

Company Number: 1482152



THE COMPANIES ACT 1985
and
THE COMPANIES ACT 1989
PRIVATE COMPANY LIMITED BY SHARES ¹
MEMORANDUM OF ASSOCIATION
of
THE GGT GROUP LIMITED ²

(as amended by special resolutions passed on 31st January
1986, 24th August 1987 and 29 June 1998)

1. The name of the Company is **THE GGT GROUP LIMITED.** ²
2. The Company is a private limited company. ¹
3. The Company's registered office is to be situated in England and Wales.
4. The objects for which the Company is established are:
 - (i) To act as the holding and co-ordinating company of the group of companies of which the Company is for the time being the holding company.
 - (ii) To carry on business in all parts of the world as advertising agents, publicity agents, advertising specialists, publicity specialists, advertisement contractors, press, radio and screen sports publicity advertising contractors, transport advertising contractors, newspaper and magazine publishers, bill posters, direct mail advertisers.
 - (iii) To carry on business in all parts of the world as press consultants public relations consultants, advertising consultants, sales consultants and specialists, producers in every aspect of advertising, designers of advertisements in any

¹ The Company was incorporated as a private company limited by shares. By a special resolution dated 31 January 1986 the Company was re-registered as a public company limited by shares. By a special resolution dated 29 June 1998 the Company was re-registered as a private company limited by shares.

² The Company was incorporated as KITEFLY LIMITED. By a special resolution dated 4 July 1980 the Company's name was changed to GOLD GREENLEES TROTT LIMITED. By a special resolution dated 31 January 1986 the Company's name was changed to GOLD GREENLEES TROTT PLC. By a special resolution dated 19 October 1995 the Company's name was changed to THE GGT GROUP PLC. By a special resolution dated 29 June 1998 the Company's name was changed to THE GGT GROUP LIMITED.

form, display specialists and contractors, artists, sign writers, designers, commercial artists and illustrators (fine, commercial, domestic and interior, industrial and general, theatrical, television, film and entertainment generally, advertising, literary, illustrations and publishing), proprietors of design groups and individuals for design production, photographers; to create, promote and develop designs and designers and groups of designers and artists and their products and to supply the same to entertainment contractors and managers, film, television and theatrical management and producers, and all types of commercial, domestic and industrial management and business for all uses within the United Kingdom and elsewhere; to carry on the business of designers, decorators and architectural advisors.

- (iv) To carry on the business of sales promotion, preparation of point of sale material, promotional and package design; to acquire and dispose of advertising time, space and opportunities in any media; to hold conferences; to carry on the business of business advisors, office organisers, press cutting agents, draftsmen, designers, trade consultants and advisors in connection with the production, marketing and export of products, apparatus and articles of commercial, manufacturing, personal and household use, organisers of companies, businesses, trading and financial concerns and to initiate and undertake market research surveys and schemes for the promotion or sale of products of all kinds, exhibition promoters and organisers and general consultants for the import, export, manufacture, wholesaling, retailing and dealing of and in articles and services of all kinds.
- (v) To carry on business in all parts of the world as employment agents, insurance agents, theatrical agents; to provide typewriting, duplicating, copying, office secretarial and personnel recruitment services in all other aspects and to undertake and transact agency and commission work of all kinds.
- (vi) To carry on business as authors, journalists and producers of literary works and undertakings, as publishers, producers and dealers in books, journals, magazines, newspapers and periodicals, to act as press agents and correspondents, as agents for and employers of authors, artists, dramatists, composers, lecturers, publishers, editors, as producers and exhibitors of literary, artistic, dramatic, cinematographic, musical and other similar works, film proprietors, dealers, exhibitors and any other creators or producers or dealers in literary, artistic, dramatic, cinematographic, musical and any similar works.
- (vii) To carry on any other business or trade which in the opinion of the Company may be conveniently carried on in connection with or as ancillary to any of the above businesses or be calculated directly or indirectly to enhance the value of or render profitable any of the property of the Company or to further any of its objects.
- (viii) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest whatsoever any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind

whether tangible or intangible and wheresoever situate which the Company may think necessary or convenient for the purposes of or in connection with the business of the Company and to sell, lease, hire out, grant rights in or over, improve, manage or develop all or any part of such property or otherwise turn the same or any part thereof to the advantage of the Company.

- (ix) To erect, construct, lay-down, maintain, alter, enlarge, pull down, remove or replace any buildings, works, offices, shops, stores, factories, plant and machinery necessary or convenient for the business of the Company and to join with any person, firm or company in doing any of the things aforesaid, and to contribute to or subsidise the erection, construction and maintenance of any of the above.
- (x) To manage and conduct the affairs of any companies, firms and persons carrying on business of any kind whatsoever and in any part of the world.
- (xi) To enter into, carry on and participate in financial transactions and operations of all kinds and to take any steps which may be considered expedient for carrying into effect such transactions and operations including, without prejudice to the generality of the foregoing, borrowing and lending money and entering into contracts and arrangements of all kinds.
- (xii) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, perpetual or otherwise, and, if the Company thinks fit, charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance.
- (xiii) To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets and rights present and future and uncalled capital of the Company or by both such methods or by any other means whatsoever, the liabilities and obligations of and the payment of any moneys whatsoever (including but not limited to capital, principal, premiums, interest, dividends, costs and expenses on any stocks, shares or securities) by any person, firm or company whatsoever including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by section 736 of the Companies Act 1985) of the Company or of the Company's holding company or is controlled by the same person or persons as control the Company or is otherwise associated with the Company in its business.
- (xiv) To grant indemnities of every description and to undertake obligations of every description.
- (xv) To apply for, take out, purchase or otherwise acquire and hold any patents, licences, brevets d'invention, concessions, copyrights and the like conferring

any exclusive or non-exclusive or limited right of user or of publication, or any secret or other information as to any invention which may seem calculated directly or indirectly to benefit the Company, and to use, develop, grant licences in respect of, or otherwise turn to account any property rights or information so acquired.

- (xvi) To purchase, subscribe for or otherwise acquire and hold, sell and deal with any shares, stocks, debentures, debenture stocks, bonds, obligations and securities of or guaranteed by any other company or corporation constituted or carrying on business in any part of the world and debentures, debenture stocks, bonds, obligations and securities guaranteed by any Government or Authority, municipal, local or otherwise, whether at home or abroad and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by ownership thereof.
- (xvii) To issue, place, underwrite or guarantee the subscription of, concur or assist in the issuing or placing, underwriting or guaranteeing the subscription of shares, debentures, debenture stock, bonds, stocks and securities of any company, whether limited or unlimited or incorporated by Act of Parliament or otherwise, at such times and upon such terms and conditions as to remuneration and otherwise as may be agreed upon.
- (xviii) To invest and deal with the monies of the Company not immediately required for the purposes of its business in or upon such investments and securities and in such manner as may be from time to time be considered expedient by the Company.
- (xix) To lend money or give credit with or without security on such terms as may be considered expedient by the Company and guarantee the dividends, interest and capital of the shares, stocks or securities of or become security for any persons, firms or companies for or of any company of or in which this Company is a member or is otherwise interests; and to receive money on deposit or loan upon such terms as the Company may approve and generally act as bankers for customers and others.
- (xx) To amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company or which is capable of being carried on so as directly or indirectly to benefit the Company and to acquire and hold, sell, deal with or dispose of any shares, stocks or securities or other interests in such company, and to guarantee the contracts or liabilities of, subsidise or otherwise assist, any such Company.
- (xxi) To purchase or otherwise acquire, take over and undertake the whole or any part of the business, property, assets, liabilities and transactions of any person, firm or company, carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to

benefit the Company or advance its interests or which is possessed of property suitable for the purposes of the Company.

- (xxii) To sell, exchange, lease, dispose of, turn to account or otherwise deal with the whole or any part of the undertaking of the Company for such consideration as may be considered expedient and in particular the shares, stock or securities of any other company formed or to be formed.
- (xxiii) To take part in the formation, management, supervision or control of the business or operation of any company or undertaking and for that purpose to appoint and remunerate any Directors, Accountants, Experts or Agents.
- (xxiv) To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights.
- (xxv) To establish, promote, finance or otherwise assist any other company for the purpose of acquiring any part of the property, rights, assets and liabilities of the Company or for any other purpose which may to the Company seem directly or indirectly calculated to benefit or advance the objects or interests of the Company and to acquire, hold and dispose of shares, stocks or securities issued by or any other obligations of any such company.
- (xxvi) To pay for any rights or property acquired by the Company.
- (xxvii) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company either in cash, by instalment or otherwise or in fully or partly paid up shares or stocks of any company or corporation with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgages or other securities of any company or corporation or partly in one way or partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stocks or securities so acquired.
- (xxviii) To draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange, scrip, warrants and other transferable or negotiable instruments.
- (xxix) To pay all or any expenses incurred in connection with the formation and promotion and incorporation of the Company and to pay commission to and remunerate any person or company for services rendered in underwriting or placing, or assisting to underwrite or place, any of the shares in the Company's capital or any debentures or other security of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
- (xxx) To establish and maintain or procure the establishment and maintenance of contributory or non-contributory pension or superannuation funds for the benefit of the persons referred to below, to grant pensions, allowances, donations, gratuities and bonuses to such persons and to make payments for or towards insurance for the life or lives of such persons; to establish, subsidise,

subscribe to or otherwise support any institution, association, society, club or other establishment, or fund the support of any such establishments which may, in the opinion of the Company, be calculated directly or indirectly to benefit the Company or any such persons, or may be connected with any place where the Company carries on businesses; to institute and maintain any institution, association, society, club or other establishment or profit sharing scheme calculated to advance the interests of the Company or such persons; to join, participate in and subsidise or assist in any association of employers or employees or any trade association and to prescribe or guarantee money for charitable objects or benevolent objects or for any public, general or useful object or for any exhibition; the said persons (or any person) who are or were at any time in the employment or service of the Company or of any company which is for the time being the holding or subsidiary (as defined by Section 736 of the Companies Act 1985) of the Company or of the Company's holding company or otherwise associated with the Company in its business or who are or were at any time directors or officers of the Company or of such other company as aforesaid and holding or who held any salaried employment or office within the Company or such other company and the wives, widows, families, or dependants of any such persons.

- (xxxix) To insure the life of any person who may, in the opinion of the Company, be of value to the Company or having or holding for the Company interests, goodwill or influence or other assets and to pay the premiums on such insurance.
- (xxxixii) To distribute among the Members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, and for such purpose to distinguish and separate capital from profits, but so that no distribution amounting to a reduction of capital may be made except with the sanction (if any) for the time being required by law.
- (xxxixiii) To procure the Company to be registered or recognised in any country or place abroad.
- (xxxixiv) To obtain any provisional or other order or Act of Parliament of this country or of the legislative of any other state for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceeding or application which may seem calculated, directly or indirectly, to prejudice the Company's interest.
- (xxxixv) To take, make, execute, enter into, commence, carry on, prosecute or defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company.
- (xxxixvi) To do all or any of the above things in any part of the world and either as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others.

(xxxvii) To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that:

- (i) The word "company" in this clause, except where used in reference to the Company shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and whether now existing or hereafter to be formed; and
- (ii) the objects set forth in each sub-clause of this clause shall not be restrictively construed but the widest interpretation should be given thereto and they shall not, except where the context expressly so requires, be in any way limited or restricted by application of the ejusdem generis rule or reference to or inference from any other object or objects set forth in such a sub-clause or from the terms of any other sub-clause or by the name of the Company; none of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.

- 5. The liability of the members is limited.
- 6. The share capital of the Company is £6,419,306 divided into 128,336,120 ordinary shares of 5 pence each and 5,000,000 deferred convertible redeemable non-voting shares of 0.05 pence each.³

³ The Company was incorporated with a share capital of £100 divided into 100 ordinary shares of £1 each. By a resolution dated 1 July 1980 the share capital was increased to £300 by the creation of 200 ordinary shares of £1 each. By a resolution dated 6 April 1981 the share capital was increased to £250,000 by the creation of 240,700 ordinary shares of £1 each. By resolutions dated 27 February 1986 the share capital was increased to £595,750 by the creation of 345,750 ordinary shares of £1 each and each ordinary share was sub-divided into 20 shares of 5 pence each. By a resolution dated 28 October 1988 the share capital was increased to £750,000 by the creation of 3,085,000 ordinary shares of 5 pence each. By a resolution dated 30 May 1989 the share capital was increased to £1,000,000 by the creation of 5,000,000 ordinary shares of 5 pence each. By a resolution dated 28 October 1991 the share capital was increased to £1,300,000 by the creation of 6,000,000 ordinary shares of 5 pence each. By a resolution dated 8 March 1996 the share capital was increased to £1,596,423 by the creation of 5,928,460 ordinary shares of 5 pence each. By resolutions dated 24 March 1997 the share capital was increased to £6,419,306 by the creation of 96,407,660 ordinary shares of 5 pence each and 5,000,000 deferred convertible redeemable non-voting shares of 0.05 pence each.

WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
MICHAEL RICHARD COUNSELL 15 Pembroke Road Bristol BS99 7DX Commercial Manager	ONE
CHRISTOPHER CHARLES HADLER 15 Pembroke Road Bristol BS99 7DX Commercial Manager	ONE

Dated the 28th day of January 1980

Witness to the above signatures:

DAWN BENNETT
15 Pembroke Road
Bristol
BS99 7DX

Clerk



Company Number: 1482152

THE COMPANIES ACT 1985
and
THE COMPANIES ACT 1989
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
- of -
THE GGT GROUP LIMITED¹

(as adopted by a special resolution passed on 29 June 1998)

1. The regulations contained in Table A in the Schedule to Companies (Tables A to F) Regulations 1985 (hereinafter called "Table A") shall apply to the company save in so far as they are varied or excluded by or are inconsistent with these articles; and regulation 1 shall so apply as if references to "these regulations" included references to these articles.
2. Accordingly, in these articles:-

"the Act" means the Companies Act 1985, including any statutory modification or re-enactment of it for the time being in force; and any reference in these articles to a provision of that Act includes a reference to any statutory modification or re-enactment of that provision for the time being in force;

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

"certificated security" means a security which is a certificated unit of a security within the meaning of regulation 2 of the Uncertificated Securities Regulations 1995;

"Deferred Shares" means deferred convertible redeemable non-voting shares of 0.05p each having the rights and being subject to the restrictions as set out in Article 3.11;

"ESOP" means the employee share ownership plan being a settlement established or to be established by the Company by way of trust deed for the benefit of employees of the Group;

"executed" includes any mode of execution;

¹ By a special resolution of the Company the name of the Company was changed from The GGT Group plc to The GGT Group Limited on 29 June 1998

"Last Conversion Date" means 30 April 2002 or such other date as shall be determined by the Board of Directors in the event of a change of accounting reference date of a Participating Company;

"Member" and "holder" in relation to Shares means the person whose name is entered in the Register as the holder of the shares;

"Participating Company" means each of the companies specified in the preamble to Article 6;

"Profit Before Tax" means the operating profit on ordinary activities before taxation of a Participating Company for an accounting period as determined by the Company's auditors and with such adjustments as the Remuneration Committee shall consider appropriate in the circumstances;

"Relevant Period" means each of the three completed accounting periods commencing with the accounting period from 1 May 1997 to 30 April 1998 and ending with the accounting period from 1 May 1999 to 30 April 2000 or such other period as shall be determined by the Board of Directors in the event of a change of accounting reference date of a Participating Company;

"Remuneration Committee" means the remuneration committee of the Board of Directors of the Company as constituted from time to time;

"Share Premium Account" and "Capital Redemption Reserve" bear the meanings attributed thereto by the Act;

"Stock Exchange Nominee" bears the meaning ascribed thereto by Section 185 of the Act;

"Trustees" means the trustee(s) for the time being of the ESOP;

"the Group" means the Company and any other company which is the Company's subsidiary (within the meaning of Section 736 of the Act);

"uncertificated security" means a security which is an uncertificated unit of a security within the meaning of regulation 2 of the Uncertificated Securities Regulations 1995;

"year" means 1 January until 31 December inclusive

3. Regulations 24, 57, 62, 73 to 80 (inclusive), 94 to 97 (inclusive) and 101 and 118 in Table A shall not apply to the company.
4. Sections 89(1) and 90(1) to (6) (inclusive) of the Act, in their application to allotments by the company of equity securities, are hereby excluded.
5. Pursuant to Section 80 of the Act, the directors are generally and unconditionally authorised 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 with which the company is incorporated at any time or times during the period of five years from the date of incorporation 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.

6. Deferred Shares may be allotted only to or for the benefit of full-time directors or employees of the following Participating Companies:

The Company
Wells Rich Greene BDDP Communications Inc.
Martin-Williams Inc.
G&S Associates

The Deferred Shares shall rank *pari passu* in all respects, *inter se*. It shall be a term of issue of any Deferred Shares that, in the event of the holder thereof (a "Deferred Shareholder") ceasing to be employed by a Participating Company (for whatever reason) he shall not be entitled to any compensation whatsoever by reason of the loss of or any alteration of rights or expectations hereunder. Deferred Shares shall have the following rights and be subject to the following restrictions:

6.1 **Income**

The Deferred Shares shall not confer upon the holders thereof any entitlement to any dividend or distribution which the Company shall from time to time declare make or pay save that, in the event a foreign income dividend is declared by the Company pursuant to Section 6A of the Income and Corporation Taxes Act 1988, the Deferred Shares shall rank for such dividend *pro rata* to their nominal value as compared to the nominal value of the Ordinary Shares.

6.2 **Capital**

A return of any capital on liquidation or otherwise (except on a redemption or purchase by the Company of any of its shares) commenced while any of the Deferred Shares remain unconverted shall be applied in the following order of priority:

- 6.2.1 firstly, in paying to the holders of the Ordinary Shares the nominal value of each Ordinary Share held by them;
- 6.2.2 secondly, in paying to the holders of the Deferred Shares the nominal value of the Deferred Shares held by them;
- 6.2.3 thirdly, in paying to the holders of the Deferred Shares any premium paid up on any Deferred Shares held by them; and
- 6.2.4 fourthly, in distributing the balance (if any) to the holders of the Ordinary Shares *pro rata* to their holdings.

Save as aforesaid and as hereinafter provided the Deferred Shares shall not entitle the holder to participate in the profits or assets of the Company.

6.3 Voting Rights

The holders of the Deferred Shares shall have the right to receive notice of and to attend any general meeting of the Company but shall not have any right to speak or vote at any such general meeting.

6.4 Conversion Rights

6.4.1 Subject to sub-clause 6.5 below, a holder of Deferred Shares shall be entitled to convert all or any part (not including a fraction of one share) of his holding of Deferred Shares into Ordinary Shares at the rate of one Ordinary Share for every one Deferred Share held. Conversion shall be effected by the holder of the Deferred Shares delivering the certificate for such shares to the Company with the conversion notice set out on the reverse of such certificate duly completed and payment in full of the sum calculated in accordance with sub-clause 6.4.3 below in respect of each Deferred Shares to be converted **PROVIDED THAT** no such conversion shall take place:

- (A) until the expiry of the Relevant Period (subject to sub-clause 6.5.3 below);
- (B) after the expiry of the Last Conversion Date and, to the extent not converted, the Deferred Shares may forthwith be redeemed by the Company pursuant to the provisions of sub-clause 6.6 below;
- (C) unless (except as provided in sub-clause 6.5.3 below) the holder of the Deferred Shares is a full-time director or employee of a Participating Company at the date of the notice of conversion;
- (D) the conversion criteria which apply to such Deferred Shares (as set out in sub-clause 6.5 below) are satisfied, in which case the number of Deferred Shares which the holder thereof shall from time to time be entitled to convert shall be as specified in sub-clause 6.5.

6.4.2 Conversion may be effected in such manner as the Directors shall subject to the provisions of these Articles and the Act from time to time determine.

6.4.3 The price to be paid on conversion of each Deferred Share shall be the greater of the nominal value of each Ordinary Share to be issued on conversion and:

- (A) for Deferred Shares allotted within the period of 28 days following the creation of the Deferred Shares, an amount per Deferred Share equal to the price per share at which the first issue of Ordinary Share following or contemporaneous with the creation of the Deferred Shares was made;
- (B) for Deferred Shares allotted after the expiry of the 28 day period referred to in sub-clause 6.4.3(A) the average of the mid-market quotations for an Ordinary Share in the capital of the Company as derived from the Official List of The London Stock Exchange Limited at the close of business on the three dealing days immediately preceding the day on which any such Deferred Share was allotted.

- 6.4.4 Each Ordinary Share issued on conversion of a Deferred Share pursuant to sub-clause 6.4.1 above shall rank pari passu in all respects with the remaining Ordinary Shares of the Company in issue at the date of Conversion.
- 6.4.5 The Company will use all reasonable endeavours to ensure that all the Ordinary Shares arising on conversion will forthwith following conversion be admitted to the Official List of The London Stock Exchange if any share capital of the same class of the Company is for the time being so listed.
- 6.4.6 Pending conversion, the Company shall use all reasonable endeavours to keep available for issue sufficient share capital of the relevant class or classes to satisfy in full all conversion rights for the time being outstanding.

6.5 Conversion Criteria

- 6.5.1 The right of any holder of Deferred Shares to convert such shares shall be subject to the satisfaction of the conditions set out in this sub-clause 6.5.1:

- (A) In the case of a holder of Deferred Shares who is a full-time director or employee of the Company the percentage of his holding of Deferred Shares which shall be eligible for conversion shall be determined by the compound annual growth (expressed as a percentage) in earnings per share ("EPS") of the Company over the Relevant Period as determined by the Remuneration Committee and approved by the Auditors (and which such adjustments as the Remuneration Committee with the approval of the Auditors consider appropriate to take account of exceptional items, changes in accounting policies or standards or such other matters) as set out in the table below:

Compound Annual Growth Rate in EPS over Relevant Period	Percentage of holder's Deferred Shares eligible for Conversion
Up to (but not including) 10 per cent.	0
From 10 per cent. to (but not including) 11 per cent.	50
From 11 per cent. to (but not including) 12 per cent.	60
From 12 per cent. to (but not including) 13 per cent.	70
From 13 per cent. to (but not including) 14 per cent.	80
From 14 per cent. to (but not including) 15 per cent.	90
15 per cent. or over	100

- (B) In the case of a holder of Deferred Shares who is a full-time director or employee of a Participating Company other than the Company the percentage of his holding of Deferred Shares which shall be eligible for conversion shall be determined by the compound annual growth in profit before tax over the Relevant Period of the Participating Company by which he is employed. The required percentage growth in profit before tax over the Relevant Period and the relevant percentage of a holder's Deferred Shares eligible for conversion on achievement of such percentage growth rate targets shall be determined by the Remuneration Committee prior to the issue of any Deferred Shares to a full-time director or employee of a Participating Company other than the Company.
- (C) If and whenever the number of Ordinary Shares to be issued on Conversion is to be adjusted pursuant to sub-clause 6.7 then EPS for the purposes of the condition in sub-clause 6.5.1 shall be adjusted by such amount as the Remuneration Committee consider appropriate, subject to confirmation from the Auditors that the adjustment is fair and reasonable.

- 6.5.2 To the extent any person's holding of Deferred Shares remains unconverted at the end of the Relevant Period as a result of the conditions set out in sub-clause 6.5.1 being unsatisfied (either in whole or in part) at the expiry of that period, the Relevant Period shall be extended by up to two further successive periods of twelve months, expiring on the Last Conversion Date. To the extent the said conditions are satisfied at the end of either of such further periods the unconverted Deferred Shares shall be eligible for conversion in accordance with sub-clause 6.5.1 as if the definition of Relevant Period included such further successive period or periods.
- 6.5.3 Notwithstanding sub-clause 6.8, in the event of the Deferred Shareholder ceasing to be employed by a Participating Company by reason of death in service, disability, injury or illness during the Relevant Period (or any extension thereof pursuant to sub-clause 6.5.2 the Deferred Shares registered in the name of that Deferred Shareholder shall become convertible forthwith subject to and to the extent that the relevant conversion criteria as apply to the Deferred Shareholder as set out in sub-clause 6.5.1 have been satisfied as at the date of cessation of employment (the "Termination Date"). For the purpose of determining whether such conversion criteria have been satisfied, the Relevant Period shall be deemed to have expired at the end of the last of the successive periods of six complete calendar months commencing on 1 May 1997 and ending on or before the Termination Date. Any Deferred Shares held by a holder to whom this sub-clause 6.5.3 applies which remains unconverted following the operation of this sub-clause shall be subject to the provisions of sub-clause 6.8 save that such shares shall be deemed offered for sale to the Trustees at a price of 5 pence per share and the Deferred Shareholder shall only be bound to transfer such shares to the Trustees upon payment of such amount.

- 6.5.4 The decision of the Board of Directors shall be conclusive and binding in determining whether and to what extent any of the conditions set out in this sub-clause 6.5 have been satisfied. The Board of Directors may in its absolute discretion instruct the Company's auditors to certify that such decision is, in the opinion of the auditors, fair and reasonable.

6.6 Redemption

- 6.6.1 Subject to the provisions of the Act the Company shall have the right to redeem each Deferred Share at par after the expiry of the Last Conversion Date.
- 6.6.2 The Company shall give to the holder of the Deferred Shares to be redeemed not less than 30 days' notice in writing of an impending Redemption Date.
- 6.6.3 Any notice of redemption shall specify the particular Deferred Shares to be redeemed, the date fixed for redemption and the place at which certificates for such shares are to be presented for redemption and upon such date each of the holders of the Deferred Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that the same may be cancelled or an indemnity in a form reasonably satisfactory to the Directors in respect of any lost share certificate. Upon such delivery the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Register of Members of the Company in respect of such shares) the sum of 0.05 pence for each Deferred Share to be redeemed against the delivery of a proper receipt for the redemption monies payable in respect thereof.

6.7 Variation of Rights

The number of Ordinary Shares to be issued on the conversion of Deferred Shares shall be adjusted from time to time in accordance with the provisions of this sub-clause 6.7:

- 6.7.1 If and whenever there shall be an alteration to the nominal value of the Ordinary Shares as a result of a consolidation or sub-division, the number of Ordinary Shares to be issued on any subsequent conversion of Deferred Shares shall be adjusted by multiplying the number of Ordinary Shares to be issued on conversion of Deferred Shares immediately before such alteration by the following factor:

$$\frac{B}{A}$$

Where:

"A" is the nominal amount of one Ordinary Share immediately after such alteration; and

"B" is the nominal amount of one Ordinary Share immediately before such alteration.

Such adjustment shall become effective immediately after the alteration takes effect.

- 6.7.2 If and whenever the Company shall issue any Ordinary Shares credited as fully paid to its shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve), other than by way of an election to receive Ordinary Shares in lieu of cash in respect of any dividend or any part of any dividend, the number of Ordinary Shares to be issued on any subsequent conversion of Deferred Shares shall be adjusted by multiplying the number of Ordinary Shares to be issued on conversion of Deferred Shares immediately before such alteration by the following factor:

$$\frac{B}{A}$$

Where:

"A" is the aggregated nominal value of the issued Ordinary Shares immediately before such issue; and

"B" is the aggregated nominal value of the issued Ordinary Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares by way of capitalisation of profits or reserves as aforesaid.

- 6.7.3 If and whenever the Company shall issue any Ordinary Shares pursuant to a rights or other pre-emptive issue the number of Ordinary Shares arising on conversion of any Deferred Shares shall be adjusted by multiplying such number by the following factor:

$$\frac{B}{A}$$

and the price to be paid on conversion of each Deferred Share shall be adjusted by multiplying such price by the following factor:

$$\frac{A}{B}$$

Where:

"A" is the theoretical ex-rights price per Ordinary Share; and

"B" is the middle market quotation of an Ordinary Share (being an Ordinary Share carrying a full participation entitlement) adjusted, if necessary, to take account of any proposed dividend, at the close of business on the last dealing day immediately preceding the date on which such issue is publicly announced;

such adjustment to be effective on the date of announcement of such rights or other pre-emptive issue.

- 6.7.4 If any doubt shall arise as to the appropriate adjustment to the number of Ordinary Shares the Board may in its absolute discretion instruct the Auditors to prepare a certificate specifying the adjustment they deem appropriate having applied the formula in sub-clauses 6.7.1 or 6.7.2 or 6.7.3 (as the case may be) and such a certificate of the Auditors shall be conclusive and binding on all concerned save in the case of manifest error.

6.8 Transfer of Deferred Shares

- 6.8.1 Upon the occurrence of any of the following events, all of the Deferred Shares registered in the name of a Deferred Shareholder (other than the Trustees) shall be deemed automatically and irrevocably to have been offered for sale to the Trustees at a price equal to the par value of the relevant Deferred Shares:

- (A) the Deferred Shareholder ceasing to be employed by any Participating Company (except where he shall have ceased to be such only by reason of death in service, injury, disability, illness);
- (B) the Deferred Shareholder being declared bankrupt; or
- (C) the commencement of the winding-up of the Company;

and the Company shall notify the Trustees accordingly and the Deferred Shareholder shall thereupon be bound to transfer all of the number of Deferred Shares then held by him upon payment of the aggregate nominal value thereof. If a Deferred Shareholder shall fail or refuse to transfer any Deferred Shares to the Trustees, the Board may authorise any person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Deferred Shareholder and cause the Trustees to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the Trustees (who shall not be bound to see to the application thereof) and after the Trustees have been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. If on expiry of the said period of 30 days following notification the Trustees shall have failed to agree to acquire such Deferred Shares then the Company shall be at liberty to redeem the same at par and the provisions of sub-clause 6.6 shall apply.

- 6.8.2 The Trustees shall hold any Deferred Shares acquired by them pursuant to this sub-clause 6.8 on the terms hereof and of the ESOP and shall be at liberty at any time and from time to time to transfer all or part thereof or any interest therein in accordance with the same and the provisions of Articles 23-28 shall apply.
- 6.8.3 Save as set out in this sub-clause 6.8 no Deferred Share may be transferred or otherwise dealt with other than by an ESOP, the trustees of which shall be at liberty to transfer any Deferred Share subject to and in accordance with the terms of the same and subject to Articles 23-28.

6.9 Transmission of Deferred Shares

- 6.9.1 If a Deferred Shareholder shall die, the survivor or survivors, where he was a joint holder, and his executors or administrators, where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his Deferred Shares, but nothing contained herein shall release the estate of a deceased Deferred Shareholder (whether sole or joint) from any liability in respect of any Deferred Share solely or jointly held by him.
- 6.9.2 If the person so becoming entitled 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 Deferred 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 Deferred Shareholder and as if the death of the Deferred Shareholder and as if the death of the Deferred Shareholder had not occurred.
- 6.9.3 A person entitled to a Deferred Share in consequence of the death of the Deferred Shareholder shall have the rights to which he would be entitled if he were the holder of the share except that he shall not be entitled in respect of it to receive notice of, or to attend or vote at any meeting of the holders of any class of Deferred Shares unless and until he shall become registered as the holder of the share.
- 6.9.4 If a person or an Acquiring Company obtains Control of the Company as a result of making a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company then any Deferred Shares may (subject to the satisfaction of the conditions set out in sub-clause 6.4.1(C) but notwithstanding the provisions of sub-clauses 6.4.1(A) and 6.4.1(D)) be converted within twenty-one days of the time when the person making the offer has obtained Control of the Company. For the purposes of this paragraph "Acquiring Company" means a company which obtains control of the Company in accordance with Rule 9 of the City Code on Take-overs and Mergers, and "Control" has the same meaning as in Section 840 of the Income and Corporation Taxes Act 1988.
7. The directors may in their absolute discretion, and without giving any reason, decline to register any transfer of any share, whether or not fully paid.
8. In the case of a transfer of the shares taken by the subscribers to the memorandum the instrument of transfer need not be signed by the transferee.
9. The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the directors, shall be deposited at the office (or at such other place or delivered to such person as may be specified or agreed by the directors) at or before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to act or, in case of a poll taken subsequently to the

date of the meeting or adjourned meeting, at or before the time appointed for the taking of the poll, and an instrument of proxy which is not so deposited or delivered shall be invalid.

10. A member or members holding a majority in nominal value of the issued ordinary shares in the company may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, and may remove from office any director however appointed. Any such appointment or removal shall be effected by an instrument in writing signed by the member or members concerned or, in the case of a corporate member, signed by one of its directors on its behalf, and shall take effect on lodgment at the registered office.
11. The directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
12. The company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director and, without prejudice to the provisions of the Act, may by ordinary resolution remove a director from office.
13. Any director may be removed from office at any time forthwith upon the written resolution of the majority of the directors of the Company.
14. Meetings of the directors may be held by telephone communication or audio-visual communication. A resolution of the directors at a meeting so held shall be valid as if made at a meeting duly convened and held in person.
15. The removal of a director under article 8, 10 or 11 shall be without prejudice to any claim the director may have for breach of any contract of service between him and the company.
16. No person shall be disqualified from being or becoming a director by reason of his attaining or having attained the age of 70 or any other age.
17. A director who has duly declared his interest (so far as he is required to do so) may vote at a meeting of the directors or of a committee of the directors on any resolution concerning a matter in which he is interested, directly or indirectly. If he does, his vote shall be counted; and whether or not he does, his presence at the meeting shall be taken into account in calculating the quorum.
18. Until otherwise determined by ordinary resolution of the company in general meeting or by written resolution, the company shall not have a company seal.
19.
 - (a) If the company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or a second director.
 - (b) The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the company has a seal.
 - (c) The company may exercise the powers conferred by Section 39 of the Act

with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

20. (a) Every director or other officer or auditor of the company shall be indemnified out of the assets of the company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the company in the execution of the duties of his office or in relation thereto. But this article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.
- (b) The directors shall have power to purchase and maintain for any director, officer or auditor of the company insurance against any liability as is referred to in Section 310(1) of the Act.