the proposing transferor fails to do so, the Company may receive the purchase price and the directors may appoint a person to execute an instrument of transfer of those Offered Shares in favour of the Purchasers to whom the allocation has been made and shall (subject to article 23) cause the names of the Purchasers to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to the Purchasers and, after their names have been entered in the register of members of the Company under this provision, the validity of the transactions shall not be questioned by any person.
- (7) If following the expiry of the 14 day period referred to in paragraph (4) any of the Offered Shares have not been allocated under that paragraph, the proposing transferor may (subject to the provisions of articles 23 and 31) at any time within a period of 90 days after the expiry of the 14 day period transfer the Offered Shares not allocated to any person and at any price (being not less than the Specified Price) provided that:
- (a) if the Transfer Notice contained a provision that, unless all the Offered Shares are sold under this article, none shall be sold, he shall not be entitled to transfer any of the Offered Shares unless all the Offered Shares are so transferred; and
 - (b) the directors may require to be satisfied that those shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer.
- 23.(1) The directors shall refuse to register a proposed transfer not made under or permitted by these articles.
- (2) The directors shall (unless he is already a party to the Shareholders Agreement or the Board shall otherwise resolve with Institutional Consent) also refuse to register an allottee or transferee of, or person entitled by transmission to, A Shares or B Shares unless he has executed an undertaking (in the form specified in the Shareholders Agreement) whereby such
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allottee or transferee undertakes to adhere to and be bound by the provisions of the Shareholders Agreement.

- (3) The directors may refuse to register a transfer of a share on which the Company has a lien. They may also refuse to register a transfer unless:

- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of shares; and
- (c) it is in favour of not more than four transferees.

- (4) Notwithstanding anything contained in this article 23, the directors shall be bound to register a transfer of any share pursuant to article 21(l) and shall not be entitled to exercise any lien which the Company has in respect of such share.

24. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
25. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
26. A person executing an instrument of transfer of a share is deemed to remain the holder of that share until the name of the transferee is entered in the register of members of the Company in respect of it.
27. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the directors may determine.
28. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
29. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

LEAVER PROVISIONS

- 30.(1) For the purposes of this article:

“Bad Leaver” means a Leaver who is not a Good Leaver or an Other Leaver;

“Good Leaver” means a Leaver whose cessation of employment occurs:

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- (a) as a result of a subsidiary of the Company ceasing to be a subsidiary of the Company;
 - (b) as a result of death, incapacity or retirement at normal retirement age; or
 - (c) as a result of redundancy; or
 - (d) in the case of Martin Robinson and Jerry Goldberg only, in the event of them not entering into contracts to acquire equity or options over shares in DN 1 Holdings BV because agreement for such arrangements is not reached by 20th February, 2002;

"Leaver" means any person

- (a) who is at the date of adoption of these articles or who later becomes an employee of the Company or any of its subsidiaries and who subsequently ceases to be so employed (and does not continue to be so employed) for any reason; or
- (b) whose shares (or any of them) are transferred to any person, or any person's nominee, upon such person perfecting or enforcing any charge or security over such share or shares as permitted by article 21(1)(k) above;

"Leaver's Shares" means Leaver's B Shares and/or Leaver's C Shares and/or Leaver's Preference Shares, as the context may require;

"Leaver's B Shares" means at the date a person becomes a Leaver:

- (a) shares (other than C Shares) held by the Leaver or held by a person who is a Connected Person of the Leaver, trustees of the Leaver's Family Trust, a nominee of the Leaver or a member of the Leaver's Wholly Owned Group;
- (b) shares (other than C Shares) which have been transferred by the Leaver (or any person mentioned in paragraph (a) above) in accordance with article 21(1) (**"Transferred B Shares"**); and
- (c) shares (other than C Shares) which have been allotted in respect of Transferred B Shares by way of rights, bonus or otherwise (**"Derived B Shares"**);

"Leaver's C Shares" means at the date a person becomes a Leaver:

- (a) C Shares held by the Leaver or held by a person who is a Connected Person of the Leaver, trustees of the Leaver's Family Trust, a nominee of the Leaver or a member of the Leaver's Wholly Owned Group;
- (b) C Shares which have been transferred by the Leaver (or any person mentioned in paragraph (a) above) in accordance with article 21(1) (**"Transferred C Shares"**); and
- (c) C Shares which have been allotted in respect of Transferred C Shares by way of rights, bonus or otherwise (**"Derived C Shares"**).

"Leaver's Preference Shares" means at the date a person becomes a Leaver:

- (a) Preference Shares held by the Leaver;
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- (b) Preference Shares which have been transferred by the Leaver in accordance with article 21(1) ("**Transferred Preference Shares**"); and
 - (c) Preference Shares which have been allotted in respect of Transferred Preference Shares by way of rights, bonus or otherwise ("**Derived Preference Shares**").

"**Other Leaver**" means a Leaver whose cessation of employment occurs as a result of his being dismissed by the Company or a Group Company except where such dismissal is by way of summary dismissal or termination with immediate effect as permitted by law or by the terms of that person's service agreement with the Company or Group Company.

- (2) Upon a person becoming a Leaver:
 - (a) unless the Board with Institutional Consent otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's B 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 issued in respect of the Leaver's B Shares (except under (b) below) unless and until the 120 day period referred to in (b) below shall have expired with no resolution of the Board having been passed or, if such a resolution has been so passed, until the provisions of this article have been complied with; and
 - (b) if the Board with Institutional Consent within 120 days so resolves, the Leaver shall, and each person holding any Leaver's B Shares shall, in respect of the Leaver's B Shares held by him be deemed to have authorised the directors (subject only to receiving the consideration payable) to transfer the Leaver's B Shares (or such of them as the Board with Institutional Consent may resolve) to such persons (being employees or officers, or prospective employees or officers, of the Group or persons who undertake/intend to transfer those shares to such persons) as the Board with Institutional Consent may nominate within 60 days of such resolution.
 - (3) On a transfer under paragraph (2) the price per Leaver's B Share shall, unless the transferor and the Board with Institutional Consent agree some other price, be determined as follows:
 - (a) if the Leaver is a Good Leaver, the price shall be the Fair Price; or
 - (b) if the Leaver is a Bad Leaver, the price shall be the lower of the Subscription Price and the Fair Price; or
 - (c) if the Leaver is an Other Leaver, and the date on which the person becomes a Leaver falls on or before 7th March 2002, the price shall be the lower of the Subscription Price and the Fair Price; or
 - (d) if the Leaver is an Other Leaver, and the date on which the person becomes a Leaver falls after 7th March 2002 but on or before 7th March 2003, the price in respect of two-thirds of the Leaver's B Shares shall be the lower of the Subscription Price and the Fair Price and the price in respect of one-third of the Leaver's Shares shall be the Fair Price; or
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- (e) if the Leaver is an Other Leaver, and the date on which the person becomes a Leaver falls after 7th March 2003 but on or before 7th March 2004, the price in respect of one-third of the Leaver's B Shares shall be the lower of the Subscription Price and the Fair Price and the price in respect of two-thirds of the Leaver's Shares shall be the Fair Price; or
 - (f) if the Leaver is an Other Leaver, and the date on which the person becomes a Leaver falls after 7th March 2004, the price shall be the Fair Price.

The Fair Price shall be calculated as at the date the Leaver becomes a Leaver or (if applicable and if the Board with Institutional Consent so resolves) the date the Leaver gave or received notice of the cessation of his employment.

- (4) Upon a person becoming a Leaver, unless the Board with Institutional Consent otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's C 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 issued in respect of the Leaver's C Shares (except under (5) below) unless and until the provisions of this article have been complied with or, in situations where the Leaver is a Bad Leaver, the 120 day period referred to in (5)(b) below shall have expired with no resolution of the Board having been passed.
 - (5) Upon a person becoming a Leaver:
 - (a) if he is a Good Leaver or an Other Leaver, on the date on which that person became a Leaver the Leaver shall, and each person holding any Leaver's C Shares shall, in respect of the Leaver's C Shares held by him (subject only to receiving the consideration payable at the price set out in paragraph (6) below) transfer all of the Leaver's C Shares to such persons (being employees or officers or prospective employees or officers, of the Group or persons who undertake/intend to transfer those shares to such persons) as the Board with Institutional Consent may nominate, and the Board shall on behalf of the Company procure that the consideration is paid to the Leaver by the relevant transferee as soon as reasonably practicable after his becoming a Leaver; or
 - (b) if he is a Bad Leaver and the Board with Institutional Consent within 120 days so resolves, the Leaver shall, and each person holding any Leaver's C Shares shall, in respect of the Leaver's C Shares held by him be deemed to have authorised the directors (subject only to receiving the consideration payable) to transfer the Leaver's C Shares (or such of them as the Board with Institutional Consent may resolve) to such persons (being employees or officers, or prospective employees or officers, of the Group or persons who undertake/intend to transfer those shares to such persons) as the Board with Institutional Consent may nominate within 60 days of such resolution.
 - (6) On a transfer under paragraph (5) the price per Leaver's C Share shall, unless the transferor and the Board with Institutional Consent agree some other price, be the Subscription Price.
 - (7) Upon a person becoming a Leaver, unless the Board with Institutional Consent otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's Preference 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 issued in respect
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of the Leaver's Preference Shares (except under (8) below) unless and until the provisions of this article have been complied with or, in situations where the Leaver is a Bad Leaver, the 120 day period referred to in (8)(b) below shall have expired with no resolution of the Board having passed.

(8) Upon a person becoming a Leaver:

- (a) if he is a Good Leaver or an Other Leaver, on the date on which that person became a Leaver the Leaver shall, and each person holding any Leaver's Preference Shares shall, in respect of the Leaver's Preference Shares held by him (subject only to receiving the consideration therefor at the price set out in paragraph (9) below) transfer all of the Leaver's Preference Shares to such persons (being employees or officers of prospective employees or officers, of the Group or persons who undertake/intend to transfer those shares to such persons) as the Board with Institutional Consent may nominate, and the Board shall on behalf of the Company procure that the consideration is paid to the Leaver by the relevant transferee as soon as reasonably practicable after his becoming a Leaver; or
- (b) if he is a Bad Leaver and the Board with Institutional Consent within 120 days so resolves, the Leaver shall, and each person holding any Leaver's Preference Shares shall, in respect of the Leaver's Preference Shares held by him be deemed to have authorised the directors (subject only to receiving the consideration therefor) to transfer the Leaver's Preference Shares (or such of them as the Board with Institutional Consent may resolve) to such persons (being employees or officers, or prospective employees or officers, of the Group or persons who undertake/intend to transfer those shares to such persons) as the Board with Institutional Consent may nominate within 60 days of such resolution.

(9) On a transfer:

- (a) under paragraph (8)(a) above, the price per Leaver's Preference Share shall, unless the transferor and the Board with Institutional Consent agree some other price, be the nominal value plus any accrued dividend payable on that share; or
- (b) under paragraph (8)(b) above, the price per Leaver's Preference Share shall, unless the transferor and the Board with Institutional Consent agree some other price, be the nominal value of the Leaver's Preference Share.

- (10) If the Board has passed a resolution under paragraph (2)(b), paragraph (5)(b) or paragraph (8)(b) or if paragraph (5)(a) or (8)(a) above applies, then unless the resolution stipulated otherwise, none of the relevant Leaver's Shares shall entitle the holder to receive notice of, attend or vote at general meetings of the Company or, subject to the Statutes, meetings of the holders of shares of the same class, provided that all shares so disenfranchised shall on a transfer in accordance with this article, or on expiry of the 60 day period referred to in paragraph (2)(b), paragraph (5)(b) or paragraph (8)(b) above, be re-enfranchised.
 - (11) If, having become a Leaver, that Leaver or any of his Connected Persons acquires any shares ("Relevant Shares") by virtue of any rights held by that Leaver, the following provisions shall, if the Board with Institutional Consent so resolves at any time, apply:
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- (a) any Transfer Notice previously issued or deemed issued in relation to any of the Relevant Shares shall immediately be cancelled (unless all the shares subject to it have already been sold);
 - (b) each holder of Relevant Shares shall be deemed to have authorised the directors (subject only to receiving the consideration therefor) to transfer the Relevant Shares held by him (or such of them as the directors may, with Institutional Consent, resolve) to such persons (being employees or officers, or prospective employees or officers, of the Group or persons who undertake/intend to transfer those shares to such persons) as the Board with Institutional Consent may nominate within 60 days of the resolution; and
 - (c) the price shall be determined in accordance with paragraph (3), paragraph (6) or paragraph (9) above, as applicable.

CHANGE OF CONTROL AND DRAG ALONG

31.(1) Notwithstanding the provisions on the transfer of shares in these articles, no transfer of equity shares which would result, if made and registered, in a person other than a member of the DB Group obtaining or increasing a Controlling Interest, shall be made or registered unless:

- (a) an Approved Offer is made; or
- (b) the transfer is made pursuant to the terms of a Sale Agreement.

(2) For the purposes of this article and article 32:

"Approved Offer" means an offer in writing for all the equity shares (including any equity 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 those shares were one class (unless in the case of a particular member less favourable terms are agreed) and which:

- (a) is stipulated to be open for acceptance for at least 21 days;
- (b) 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 during the previous six months with any other member for the purchase of equity shares; and
- (c) has been approved by the Institutional Directors;

"Controlling Interest" in relation to a person means the ownership by that person and his connected persons (as defined in section 839 of the Income and Corporation Taxes Act 1988) of equity shares carrying the right exercisable by such persons to more than 50 per cent. of the total number of votes which may be cast on a poll at general meetings of the Company on all, or substantially all, matters; and

"Sale Agreement" means a bona fide agreement on arm's length terms for the sale of all the equity shares not already held by the proposed purchaser.

- (3) Any transfer of shares pursuant to an Approved Offer or a Sale Agreement shall not be subject to the restrictions on transfer contained in these articles.
32. If the holders of more than 50 per cent. of the A Shares which are the subject of an Approved Offer and in issue at the date of the offer accept the offer, the directors, the Institutional Directors or the Majority Holders may authorise some person to execute on behalf of any member who has not accepted the Approved Offer any form of acceptance of the offer and/or a transfer of shares in favour of the offeror (or as the offeror may nominate) and the consideration for the shares may be received by the Company on behalf of such member. Upon the Company receiving such consideration and transfer (duly stamped), and subject to article 23, the transferee shall be entered in the register of members of the Company. The certificate in respect of any shares so transferred, in the name of the original member, shall be deemed to be cancelled and a new certificate shall be issued in the name of the offeror or its nominee. The receipt of the Company for the consideration shall be a good discharge to the offeror who shall not be bound to see to the application of it, and after such registration in exercise of the above powers the validity of the proceedings shall not be questioned by any person. The Company shall hold the consideration on behalf of the relevant member in a separate bank account on trust for that member pending delivery of the cancelled certificate.
33. The holders of more than 50 per cent. of the A Shares may execute a Sale Agreement (and any document to be executed pursuant to a Sale Agreement) on behalf of any of the other holders of equity shares provided that:
- (a) the terms of sale applicable to each shareholder on whose behalf the Sale Agreement or other document is executed pursuant to this article 33 (a **"Relevant Seller"**) are no less favourable than those applicable to any other holder of equity shares under the Sale Agreement; and
 - (b) the Sale Agreement contains an undertaking from the Purchaser in favour of each Relevant Seller that neither it nor any person acting by agreement or understanding with it has entered into or has agreed during the six months before the date of the Sale Agreement terms with any other shareholder for the purchase of equity shares which are or were more favourable than those applicable to the Relevant Sellers under the Sale Agreement.

SHARE CERTIFICATES

34. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on those shares. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

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35. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

36. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may, with Institutional Consent, at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it.
37. The Company may sell, in such manner as the directors, with Institutional Consent, determine, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
38. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
39. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

40. Subject to the terms of allotment, the directors may, with Institutional Consent, make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due under it, be revoked in whole or part and payment of a call may be postponed in whole or part, in each case with Institutional Consent. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
41. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
42. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
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43. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may, with Institutional Consent, waive payment of the interest wholly or in part.
 44. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these articles shall apply as if that amount had become due and payable by virtue of a call.
 45. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
 46. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
 47. If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors, with Institutional Consent, and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
 48. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors, with Institutional Consent, determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors, with Institutional Consent, think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
 49. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
 50. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the
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consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

PURCHASE OF OWN SHARES

51. Subject to the provisions of the Act and with Institutional Consent, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the purchase or redemption of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

52. All general meetings other than annual general meetings shall be called extraordinary general meetings.
53. The directors or any Institutional Director may call general meetings and, on the requisition of members pursuant to the provisions of the Act, the directors shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.
- 54.(1) A general meeting or a meeting of any class of members of the Company may consist of a conference between members some or all of whom are in different places provided that each member who participates is able:
- (a) to hear each of the other participating members addressing the meeting; and
 - (b) if he so wishes, to address all of the other participating members simultaneously,
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
- (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of members required to form a quorum.
 - (3) A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
 - (4) A resolution put to the vote of a meeting shall be decided by each member indicating to the chairman (in such manner as the chairman may direct) whether the member votes in favour of or against the resolution or abstains.
 - (5) References in this article to members shall include their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.
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NOTICE OF GENERAL MEETINGS

55. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
 - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent. in number of the shares giving that right.

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

Subject to the provisions of these articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

56. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

57. No business shall be transacted at any meeting unless a quorum is present. Two members entitled to vote upon the business to be transacted present in person or by proxy or by a duly authorised representative (in the case of a corporation), of whom at least one shall be or represent an A Shareholder, shall be a quorum.
58. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.
59. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
60. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
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61. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
62. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
63. Subject to article 57 a resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the chairman; or
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up (including any premium at which those shares were issued) equal to not less than one-tenth of the total sum paid up (including the premiums paid up) on all the shares conferring that right;
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
64. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
65. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
66. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
67. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have.
68. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or
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at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

69. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

SHAREHOLDERS RESOLUTIONS

70. A resolution in writing signed or approved by letter, facsimile, telegram or telex by or on behalf of all the members of the Company who would be entitled to vote on it if it had been proposed at a general meeting or at a meeting of any class of members of the Company shall be as valid and effectual as if it had been passed at a general meeting or at such class meeting (as the case may be) duly convened and held. The resolution may be contained in one document or in several documents in like form each stating the terms of the resolution accurately and signed by or on behalf of one or more of the members.

VOTES OF MEMBERS

71. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by a proxy appointed under section 372 of the Act or (being a corporation) is present by a duly authorised representative or by a proxy appointed under section 372 of the Act, shall have one vote (provided that no person present shall be entitled to more than one vote on a show of hands) and on a poll every member shall have one vote for every share of which he is the holder.
72. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
73. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, *curator bonis* or other person authorised in that behalf appointed by that court, and any such receiver, *curator bonis* or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with paragraph (a) of article 81 for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
74. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
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75. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
76. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.
77. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve):

" _____ PLC/Limited
I/We, _____, of _____, being a member/members of the above-named Company, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on _____, _____, and at any adjournment thereof.

Signed on _____, ."

78. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve):

" _____ PLC/Limited
I/We, _____, of _____, being a
member/members of the above-named Company, hereby appoint
_____ of _____, or failing him, _____ of
_____, as my/our proxy to vote in my/our name[s] and on my/our
behalf at the annual/extraordinary general meeting of the Company, to be held on _____,
20 _____, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against
Resolution No. 2 *for *against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on _____, 19__

79. The instrument appointing a proxy and any authority under which it is executed (or such copy of the instrument or the authority or both as the directors may approve) may:
- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out

by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

- (b) be deposited at the place where the meeting or adjourned meeting is to be held at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited as specified in (a) above after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director; or
- (e) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be deposited at the place appointed for the taking of the poll at any time within the 24 hours preceding the time appointed for the taking of the poll,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

80. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

NUMBER OF DIRECTORS

81. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

ALTERNATE DIRECTORS

82. An Institutional Director (other than an alternate director) may appoint any person and any other director (other than an alternate director) may appoint:

- (a) any other director; or
- (b) any other person approved by a resolution of the directors with Institutional Consent,

who is willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

83. An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member to attend and to vote
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at any meeting at which the director appointing him is not personally present, and at that meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of proceedings at that meeting the provisions of these articles shall apply as if he was a director.

84. Every person acting as alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.
85. Any person appointed as an alternate director shall vacate his office as an alternate director if the director by whom he has been appointed ceases to be a director or removes him or on the beginning of any event which, if he were a director, causes or would cause him to vacate that office.
86. Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
87. An alternate director shall alone be responsible for his acts and defaults and shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

88. Subject to the provisions of the Act, the memorandum and these articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
89. Without prejudice to any other of their powers, the directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.
90. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

91. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members
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shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

92. The directors may, with Institutional Consent, appoint any person who is willing to act to be a director, either to fill a casual vacancy or as an additional director.
93. The Majority Holders may appoint any 3 persons as Institutional Directors and remove from office any such Institutional Director and (if desired) appoint another in his place.
94. Without prejudice to their rights under article 95, the holders of shares for the time being carrying the right to more than 50 per cent. of the total number of votes which may be cast on a poll at general meetings of the Company may at any time appoint one person to be a director and to hold office as chairman and remove such person as a director and/or chairman and appoint another person to be a director and chairman or an existing director to be chairman (as the case may be) in his place.
95. The holders of shares for the time being carrying the right to more than 50 per cent. of the total number of votes which may be cast on a poll at general meetings of the Company may at any time appoint any person as a director of the Company and remove any director (other than a director appointed under article 93).
96. Every appointment or removal under articles 93, 94 or 95 shall be made in writing signed by or on behalf of the relevant shareholders and shall take effect on and from the date on which the note of appointment or removal is lodged at the registered office of the Company or produced at a meeting of the directors.
97. No director shall vacate his office or be ineligible for re-appointment as a director, nor shall any person be negligible for appointment as a director, by reason only of his having attained a particular age.
98. No special notice is required of any resolution appointing or approving the appointment of such a director nor is any notice required to state the age of the person to whom the resolution relates.

REMOVAL AND DISQUALIFICATION OF DIRECTORS

99. The office of a director shall be vacated if:
 - (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the applicable law of any jurisdiction including but not
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limited to, the Mental Health Act 1983 or the Mental Health (Scotland) Act 1960; or

- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice to the Company; or
- (e) 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 the directors resolve that his office be vacated.

REMUNERATION OF DIRECTORS

100. The directors (other than any director who for the time being holds an executive office or employment with the Company) shall be paid out of the funds of the Company by way of remuneration for their services as directors such fees not exceeding in aggregate £200,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable under this article shall be distinct from any remuneration or other amounts payable to a director under other provisions of these articles and shall accrue from day to day.

DIRECTORS' EXPENSES

101. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

102. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement 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, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. 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.
103. Subject to the provisions of the Act and, except in the case of an Institutional Director, to Institutional Consent and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
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- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

104. For the purposes of article 103:

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

DIRECTORS' GRATUITIES AND PENSIONS

105. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

106. Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Notices of meetings of the directors shall be given to all directors and to any alternate directors appointed by them. At least 72 hours' notice shall be given unless in any particular case a majority of the directors (including one of the Institutional Directors) agrees otherwise. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

107.(1) The quorum for the transaction of the business of the directors shall be two directors present throughout the meeting of whom at least one is an Institutional Director (if any) appointed under article 93 unless otherwise agreed in writing by the Institutional Director(s) so appointed.

(2) If a quorum is not present at the time for which the meeting was called or ceases to be present thereafter, the meeting (the "**first meeting**") shall be adjourned to a day being no more than

ten days from the date of the first meeting at the same time and place. The Company shall give notice to each director who did not attend the first meeting requiring him either to attend the adjourned meeting of the directors or to state in writing his views on the matters to be discussed at that meeting. If any director having received such notice fails to attend such adjourned meeting those directors (being at least two) who are present at such adjourned meeting shall constitute a quorum.

108. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
 109. Unless otherwise appointed pursuant to article 94, the directors with Institutional Consent may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
 110. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
 - 111.(1) A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held. The resolution may be contained in one document or in several documents each stating the terms of the resolution accurately and signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
 - (2) In this article references to a document being "**signed**" include it being "approved by letter, facsimile or telex".
 - 112.(1) A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:
 - (a) to hear each of the other participating directors addressing the meeting; and
 - (b) if he so wishes, to address all of the other participating directors simultaneously, whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
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- (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of article 113.
- (3) A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
113. Provided that he has disclosed to the directors the nature and extent of any material interest of his, a director may vote as a director on any resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his vote shall be counted and he shall be counted in the quorum when that resolution or matter is under consideration.
114. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
115. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

116. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

117. The directors shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers made by the directors; and
 - (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

SEAL

118. The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the directors.
119. The directors shall provide for the safe custody of every seal which the Company may have.
120. A seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given by letter, facsimile, telegram,
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telex or telephone by a majority of the directors or of the members of a duly authorised committee.

121. The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means.
122. Unless otherwise decided by the directors:
- (a) certificates for shares, debentures or other securities of the Company to which a seal is applied need not be signed; and
 - (b) every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors.

DIVIDENDS

123. Subject to the provisions of the Act and the other provision of these articles, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
124. Subject to the provisions of the Act, the directors, with Institutional Consent, may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
125. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (including any premiums paid up) on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up (including any premiums paid up) on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
126. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
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127. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
128. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
129. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

130. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

CAPITALISATION OF PROFITS

131. The directors may with the authority of an ordinary resolution of the Company:
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
 - (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions; and
 - (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively,
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credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

132. Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
133. The Company may give any notice to a member either personally or by sending it by prepaid airmail or first class post or telex or facsimile transmission at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.
134. A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
135. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
136. Proof that:
- (a) an envelope containing a notice was properly addressed, prepaid and posted (by airmail or first class post, where available); or
 - (b) a telex or facsimile transmission setting out the terms of the notice was properly despatched,

shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 24 hours after the envelope containing it was so posted or, in the case of telex or facsimile transmission, when despatched.

137. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

138. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the
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whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

139. Subject to the provisions of and to the extent permitted by the Statutes, every director, other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, but:
- (a) this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
 - (b) the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced.
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APPENDIX

Calculation of D

(number of A Shares to be converted into Deferred Shares)

1. First Calculation

The value of MISV (Minimum Institutional Share Value) in pounds sterling shall be calculated as follows:

MISV = the higher of a and x

where:

$$x = (y * 2.5) - z$$

y = the aggregate of all subscription monies (including any premiums) paid by institutional investors on or prior to Exit in respect of A Shares, Loan Stock and any other shares and debt securities in the Company ("Instruments")

z = the aggregate of all dividends, interest and repayment of capital (net of any withholding or deduction therefrom and excluding the issue of Instruments in lieu of interest) received by institutional investors prior to Exit in respect of Instruments together with the value (as Finally Determined) of any unredeemed Instruments (other than Ordinary Shares) held by institutional investors on Exit

and the value of a is calculated by the formula:

$$a + \sum_{r=0}^n \left(CF_r * (1.30^{\left(\frac{n-r}{12} \right)} \right) = 0$$

where:

n = the number of months between the date of the first Cash Flow and Exit, counting the month in which the first Cash Flow occurs as the first month and the month in which Exit occurs as the final month;

r = the number attributed to such a month, the number 0 being attributed to the month of the first Cash Flow, the number 1 being attributed to the following month and so forth until $r = n$

CF_r = the amount of Cash Flow in month r

2. Second Calculation

The value of RMC (Required Market Capitalisation) shall be calculated as follows:

$$RMC = \frac{MISV * (E + F)}{E}$$

where:

$E =$ the number of A Shares in issue

$F =$ the number of B Shares and C Shares in issue

3. Third calculation

- (1) If MC is less than or equal to RMC then $D = 0$
- (2) If MC is greater than RMC then D shall be calculated as follows:

- (i) if MISV is greater than £0 then:

$$D = E - \left[\left(\frac{G}{100 - G} \right) * F \right]$$

$$\text{where: } G = \frac{AISV}{MC} * 100$$

where:

$$AISV \text{ (Actual Institutional Share Value)} = MISV + \left(\frac{91.8(MC - RMC)}{100} \right)$$

- (ii) if MISV is less than or equal to £0 then:

$$D = E - \left(\frac{91.8 * F}{7.5} \right)$$