

THE COMPANIES ACTS 1908 TO 1989

NORTH WALES NEWSPAPERS LIMITED ("THE COMPANY")

Copy Resolution of the type and in the terms specified below as passed by the Members of the Company named above at their Extraordinary General Meeting duly convened and held at the Company's offices at Mold Business Park, Wrexham Road, Mold at 1pm on 4th July 2003.

SPECIAL RESOLUTIONS

Conversion of authorised share capital

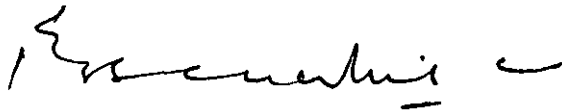
1. That the authorised share capital of the Company be hereby altered by the conversion of
 - 1.1 the 6,317 authorised and issued Ordinary Shares of £1 each held by the ELT 61 Trust (ELTS) into 6,317 A Ordinary Shares of £1 each;
 - 1.2 the 1,623 authorised and issued Ordinary Shares of £1 each held by N Bayley into 1,623 A Ordinary Shares of £1 each;
 - 1.3 the 1,623 authorised and issued Ordinary Shares of £1 each held by H R Jones into 1,623 A Ordinary Shares of £1 each;
 - 1.4 the 6,317 authorised and issued Ordinary Shares of £1 each held by the ELT 61 Trust (ELTE) into 6,317 A Ordinary Shares of £1 each;
 - 1.5 the 1,623 authorised and issued Ordinary Shares of £1 each held by Mr A J Moss into 1,623 A Ordinary Shares of £1 each;
 - 1.6 the 1,622 authorised and issued Ordinary Shares of £1 each held by Miss J Moss into 1,622 A Ordinary Shares of £1 each;
 - 1.7 the 7,877 authorised and issued Ordinary Shares of £1 each held by the ELT 61 Trust (ELTP) into 7,877 A Ordinary Shares of £1 each;
 - 1.8 the 5,202 authorised and issued Ordinary Shares of £1 each held by Miss NP Thomas 75 Settlement Trust into 5,202 A Ordinary Shares of £1 each;
 - 1.9 the 915 authorised and issued Ordinary Shares of £1 each held by N P Woodward into 915 A Ordinary Shares of £1 each;
 - 1.10 the 3,049 authorised and issued Ordinary Shares of £1 each held by NG Thomas Grandchildren Trust into 3,049 A Ordinary Shares of £1 each;
 - 1.11 the 1,322 authorised and issued Ordinary Shares of £1 each held by the ELT 61 Trust (non specific) into 1,322 A Ordinary Shares of £1 each;
 - 1.12 the 1,524 authorised and issued Ordinary Shares of £1 each held by D R Thomas into 1,524 B Ordinary Shares of £1 each;
 - 1.13 the 51 authorised and issued Ordinary Shares of £1 each held by Yattendon into 51 C Ordinary Shares of £1 each;

all such shares ranking *pari passu* in all respects with the existing ordinary shares in the capital of the Company save as set out in the Articles of Association to be adopted below.



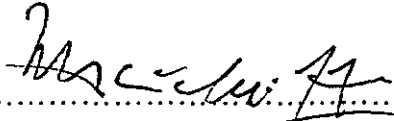
Adoption of new Memorandum & Articles of Association

2. That the Memorandum and Articles of Association contained in the printed document attached to this Resolution marked A and for the purpose of identification initialled by a director of the Company be and the same are approved and adopted as the Memorandum and Articles of Association of the Company in substitution for and to the exclusion of all the existing Memorandum and Articles of Association of the Company.



4 July 2003

Chairman



4/07/03.

Company Secretary

Dated

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THE COMPANIES ACTS 1908 TO 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

NORTH WALES NEWSPAPERS LIMITED

(Adopted by Special Resolution passed on 4th July 2003)

1. The name of the company is "North Wales Newspapers Limited" (hereinafter called "the Company").
2. The registered office of the Company is to be situate in England and Wales.
3. The objects for which the Company is established are:
 - 3.1 to carry on business as a general commercial company and any trade or business whatsoever and any lawful purpose pursuant to the Companies Act 1985 (hereinafter called "the Act") as amended, extended or applied by or under any other enactment or as re-enacted, and without prejudice thereto but in furtherance thereof to carry on all or any of the businesses of printers, colour printers, copper-plate printers, etching printers, lithographers, typefounders, stereotypers, electrotypes, photographic printers, electric and photographic printers, photo lithographers, chromo lithographers, engravers, dye sinkers, book-binders, artists, designers, draftsmen, paper and ink manufacturers, book sellers, publishers, advertising agents, distributors and dealers in or manufacturers of any other article or things of a character similar or analogous to the foregoing or any of them connected therewith, proprietors, publishers and distributors of economic, social and technical publications, newspapers, journals, magazines, books and other literary works and undertakings of every description; to carry on the business of cutter process and half tone engravers, wholesale and retail stationers, ink manufacturers, and of printers generally, to engage in the import and export of printing materials and goods of every nature and kind; to undertake and transact all kinds of agency, advertising or otherwise; to collect, compile and circulate information, statistics and data of every description relating to all matters of all kinds affecting industry and commerce, and to provide facilities for the encouragement and development of inventions and improvements in connection therewith; to act as marketing consultants and advisers; to employ, train and exploit the services of agents, salesmen, directors, executives, interpreters, translators, staff and personnel of all kinds; to carry on all or any of the businesses of advertising agents, contractors, consultants and specialists, publicity agents, designers of pictorial and display advertisements, paper and ink merchants, booksellers and billposters, to enter into, assist or participate in financial, commercial, mercantile, industrial and other

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transactions, undertakings and businesses of every description and to establish, carry on, develop and extend the same and to co-ordinate the policy and administration of any companies of which this Company is a member or which are in any manner controlled by or connected with this Company; and to buy, sell, manufacture, repair, alter, manipulate or otherwise deal in vehicles, plant, machinery, fittings, furnishing and implements, tools, materials, products, articles and things capable of being used for the purpose of the foregoing businesses or any of them, or likely to be required by customers of or persons having dealings with the Company; and to act as merchants generally;

- 3.2 to carry on any other trade or business whatsoever which can in the opinion of the members or directors of the Company be conveniently or advantageously or profitably carried on in connection with or ancillary to any of the businesses of the Company or calculated directly or indirectly to enhance the value or render more profitable any of the Company's assets;
- 3.3 to assume the obligations or any of them arising from the formation of the Company and without prejudice to the generality thereof to pay all costs, charges and expenses incurred or sustained in or about the promotion or establishment of the Company or which the directors may consider to be in the nature of preliminary expenses, and to novate or otherwise assume any contracts entered into prior to incorporation of the Company as the directors may think fit;
- 3.4 to undertake or acquire all or any part of the business, assets and liabilities of or any share in any company, partnership or person carrying on or proposing to carry on all or any of the objects for the time being of the Company, or to amalgamate, enter into partnership, share profits, co-operate, or engage in mutual assistance with any such company, partnership or person, and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debentures stock or securities however received, and to conduct and carry on, liquidate or wind up any such business;
- 3.5 to apply for, subscribe, take, purchase or otherwise acquire, hold and deal with shares, debentures, options or other interests in or securities of any other company so as to benefit directly or indirectly the Company or enhance the value of its property, and to co-ordinate, finance, manage, supervise or control the business and operations of any company in which the Company may hold such interest;
- 3.6 to acquire and take options over and deal with any property whatsoever, including but without limit any shares in the capital of the Company, and any rights or privileges of any kind over or in respect of any property, and without limit to purchase, take on lease, exchange, hire, or otherwise acquire any estate or interest in any real or personal property, and to deal with the same or any part thereof;
- 3.7 to promote any other business for the purpose of acquiring the whole or any part of the business, property, undertaking or liabilities of the Company or of



any business, property, undertaking or liabilities which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to subscribe for, purchase or otherwise acquire or place or guarantee the placing of or underwrite all or any part of the shares, debentures or securities of any such company as aforesaid;

- 3.8 to sell, let (including, but without limitation, by way of assured shorthold tenancy), exchange, dispose of, turn to account, grant licences, options, rights or privileges in respect of, mortgage, charge or otherwise deal with all or any part of the business and property of whatever nature (whether or not as a going concern) of the Company, and to deal in any manner as aforesaid with the same or any part thereof either together or in portions for such consideration whether shares, debentures, options, cash or real or personal property of any other nature without limit as the members or the directors of the Company may think fit;
- 3.9 to erect, build, manufacture, improve, manage, construct, repair, maintain, alter or develop any real or personal property;
- 3.10 to invest and deal with any moneys in any manner, and to hold, alter, dispose of or otherwise without limit deal with any investments so made;
- 3.11 to receive money on deposit or loan, and to borrow or raise money or credit as may seem expedient without limit and whether with or without any security or guarantee therefore, and to issue any debentures or debenture stock whether perpetual, irredeemable or otherwise;
- 3.12 to issue or grant any mortgage, charge, standard security, lien or other security upon all or any part of the property or assets whether present or future and including but without limit the uncalled capital of the Company, and also by any such means to secure and guarantee the performance by the Company, any holding, subsidiary or associated company of the Company, or any other person, firm or company of any obligation undertaken by the Company or any of them as the case may be, and to stand security or guarantor for or otherwise support any obligation of any other person, firm or company whether by personal covenant, mortgage, charge, standard security or lien upon the whole or any part of the undertaking, property and assets of the Company whether present or future including but without limit its uncalled capital;
- 3.13 to advance or lend money or give any credit to any person, firm or company as the directors or members may think fit, and to give financial assistance as statutorily permitted for the acquisition or redemption of any shares, debentures, option rights or other security of the Company;
- 3.14 to draw, issue, accept, endorse, discount, negotiate, make or deal with as may seem expedient cheques, bills of exchange or lading, promissory notes, warrants, coupons, debentures, and other negotiable or transferable notes or instruments;



- 3.15 to seek any permission, order, privilege, charter, concession, decree, right, or licence from any government department, national, local or other statutory authority or official body in any part of the world where the Company does or may do business or other official sanctions for enabling the Company to pursue any of its objects for the time being or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and comply with the same, and to oppose or defend any proceedings or application which may seem directly or indirectly to advance or prejudice the Company's interests as the case may be;
- 3.16 to seek in any part of the world and deal with, grant or obtain licences in respect of, manufacture under, operate, test, improve, or experiment on any invention, discovery, copyright, patent, brevet d'invention, licence, secret process, trade mark, service mark, design, registration, protection and concession as may seem expedient or beneficial, and to register, re-register, disclaim, alter, modify, use, and turn to account the same or any of them;
- 3.17 to act as principal, nominee, agent (whether disclosed or undisclosed), broker, trustee, factor, contractor or sub-contractor in any part of the world;
- 3.18 to pay, reward or remunerate anyone supplying goods or services to the Company by cash, goods, services or any securities of the Company;
- 3.19 to give to any charitable, benevolent or public cause or object which may be for the benefit of the Company or any holding, subsidiary or associated company of the Company or any directors or employees thereof, and to provide or pay towards any pension, annuity, gratuity, insurance, superannuation or other allowance or benefit, and generally to provide advantages, facilities and services for any persons who are to have been directors of, employed, or serving the Company or any holding, subsidiary or associated company of the Company or any predecessor thereof and to the members of the family, dependants, personal representatives or nominated beneficiaries of any such person, and to set up, establish, maintain, provide, contribute towards and lend in favour of any incentive, profit-sharing, option, or savings related scheme for the benefit of the employees of the Company or any holding, subsidiary or associated company as aforesaid;
- 3.20 to distribute among the members of the Company in specie or otherwise any property of the Company of whatever nature, including but without limit the shares, debentures or other securities of any other company taking over the whole or any part of the undertaking, assets or liabilities of the Company, and to purchase or assist the purchase of or redeem the shares for the time being (including any redeemable shares) or reduce the capital of the Company in any manner permitted under Part V of the Act;
- 3.21 to carry on any of the objects for the time being of the Company in any part of the world as principal or by or through agents, trustees, brokers, sub-contractors or otherwise and either alone or with any other person, firm or company;

- 3.22 to do all things specified for the time being in the articles of association of the Company.

The objects in each preceding sub-clause shall not be in any way limited or restricted by reference to or inference from the terms of any other sub-clause herein except as may be expressly stated, or by the name, place or date of incorporation of the Company. Each sub-clause, object or power herein shall be a main object of the Company and not ancillary or subsidiary to any other sub-clause, object or power herein. The Company shall have as full a power to exercise all or any of the objects and powers in each sub-clause herein as if each sub-clause contained the objects of a separate company. Reference to any company herein shall be deemed to include any body whether incorporated or not and wherever in any part of the world set up, established or registered.

4. The liability of the members is limited.
5. The share capital of the Company at the date of Adoption of this Memorandum of Association is £102,500 divided into 37,490 ordinary A shares of £1 each, 1,524 ordinary B shares of £1 each, 51 ordinary C shares of £1 each and 63,435 undesignated ordinary shares of £1 each all such shares ranking pari passu in all respects save as otherwise set out in these Articles.

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Company Number 00167825

THE COMPANIES ACTS 1908 TO 1989
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

NORTH WALES NEWSPAPERS LIMITED

(Adopted by Special Resolution passed on 4th July 2003)

PRELIMINARY

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association.
2. In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force. In these Articles unless the context otherwise requires, words importing any gender shall include every gender, words importing the singular shall include the plural and vice versa and words importing persons shall include firms companies and corporations and vice versa.
3. The Company is a private company limited by shares within the meaning of the Act.

SHARE CAPITAL

4. At the date of adoption of these Articles the authorised share capital of the Company is £102,500 divided into 37,490 ordinary A shares of £1 each, 1,524 ordinary B shares of £1 each, 51 ordinary C shares of £1 each and 63,435 undesignated ordinary shares of £1 each all such shares ranking pari passu in all respects save as otherwise set out in these Articles.

ALLOTMENT OF SHARES

5. Subject to any direction to the contrary that may be given by the Company in general meeting, any ordinary shares for the time being unissued and any new ordinary shares from time to time to be created, shall, before they are issued, be offered to the members holding ordinary shares in proportion as nearly as

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possible to the nominal value of the existing shareholding held by them and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer if not accepted shall be deemed declined, and after the expiration of such time or on receipt of an intimation from the member to whom the notice is given that he declines to accept the shares, the directors shall offer any undisposed of shares to the members holding ordinary shares of the same class as the member declining in proportion as nearly as possible to the nominal value of the existing shareholding held by them and such offer shall be made by notice specifying the number of shares to which the Member is entitled and limiting a time within which the offer if not accepted shall be deemed declined, and after the expiration of such time or on receipt of an intimation from the Member to whom the notice is given that he declines to accept the shares, the directors may dispose of the same in such manner as they think most beneficial to the Company. The provisions of Section 89 of the Act shall have effect only insofar as they are not inconsistent with this Article.

6. Subject to Article 5 above the unissued shares of the Company which are comprised in the authorised share capital of the Company at the date of adoption of these Articles shall be under the control of the board of directors who may (subject to Section 80 of the Act and to Article 8 below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
7. In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
8. Subject to Article 5 above the directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital at the date of adoption of these Articles at any time or times during the period of five years from the date of adoption of these Articles and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

LIEN

9. The lien conferred by Clause 9 of Table A shall attach to fully paid shares, and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of several joint holders.
10. When any shares shall have been forfeited an entry shall forthwith be made in the Register of Members of the Company stating the forfeiture and the date thereof, and so soon as the shares so forfeited shall have been sold or

otherwise disposed of an entry shall also be made of the manner and date of the sale or disposal thereof.

CALLS ON SHARES

11. No call upon any share shall be made payable within one calendar month after the date when the last instalment of the last preceding call shall have been made payable and Regulation 12 of Table A shall be modified accordingly.
12. If a call or instalment of a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due and payable not less than fourteen clear days notice requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by reason of such non-payment. 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 and Regulation 18 of Table A shall be modified accordingly.

TRANSFER OF SHARES

13. The directors shall not register the transfer of any share or any interest in any share unless the transfer is made with the prior written consent of the members holding 85 per cent or more of the equity share capital or in accordance with these Articles and in any event, is not in favour of any infant, bankrupt, trustee in bankruptcy or person of unsound mind.

14. Permitted Transfers

14.1 For the purposes of this article 14:

"family member" means, in relation to any person, any of his children and grandchildren

"family trust" means, in relation to a member, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his family members and under which no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his family members;

- 14.2 Subject to Articles 14.3 to 14.6 inclusive any member who is an individual may at any time transfer any shares to a person shown to the reasonable satisfaction of the directors to be:

14.2.1 a family member of his; or

14.2.2 trustees to be held under a family trust for that member.



period after the cessation, give a Transfer Notice in respect of all of the shares then held by that person.


15. The directors shall promptly register any duly executed and stamped transfer of shares that is made in accordance with these Articles.
16. For the purpose of ensuring that a transfer of shares is in accordance with these Articles or that no circumstances have arisen whereby a member may be bound to give or be deemed to have given a Transfer Notice (as defined in article 21) the directors may from time to time require any member or any person named as transferee in any transfer lodged for registration to furnish to the directors such information and evidence as they request for such purpose. If such information or evidence is not furnished to their reasonable satisfaction within a reasonable time after that request the directors may in their absolute discretion either:
 - 16.1 refuse to register the transfer in question or;
 - 16.2 where no transfer is in question, require by notice in writing to the member(s) concerned that a Transfer Notice be given in respect of the shares concerned within the period specified in that notice.

If such information or evidence discloses to the satisfaction of the directors in their absolute discretion that circumstances have arisen whereby a member is bound to give or be deemed to have given a Transfer Notice the directors may in their absolute discretion by notice in writing to the member concerned require that a Transfer Notice be given in respect of the shares concerned within the period specified in that notice.

17. An obligation to transfer a share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance with full title guarantee.
18. No arrangement shall be entered into by any member whereby the terms upon which that member holds any shares are to be varied if as a result any interest in those shares is varied, disposed of or created or extinguished, except by a transfer made in accordance with these Articles.
19. Whenever a share is transferred to a member holding shares only of another class such first mentioned share shall ipso facto and forthwith be converted into and re-designated as a share of such other class.
20. Regulations 30 and 31 of Table A shall be modified to reflect the provisions of these Articles.

Pre-Emption Rights

21. Any member (or other person entitled to transfer a share) ("Vendor") who desires to transfer any share or any interest in any share, otherwise than as permitted under these Articles, shall give notice in writing to the Company of



such desire stating the number and class of shares offered ("Transfer Shares") and stating (if the Vendor wishes) the price or prices which the Vendor fixes as the price of each of the Transfer Shares (a "Transfer Notice") and such notice shall constitute the Company as the agent of the Vendor for the sale of the Transfer Shares on the terms of Articles 22-29 and except with the consent of the directors, a Vendor may not withdraw a Transfer Notice or cancel the Company's authority to sell.

22. In the event of either:

22.1 a member becoming bankrupt (or in the case of a corporation going into liquidation or receivership) or making any arrangement or composition with his creditors, or;

22.2 a member dying, or;

22.3 in the case of a member, who is or was previously a director or employee of the Company ceasing to hold such office or employment, save that this Article 22.3 shall not apply to the issue of Mr Eric Thomas or a member who is at the relevant time a trustee of a family trust, or to Mr D R Thomas; or

22.4 in the case of a corporation member ceasing to be controlled by the person or persons who at the time of adoption of these articles or when it became a member (whichever is the later) had control and for the purposes of this Article a person shall be deemed to have control of a corporation if the corporation is a subsidiary of that person or persons or would have been a subsidiary if that person or persons had also been a corporation

then a Transfer Notice shall (unless already given) be deemed to have been given on the date of event in question or, if later, the date of the first meeting of the directors at which details of the facts or circumstances giving rise to the deemed Transfer Notice are tabled.

23. The Transfer Price of the Transfer Shares will be such price as shall be agreed in writing between the directors and the Vendor or in the absence of such agreement the Transfer Price will be determined by the Auditors acting as experts and not as arbitrators who shall certify the fair value of the Transfer Shares as between a willing Vendor and a willing Purchaser as at the date of the Transfer Notice. The Company shall as soon as it receives the Auditor's certificate serve a certified copy thereof on the Vendor.

24. Within 21 days after the receipt of the Auditor's certificate or (in the circumstances that no certificate is required) within 21 days after the receipt of the Transfer Notice, the Company shall give notice in writing to each member (other than the Vendor, or any other member who is then bound to give or deemed to have given a Transfer Notice in relation to which the procedures in these Articles have not been completed) of the number class and Transfer Price of each class of the Transfer Shares inviting each member to state in

writing within 21 days from the date of the said notice whether he is willing to purchase any and if so what maximum number of each class of the Transfer Shares and at the expiration of the said period of 21 days the directors shall allocate the Transfer Shares amongst the members who shall have notified their willingness to purchase in accordance with such invitation as follows:

24.1 where the Transfer Shares are B or C Shares they shall be allocated first to applicants holding A Shares against their applications;

24.2 where the Transfer Shares are A Shares they shall be allocated first to applicants holding A Shares against their applications and in accordance with the following provisions:-

24.2.1 where the Transfer Shares are held by a member of the Woodward branch of the Family they shall be allocated first to applicants who are also members of the Woodward branch of the Family;

24.2.2 where the Transfer Shares are held by a member of the Bourne branch of the Family they shall be allocated first to applicants who are also members of the Bourne branch of the Family;

24.2.3 where the Transfer Shares are held by a member of the Moss branch of the Family they shall be allocated first to applicants who are also members of the Moss branch of the Family;

and for the purposes of this Article 24 Family shall mean the three daughters of Mr E L Thomas being Mrs S Bourne, Mrs E Moss and Mrs N P Woodward.

24.3 any balance remaining after satisfying applications as above shall be allocated to remaining applicants against their applications;

24.4 any balance remaining after both such allocations may be dealt with by the Vendor in accordance with Article 29.

If the number of shares of the particular class available for allocation under Articles 24.1 or 24.2 shall be insufficient to meet the number of shares of the class applied for by the relevant applicants, the provisions of Article 26 shall apply on the basis that in the case of an allocation under Article 24.1 references in Article 26 to applicants and their shareholdings shall be taken as references to applicants holding shares of the class in question and to their holdings of such shares; and that, in the case of an allocation under Article 24.2 references in Article 26 to the Transfer Shares shall be taken as references to the Shares available for the allocation in question, and references to shares applied for shall be taken as references to shares of the class in question applied for.

25 If the number of Transfer Shares shall be equal to or more than the number of shares applied for, the Transfer Shares shall be allocated amongst the

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applicants in accordance with their applications and any balance may be dealt with by the Vendor in accordance with Article 29.

26. If the number of Transfer Shares shall be less than the number of shares applied for, the Transfer Shares shall be allocated amongst the applicants proportionately according to their shareholdings PROVIDED that if this would result in the allocation to any applicant of a number of shares in excess of his application, the excess shall be re-allocated among the remaining applicants on the same basis and this proviso shall apply to such re-allocation and if necessary the process shall be repeated until all the Transfer Shares have been allocated.
27. The Company shall forthwith give notice of each such allocation ("Allocation Notice") to the Vendor and to each person to whom the shares have been allocated ("Purchaser") and shall specify in such notice the place and time (being not earlier than 21 nd not later than 35days after the date of the Allocation Notice) at which the sale of the said shares so allocated shall be completed.
28. The Vendor shall be bound to transfer the shares comprised in an Allocation Notice to the Purchaser against tender of the Transfer Price in accordance with the terms thereof and, if he makes default in so doing, the Company may receive the purchase money and the directors may authorise some person to execute a transfer of such shares in favour of the Purchaser, and may cause the name of the Purchaser to be entered in the register of members of the Company as the holder of such shares, and the Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser and after his name has been entered in the register of members of the Company, in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person. The Vendor shall in such case be bound to deliver up his certificate for the said shares, and on such delivery shall be entitled to receive the said purchase price, without interest, and if such certificate shall comprise any shares which he has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such shares.
29. If all the shares comprised in a Transfer Notice shall not be allocated under Articles 24-26 or if through any fault of a Purchaser the purchase of any shares in respect of which an Allocation Notice has been given shall not be completed in accordance with the terms thereof, the Vendor shall (at any time within 6 calendar months after either the last date for allocation under Article 24 or the expiration of the date specified for completion in the Allocation Notice as the case may be) be at liberty, subject to any other provisions of these Articles, to transfer the shares not so allocated or the purchase of which shall not have been so completed to any person and at any price not being less than the Transfer Price provided that the Directors shall be entitled to refuse registration of the proposed transferee if he is believed by the Directors to be a

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competitor or connected with a competitor of any business of the Company or a nominee of such a person.

30. Drag Along Option

30.1 If the holders of 85% in nominal value of the equity share capital (the "Selling Shareholders") wish to transfer their shares (the "Sellers' Shares") to a bona fide arms length purchaser (the "Third Party Purchaser") the Selling Shareholders shall have the option (the "Drag Along Option") to require all the other holders of shares (the "Called Shareholders") to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this Article 30.

30.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (a "Drag Along Notice") at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the "Called Shares") pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer. The provisions of Articles 27 and 28 shall apply in relation to the mechanics of the sale of the Sellers' Shares to the Called Shareholders.

30.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 90 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

30.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall, at the option of the Selling Shareholders, be either:

30.4.1 the same as that attributed by the offer from the Third Party Purchaser to each Seller's Share ("the Equivalent Consideration"); or

30.4.2 any other consideration certified by the Company's auditors as being no less favourable than the Equivalent Consideration.

30.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:

30.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or



30.6 The rights of pre-emption set out in these Articles shall not arise on any transfer of shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served;

30.7 If any holder of Shares does not on Completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by him the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and the directors shall forthwith register the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced;

30.8 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company ("a New Member"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

31.1 Notwithstanding any other provision in these articles no sale or transfer or other disposition of any interest in any share ("the specified shares") (excluding any transfer made in accordance with Article 14) shall have any effect, if it would result in a Third Party Purchaser together with persons acting in concert or connected with him holding or beneficially owning more than 50 per cent of the equity share capital of the Company, unless before the sale, transfer or other disposition takes effect the Third Party Purchaser has made a bona fide offer in accordance with this article to purchase at the specified price (defined in Article 31.3 below) all the Shares held by the members (except any member which has expressly waived its right to receive such an offer for the purpose of this article).

31.2 An offer made under Article 31.1 shall be in writing, open for acceptance for at least 21 days, and shall be deemed to be rejected by any member who has not accepted it in accordance with its terms within 28 days and the consideration under such an offer shall be settled in full on completion of the purchase and within 30 days of the date of the offer.

31.3 For the purposes of Article 31.1:

31.3.1 the expressions "transfer", "transferor" and "transferee" include respectively the renunciation of a renounceable letter of allotment and any renouncer and renounee of such letter; and

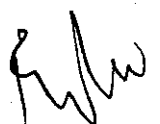
31.3.2 the expression "specified price" means

31.3.2.1 the higher of a price per share equal to the highest price paid or payable by the Third Party Purchaser or persons acting in concert with him or connected with him for any shares within the last 6 months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the specified shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the specified shares; and

31.3.2.2 a price per share equal to the Issue Price thereof plus a sum equal to any arrears or accruals of the dividends on such share grossed up at the rate of corporation tax then in force calculated down to the date the transfer is completed.

31.4 If any part of the specified price is payable otherwise than in cash any member may require, as a condition of his acceptance of the offer made under this article, to receive in cash on transfer all or any of the price offered for the shares sold by him pursuant to the offer.

31.5 If the specified price or its cash equivalent for any shares of any class cannot be agreed within 21 days of the proposed sale, transfer or other disposition referred to in Article 31.1 between the Third Party Purchaser and members holding 85 per cent of the class of shares concerned (excluding the Third Party Purchaser and persons who have waived their right to receive an offer), it may be referred to the Auditor (who will act as experts and not as arbitrators who shall certify the fair value of the Shares Price as between a willing Vendor and a willing Purchaser) by any member and, pending its determination, the sale, transfer or other disposition referred to in Article 31.1 shall have no effect.



GENERAL MEETINGS AND RESOLUTIONS

32. Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any member is entitled to receive shall be sent to the directors and to the Auditors for the time being of the Company.
33. If and for long as the Company has only one member, that member present in person or by proxy or if that member is a corporation by a duly authorised representative shall be a quorum.
34. If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved and Regulation 41 in Table A shall be modified accordingly.
35. If and for so long as the Company has only one member and that member takes any decision which is required to be taken in General Meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to Sections 303 and 391 of the Act.
36. Any decision taken by a sole member pursuant to Article 35 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.

APPOINTMENT OF DIRECTORS

37. Regulation 64 in Table A shall not apply to the Company.
38. The maximum number and minimum number respectively of the directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination *maximum number of directors shall be 12 and the minimum number of directors shall be one.* Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the directors generally, and Regulation 89 in Table A shall be modified accordingly.
39. The directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.



40. A person may be appointed a director of the Company notwithstanding that he has attained the age of seventy years.
41. No person shall be appointed a director at any General Meeting unless either:-
- 41.1 he is recommended by the directors; or
- 41.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice signed by a member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.
42. Subject to Article 41 above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
43. Subject to such appointment being ratified by Ordinary Resolution at the next General Meeting, the directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 38 above as the maximum number of directors and for the time being in force.
44. In any case where as the result of the death of a sole member of the Company the Company has no members and no directors the personal representatives of such deceased member shall have the right by notice in writing to appoint a person to be a director of the Company and such appointment shall be as effective as if made by the Company in General Meeting pursuant to Article 42 above.

ALTERNATE DIRECTORS

45. An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 in Table A shall be modified accordingly.
46. A director, or any such other person as is mentioned in Regulation 65 in Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

47. Regulation 81 of Table A shall not apply to the Company.



48. The office of a director shall be vacated if:-

48.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;

48.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

48.3 he is, or may be, suffering from a mental disorder and either:-

48.3.1 he is admitted to hospital in pursuance of an application transmission for treatment under the Mental Health Act 1983; or in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or

48.3.2 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

48.4 he resigns his office by notice to the Company; or

48.5 he is convicted of any arrestable criminal offence (other than an offence under road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed); or

48.6 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.

But any act done in good faith by a director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the directors or an entry shall have been made in the directors minute book stating that such director has right to be a director of the Company.

PROCEEDINGS OF DIRECTORS

49. A director may vote, at any meeting of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a member in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

50. Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

