

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION**

OF

THE VINEYARD AT STOCKCROSS LIMITED

COMPANY NUMBER: 2233431

INCORPORATED THE 21ST MARCH 1988



D & D LAW AGENCY SERVICES LIMITED

(Incorporating Dunn & Duncan – Established 1733)

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THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

-OF-

THE VINEYARD AT STOCKCROSS LIMITED

1. The Company's name is "THE VINEYARD AT STOCKCROSS LIMITED".
2. The Company's Registered Office is to be situate in England.
3. The Company's objects are:
 - (A) 1. To carry on business as developers proprietors and managers of hotels conference centres and leisure and sports facilities property dealers, developers and managers undertaking the management of property, real or personal or of any interest therein as owners, trustees, agents, receivers or otherwise, as improvers, preparers for sale or letters of and dealers in rooms, buildings, land and estate and to turn the same to account as may seem expedient and by consolidating or connecting or sub-dividing properties and by leasing and disposing of the same and by advancing money to and entering into contracts with builders, tenants and others, to be suppliers of catering, security, maintenance and other services and amenities, to collect rents and income and to be builders and decorators, estate agents, surveyors, valuers and auctioneers, mortgage and insurance brokers and agents; to act as a holding company, as financiers, concessionaires, underwriters and guarantors to any contract or agreement, and to purchase or otherwise acquire, hold as an investment and turn to account shares, debentures, stocks, bonds, loans, annuities, scrip or other securities, and such other property real or personal and any rights or interest therein.
 2. To carry on business as caterers, proprietors of hotels, motels, clubs, theatres, restaurants, service stations, garages, snack bars and tea rooms, as licensed victuallers, publicans, wine and spirit merchants, bakers, confectioners, wholesalers and retailers, to be newsagents, booksellers and stationers, dealers in toilet goods, fancy goods, toys and all articles of personal; use or ornament, and to act as travel and theatre booking agents.

By Special Resolution passed 5th November 1997 the name of the Company was changed from "FOLEY LODGE HOTELS LIMITED" to "THE VINEYARD AT STOCKCROSS LIMITED".

- (B) To carry on any other business which in the opinion of the Company, may be capable of being conveniently or profitably carried on in conjunction with or subsidiary to any other business of the Company and is calculated to enhance the value of the Company's property.
- (C) To Guarantee or give security for the payment or performance of any contracts, debts, or obligations of any person, company or firm, for any purpose whatsoever, and to act as agents for the collection, receipt or payment of money and generally to act as agents for and render services to customers and others and generally to give any guarantee, security or indemnity.
- (D) To take on lease, purchase or in exchange, hire or otherwise acquire and hold for any interest or estate any buildings, lands, easements, privileges, rights, concessions, patent rights, patents, secret processes, licences, machinery, plant, stock-in-trade, and any real or personal property of any kind convenient or necessary for the purposes of or in connection with the Company's business or any department or branch thereof.
- (E) To apply for, purchase or otherwise acquire and hold any patents, licences, concessions, brevets d'invention, copyrights and the like, conferring any right to use or publish any secret or other information and to use, develop, exercise, or grant licences in respect of the property, rights and information so acquired.
- (F) To erect, build, construct, or reconstruct, lay down, alter, enlarge and maintain any factories, buildings, works, shops, stores, plant and machinery necessary or convenient for the Company's business and to contribute to or subsidise the construction, erection and maintenance of any of the aforesaid.
- (G) To subscribe for, take, purchase or otherwise acquire and hold, sell, deal with or dispose of any shares, stocks, debentures, debenture stocks, bonds, obligations and securities guaranteed by any Company constituted on business in any part of the world and debentures, debenture stock, bonds, obligations and securities guaranteed by any Government or Authority, Municipal, Parochial, Local or otherwise, within and without the United Kingdom and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to enforce and exercise all rights and powers conferred by the ownership thereof.
- (H) To promote, by way of advertising the products and services of the Company in any manner and to reward customers or potential customers and to promote and take part in any scheme likely to benefit the Company.
- (I) To borrow or raise money and secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgages of or charges upon the undertaking and all or any of the real or heritable and personal or moveable property (present and future) and the uncalled capital for the time being of the Company or by the creation and issue

of debenture stock, debentures or other obligations or securities of any description.

- (J) To support, guarantee and/or secure either with or without consideration the payment of any debenture stock, debentures, dividends, shares or moneys or the performance of engagements or contracts of any other Company or person and in particular (but without prejudice to the generality of the foregoing) of any Company which is, for the time being, the Company's holding company as defined by Section 736 of the Companies Act, 1985 or another subsidiary, as defined by the said section, of the Company's holding company or otherwise associated with the Company in business and to give indemnities and guarantees of all kinds and by way of security as aforesaid either with or without consideration to mortgage and charge the undertaking and all or any of the real and personal property and assets present or future, to issue debentures and debenture stock and collaterally or further to secure any securities of the Company by a Trust Deed or other assurance and to enter into partnership or any joint venture arrangement with any person, persons, firm or company.
- (K) To make advances to customers and others with or without security, and upon such terms as the Company may approve, and to guarantee the dividends, interest and capital of the stocks, shares or securities of any company of or in which the Company is a member or is otherwise interested.
- (L) To take part in the management, formation, control or supervision of the business or operation of any company or undertaking and for that purpose to appoint and remunerate any directors, experts or agents.
- (M) To employ experts to examine and investigate into the character, prospects, value, condition and circumstances of any undertakings and business concerns and generally of any property, assets or rights.
- (N) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments; to receive money on deposit or loan upon such terms as the Company may approve, and generally to act as bankers for customers and others.
- (O) To promote or establish or concur in promoting or establishing any other company whose objects shall include the taking over of or the acquisition of all or any of the assets or liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company and to hold, acquire, dispose of stocks, shares or securities issued by or any other obligations of any such company.
- (P) To deal with and invest the moneys of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as the Company may approve.
- (Q) To accept payment for any rights or property sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in partly or fully paid-up shares or stock of any corporation or company with or

without deferred or preferred or special rights or restrictions in respect of repayment of capital, dividend, voting or otherwise, or in mortgages or debentures or other securities of any corporation or company or partly in one mode and partly in another, and generally on such terms as the Company may determine and to hold, dispose of or otherwise deal with any stock, shares or securities so acquired.

- (R) To enter into any partnership or amalgamate with or enter into any arrangement for sharing profits, interests, or co-operative or enter into co-operation with any company, person or firm carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as to benefit this Company, whether directly or indirectly and to acquire and hold, deal with, sell or dispose of any stock, shares or securities of or other interests in any such company, and to guarantee the contracts or liabilities of, otherwise assist or subsidise, any such company.
- (S) To pay for any right or property acquired by the Company either in cash or partly or fully paid-up shares with or without deferred or preferred or special rights or restrictions in respect of repayment of capital, dividend, voting or otherwise, or by any securities which the Company has power to issue, and generally on such terms and conditions as the Company may determine.
- (T) To develop, improve, manage, sell, turn to account, let on rent, royalty, exchange, share of profits or otherwise, grant easements, licenses and other rights in or over, and in any other manner dispose of or deal with the undertaking and all or any of the assets and property for the time being of the Company for such consideration as the Company may think fit.
- (U) To acquire, purchase, take over and undertake part or all of the business, property, assets, liabilities and engagements of any firm, person or company carrying on any business the carrying on of which is calculated to benefit this Company or to advance its interests generally.
- (V) To aid in the support and establishment of any educational, scientific, religious or charitable institutions or trade associations or societies, whether such associations, societies or institutions be solely connected with the business carried on by the Company or its predecessors in business or not, and to maintain and institute any club, society or other organisation.
- (W) To grant pensions, gratuities, allowances and bonuses to employees, or ex-employees, officers or ex-officers of the Company or its predecessors in business or the dependants of such persons and to maintain and establish or concur in maintaining funds, trusts or schemes, (whether contributory or non-contributory) with a view to providing pensions or other funds for any such persons or their dependants as aforesaid.
- (X) To distribute in specie any of the shares, debentures or securities of the Company or any proceeds of sale or disposal of any property of the Company between the members of the Company in accordance with the rights, but so that no

distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

- (Y) To do all or any of the above things in any part of the world, either alone as principals, or as agents, trustees, sub-contractors or otherwise.
- (Z) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that the objects of the Company as specified in each of the foregoing sub-clauses of this Clause shall be separate and distinct objects of the Company and shall not in any way be limited by reference to any other sub-clauses or the order in which the same occur. The widest interpretation shall be given to the objects contained in each sub-clause of this Clause and shall not save where the context expressly so requires be in any way restricted or limited by inference from or reference to any other object or objects set forth in such sub-clause or from the terms of any other sub-clause. None of such sub-clause or the objects mentioned therein or the powers thereby conferred shall be deemed ancillary to or subsidiary to the powers or objects specified in any other sub-clause.

4. The liability of the members is limited.

5. The share capital of the Company is £4,600,000 divided into 1,000,000 CCRP Shares and 1,000,000 "A" Shares 1,000,000 "B" Shares 6,000,000 "C" Shares of 10p each and 1,000,000 "D" Shares.

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-OF-

THE VINEYARD AT STOCKCROSS LIMITED

(Adopted by Special Resolution passed on 23.12.96).

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. References herein to Regulations are to Regulations in the said Table A.

INTERPRETATION

- 2.1 In the first line of Regulation 1 after the word "Regulations" the words "and in any articles adopting in whole or in part the same" shall be inserted.
- 2.2 In these articles:
 - 2.2.1 unless the context otherwise requires or unless expressly provided to the contrary the following expressions have the following meanings:

"A" Director	means any Director for the time being appointed and holding office pursuant to Article 23.1 and includes any alternate
"A" Shares	means the "A" Ordinary Shares of £1 each in the share capital of the Company from time to time
The "Acts"	means together the Companies Act 1985 and the Companies Act 1989;
"B" Shares	means the "B" Ordinary Shares of £1 each in the share capital of the Company from time to time
"Board"	means the Board of Directors of the Company from time to time
"Business Day"	means any day (other than a Saturday or a Sunday) which is not a public or bank holiday

"C" Shares	means the "C" Ordinary Shares of 10p each in the share capital of the Company from time to time
"CCRP Shareholders"	means the registered holders for the time being of the CCRP Shares;
"CCRP Shares"	means the 8 per cent (gross) Cumulative Convertible Redeemable Preference Shares of £1 each in the capital of the Company;
"Connected Person"	means, in relation to any person, a person who is either; <ul style="list-style-type: none"> (i) acting in concert (as defined in the City Code on Take-Overs and Mergers (October 1990 edition)) with such aforesaid person; or (ii) a "connected person" as defined in section 839 of the income and Corporation Taxes Act 1988 of such aforesaid person;
"Controlling interest"	means any interest in any shares in the capital of the Company comprising in the aggregate fifty per cent (50%) or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings of the Company
"D" Shares	means the "D" Ordinary Shares of £1 each in the share capital of the Company from time to time
"Deemed transfer"	means a transfer notice deemed to be given under any provisions of these Articles or any Relevant Agreement
"Directors"	means the Directors of the Company from time to time;
"Equity Shares"	means all the shares comprised in the equity share capital of the Company as defined in section 744 of the Companies Act 1985 and "Equity Share Capital" shall be construed accordingly;
"Group"	means in relation to any company, the group of companies comprising such company, any holding company of such company and any subsidiary of any such holding company;
"Issue Price"	means the aggregate of the amount paid up or credited as pay up and any amounts credited to share premium account on any Share;

- “Listing” means the admission of all or any part of the Equity Share Capital to the Official List of The Stock Exchange becoming effective or the taking effect of any grant of permission to deal in the same in the Unlisted Securities Market of The Stock Exchange or on any recognised investment exchange (as that term is used in the Financial Services Act 1986) or in or on any exchange or market replacing the same and “Listed” shall be construed accordingly;
- “Member” means any registered holder for the time being of Shares;
- “Ordinary Shares” means the “A” Shares the “B” Shares, the “C” Shares and the “D” Shares together means in relation to a share, that such share is paid up or credited as paid up means the register of Members of the Company
- “Relevant Agreement” means the agreement dated 25th March, 1988 made between Sarah Mary Corbett Mary Elizabeth Brown David John Corbett Howard Walter Biggs George Derrick Corbett Dione Corbett and Richard Smithson (1) Edward Ian Roberts and David Godfrey Finch Evans (2) Hotel Management Services Limited (3) and the Company (4) as varied from time to time in accordance with its terms
- “Share” means any share in the capital of the Company from time to time;
- “The Stock Exchange” means the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited
- 2.2.2 any reference to any statute and other legislation shall include statutory instruments and regulations issued under the relevant statute or legislation and, where the context requires:
- 2.2.2.1 all amendments, re-enactments or consolidations thereof; and
- 2.2.2.2 the provisions of any earlier statute or other legislation of which the said reference is itself an amendment, re-enactment or consolidation;
- 2.2.3 words denoting one gender include all genders, words denoting individuals or persons include corporations and trusts and vice versa, words denoting the singular include the plural and vice versa, and words denoting the whole include a reference to any part thereof;
- 2.2.4 headings are inserted for each of reference only and shall not affect construction;
- 2.2.5 reference to Articles are to the articles of these Articles of Association;

- 2.2.6 words and expressions defined in either of the Acts shall bear the same meanings when used in these Articles;
- 2.2.7 the words "include", "including" and "in particular" shall be construed as being by way of illustration only and shall not be construed as limited the generality of any foregoing words;
- 2.2.8 references to these articles or any agreement, deed or instrument is to the same as amended, novated, modified or replaced from time to time.
- 2.3 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the Regulations or these Articles.

SHARE CAPITAL

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £4,600,000 divided into 1,000,000 CCRP Shares and 1,000,000 "A" Shares 1,000,000 "B" Shares 6,000,000 "C" Shares of 10p each and 1,000,000 "D" Shares.
- 3.2 The "C" Shares shall be treated in all respects as if they were fully paid shares of £1 each.
- 3.3 Save as expressly provided in these Articles the CCRP Shares, the "A" Shares, the "B" Shares, the "C" Shares and the "D" Shares shall confer upon the holders thereof the same rights and rank pari passu in all respects.

DIVIDENDS

4. The profits of the Company available for distribution shall be applied as set out below.

4.1 PREFERENCE DIVIDEND

- 4.1.1 First, the CCRP Shareholders shall with effect from 1st April 2001 be entitled to receive in respect of each CCRP Share held (and which has not been converted into Ordinary Shares or redeemed in accordance with the provisions hereinafter set out), in priority to the holders of any other class of Share, and the Company shall pay a fixed cumulative preferential net cash dividend ("the "CCRP Dividend") at such rate as together with any associated tax credit equals 8 per cent. Per annual of the Issue Price.
- 4.1.2 The CCRP Dividend shall be paid by two equal instalments on 31st March and 30th September in each year in respect of the six months ending on those dates, the first such payment to be made on 30th September 2001 and calculated in respect of the period from 1st April 2001 until 30th September 2001.

- 4.2 Subject to payment in full of the CCRP Dividend and any arrears thereof, and subject also to Article 9.1.3 and to any special rights which may be attached to any class of Share which may in the future be issued any remaining profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the holders of the Ordinary Shares in respect of the "A" Shares and the "B" Shares and the "D" Shares according to the amounts paid up the Shares on which the dividend is paid and shall be declared and paid in respect of the "C" Shares according to the amounts paid up on the Shares on which the dividend is paid multiplied by ten (10) and Regulation 104 shall be construed and read as modified by the provisions of this Article.
- 4.3 The CCRP Dividend shall accrue from day to day on the basis of a 365 day year.
- 4.4 The CCRP Dividend shall be paid in the amounts or at the rates mentioned in this Article inclusive of the associated tax credit at the rate from time to time prevailing and on payment shall be accompanied by a certificate for the related tax credit.
- 4.5 The CCRP Dividend shall ipso facto (notwithstanding any other provisions of these Articles and in particular notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in General Meeting) be immediately payable on the due date for payment specified in Article 4.1 unless and to the extent that the Company is prohibited by the Acts from paying any such dividend whereupon such dividends shall be payable on such later date as soon as the Company is able to pay the same without being in breach of the Acts and from the relevant due date for payment (or such later date as aforesaid) shall be a debt due from the Company and shall carry interest calculated in accordance with Article 7.11.
- 4.6 If and to the extent that the Company is prohibited by the Acts from paying the CCRP Dividend on the due date for payment specified in Article 4.1, the amount of such dividend shall be increased by 8 per cent. Per annum (compound with six monthly rests), such increase to accrue from the relevant date specified in Article 4.1 until the date on which such dividend is paid or becomes a debt due from the Company in accordance with Article 4.5.

5. CAPITAL

- 5.1 On a return of assets of the Company available for distribution amongst the Members in a winding-up of the Company or other return of capital by the Company the surplus assets of the Company available for distribution shall be applied as follows:
- 5.1.1 firstly, each CCRP Shareholder shall be entitled in priority to the holders of any other class of Share to receive an amount in respect of each CCRP Share held equal to the Issue Price thereof together in each case with any premium applicable in accordance with Article 7.8 and a sum equal to all arrears and accruals of the CCRP Dividend thereon;

- 5.1.2 Secondly, the "D" Shares shall carry entitlement to repayment of the par value thereof in preference to any repayment to the holders of the "C" Shares;
- 5.1.3 Thirdly the "C" Shares shall carry entitlement to repayment at a rate of 10p per share together with a premium thereof of 90p per share in preference to any repayment to the holders of the "A" shares;
- 5.1.4 Fourthly the "A" shares shall carry the entitlement to repayment of the par value thereof in preference to any repayments to the holders of the "B" Shares; and
- 5.1.5 Fifthly the "B" Shares shall carry entitlement to the repayment of the par value thereof.
- 5.1.6 Subject to any special rights which may be attached to any class of Share which may in the future be issued, the balance of such assets shall be divided amongst the holders of Ordinary Shares *pari passu* in proportion to the amounts paid up or credited as paid up (excluding premium) on such Shares.
- 5.2 In this Article references to arrears and accruals of the CCRP Dividend are to such dividends (whether earned or declared or not) calculated up to and including the date of the winding up of the Company or (in the case of any other return of capital by the Company) the date on which the relevant distribution is made.

6. CONVERSION

- 6.1 Each holder of CCRP Shares shall be entitled to convert all or any part of his holding CCRP Shares into "D" Shares of the same nominal amount in accordance with the following provisions:-
 - 6.1.1 the conversion ("Conversion") shall be effected by notice in writing to the Company given at any time by the holder of the CCRP Shares the subject of Conversion ("Conversion Notice") and the Conversion shall take effect on the date of receipt of such notice by the Company ("Conversion Date") (the CCRP Shares which are the subject of any Conversion Notice being referred to herein as "Relevant Shares");
 - 6.1.2 if the number of "D" Shares which would otherwise result from the Conversion of any Relevant Shares in accordance with any particular Conversion Notice shall be such that the voting rights attributable to such Ordinary Shares in accordance with Article 8.1.1 together with such voting rights attaching to any other Ordinary Shares held by the holder which gave such Conversion Notice or by any Connected Person of such holder would amount to 30% or more of the total voting rights then exercisable in respect of the share capital of the Company in issue immediately following such Conversion then the number of "D" Shares resulting from such Conversion Notice shall be limited so that the relevant Voting Rights shall amount to less than 30% of such rights as aforesaid and the remaining CCRP Shares

the subject of the Conversion Notice shall be forthwith converted into a like number of Deferred Shares;

- 6.1.3 The holder of Relevant Shares shall deliver to the Company the certificates in respect of such Shares (or in respect of any lost certificate an indemnity in a form reasonably satisfactory to the Board) at the same time as the Conversion Notice (or such later time as the Directors may in their discretion permit) and the Company shall within 14 days after the Conversion Date forward to such holders at their own risk free of charge certificates for the Ordinary Shares resulting from Conversion and, if appropriate, certificates for the balance of any CCRP Shares remaining unconverted comprised in certificates surrendered on Conversion (and in the meantime transfers shall be certified against the Register);
- 6.1.4 The preference dividend on the Relevant Shares shall cease to accrue with effect from the relevant Conversion Date and the Ordinary Shares resulting from Conversion shall carry the right to receive all dividends and other distributions declared, made or paid on the Ordinary Shares by reference to a record date on or after the relevant Conversion Date and shall rank *pari passu* in all other respects and form one class for the ordinary share capital of the Company then in issue and fully paid; and
- 6.1.5 Any Conversion shall be without prejudice to the right of the CCRP Shares immediately before Conversion to be entitled to claim and pursue any unpaid arrears of preference dividend which may have become due and payable prior to Conversion in accordance with Article 4.1.
- 6.2 If at any time while any of the CCRP Shares remain outstanding as CCRP Shares:-
 - 6.2.1 The Company is placed in liquidation; or
 - 6.2.2 an offer to purchase all the "D" Shares is required to be made pursuant to Article 18; or
 - 6.2.3 the Company shall apply for Listing;

then in any such case, the Company shall forthwith notify such fact to each CCRP Shareholder, who in respect of all or any of its CCRP Shares, shall be entitled, during a period of 30 days following such notification by the Company to elect by notice in writing to the Company to be treated as if his Conversion rights had been exercisable and had been exercised:

- (i) in the case of 6.2.1 on the date immediately prior to the date of the Order or Resolution (as the case may be) for the winding up of the Company; or
- (ii) in the case of 6.2.2 on the last date for acceptance of the relevant offer in accordance with Article 18; or

- (iii) in the case of 6.2.3 on the date immediately prior to the admission of the Ordinary Shares to Listing;

or in any such case (if later) on the date falling 30 days after the date in which such notification is given by the Company to the CCRP Shareholders and so that each such date (as applicable) shall be a Conversion Date for the purposes of this Article 6;

- 6.3 the Deferred Shares arising as a result of Conversion shall on a return of capital on a winding up or otherwise entitle the holder only to the repayment of the amounts paid up on such Shares after repayment of the capital paid up on the Ordinary Shares and the payment of £1 million on each of the Ordinary Shares and shall not entitle the holder to the payment of any dividend nor to receive notice of or to attend and vote at any general meeting of the Company and such Conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof (and or an agreement to transfer the same) without making any payment to the holders thereof, to such person as the Company may determine as custodian and/or to purchase the same (in accordance with applicable law) without making any payment or obtaining the sanction of the holder or holders thereof pending such transfer and/or purchaser to retain the certificates for the Deferred Shares. The Company may at its option at any time after the creation of any Deferred Shares redeem all or any of the Deferred Shares then in issue at a price not exceeding one penny for all the Deferred Shares upon giving the registered holder of such Share or Shares not less than four weeks' prior notice of this intention to do so, fixing a time and place for the redemption;
- 6.4 If at any time 90% or more of the CCRP Shares originally issued shall have been converted or redeemed, the Company shall be entitled (subject to the provisions of the Acts) by not more than 56 days or less than 28 day's notice in writing to require all the remaining CCRP Shareholders to convert into "D" Shares on the expiry of such notice their holding of CCRP Shares and the provisions of the Article relating to Conversion shall apply as if each CCRP Shareholder had duly served an effective Conversion Notice for all such CCRP Shares on the expiry of such Notice by the Company.

7. REDEMPTION

- 7.1 Subject to the provisions of the Acts, the CCRP Shares not previously redeemed, converted into Ordinary Shares or subject to a Conversion Notice shall be redeemed on 31st March 2001. The Company shall give to the CCRP Shareholders not less than 28 days notice in writing of such redemption.
- 7.2 Subject to the provisions of the Act the Company may upon giving three months prior written notice to the holder of the CCRP Shares redeem any or all of the CCRP Shares in minimum tranches of 50,000 of such Shares in advance of the due date for redemption.

7.3 Subject to the provisions of the Act and subject always to Article 7.2 all of the CCRP Shares shall (unless the holders of at least 75% of the CCRP Shares give notice in writing to the Company to the contrary) be redeemed immediately upon any of the following dates:-

7.3.1 the date upon which any of the equity share capital of the Company is admitted to the Official List of the Stock Exchange or permission for any of the equity shares capital of the Company to be dealt in on the Unlisted Securities Market or any other recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) becomes effective; or

7.3.2 the date upon which a successful offer to purchase 90% or more of the issued equity share capital of the Company (or 90% of more of all such capital including any already held by the offeror) is completed; or

7.3.3 any re-financing by the Company with any bank or financial institution other than National Westminster Bank Plc ("NWB") of any of the term loan facilities provided to the Company by NWB at the date of adoption of these Articles.

7.4 On the dates fixed for any redemption the Company shall pay to each registered holder of CCRP Shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holders. If there is more than one holder of CCRP Shares any redemption shall be made among such holder pro rata (as nearly as may be) to their respective holdings.

7.5 The Company shall pay on each of the CCRP Shares so redeemed the sum of £1 together with:

7.5.1 the Applicable Premium (as set out below); and

7.5.2 a sum equal to any arrears or accruals of the Preference Dividend calculated to the date of redemption and the Preference Dividend shall cease to accrue from that date unless upon surrender of the certificate for such shares payment of the redemption monies shall be refused.

For the purposes of these Articles, "Applicable Premium" means in relation to any redemption of or other repayment of capital on any CCRP share during any period listed in Column (1) below the amount listed opposite such period in Column (2) below:-

(1)	(2)
1/4/93 - 31/3/96	Nil
1/4/96 - 31/3/97	20 pence per share

1/4/97 – 31/3/99
From 1/4/99

25 pence per share
30 pence per share

- 7.6 Any notices of redemption given by the Company shall specify the number of CCRP Shares to be redeemed, the date fixed for redemption (referred to in this Article as the "Redemption Date") and the place at which the certificates for such Shares are to be presented for redemption and upon such date each of the holders of the Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the Shares of which he is the holder (in order that the same may be cancelled) or an indemnity in a form reasonably satisfactory to the Board in respect of any lost 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 such Shares the amount due to him in respect of such redemption as set out in Article 7.5 if any certificate so delivered to the Company includes any CCRP Shares not falling to be redeemed on the relevant Redemption Date a fresh certificate for such shares shall be sent to the holder or holders delivering such certificate to the Company at their risk free of charge as soon as practicable and in any event within 14 days thereafter.
- 7.7 If any holder of CCRP Shares who Shares to be redeemed shall fail or refuse to deliver up the certificate for his Shares the Company may retain the redemption monies in respect of those Shares until delivery of the certificates (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate) but shall thereupon pay the redemption monies to the holder of the Shares in question in accordance with Article 7.5.
- 7.8 Any CCRP Shares to be redeemed shall be selected as nearly as may be to ensure that the number of CCRP Shares held by each holder thereof is reduced in the same proportion. All CCRP Shares redeemed will be cancelled and may not be re-issued.
- 7.9 As from the relevant Redemption Date the CCRP Dividend in respect of any CCRP Shares which are to be redeemed on such date shall cease to accrue except on or in relation to any Share in respect of which, on due presentation of the certificate relating thereto (or an indemnity in a form reasonably satisfactory to the Board in respect of a lost certificate) payment of the redemption monies is refused.
- 7.10 If and to the extent the Company shall be unable, in compliance with the provisions of the Acts, to redeem all or any of the CCRP Shares in accordance with the provisions of this Article 7 on the due date for redemption specified herein then the Company shall redeem such Shares as soon after such date as the Company shall be able to do so in compliance with the provisions of the Acts PROVIDED ALWAYS THAT so long as any CCRP Shares remain redeemed on the due date for redemption therefor (or the date which would be such due date) but for the provisions of this Article 7.10 the Company shall not pay any dividend or make any distribution to the holder of the Ordinary Share.

7.11 Subject to the Acts, the Company is authorised to make a payment in respect of the redemption or purchase of its own Shares otherwise than out of distributable profits or the proceeds of a fresh issue of Shares.

8. VOTING

8.1 CCRP SHAREHOLDERS

The CCRP Shareholders shall have the right to receive notice of and attend all general meetings of the Company but shall have no right to vote thereat either in person or by proxy in respect of their holdings of CCRP Shares unless:

- 8.1.1 at the date of the notice convening the meeting any CCRP Dividend or any part thereof shall be more than six months in arrears by reference to the date for payment specified in Article 4.1; or
- 8.1.2 the Company shall not have given effect to any relevant provision of Article 6;
- 8.1.3 the business of the meeting includes a resolution for the appointment of an administrator of the Company or for a voluntary arrangement in respect of the Company (within the meaning of section 1 of the insolvency Act 1986) or the liquidation of the Company or a reduction of the capital of the Company or a resolution adversely altering or abrogating any of the special rights and privileges attaching to the CCRP Shares

in which event the CCRP Shareholders shall be entitled to call for and vote on a poll held thereat PROVIDED THAT in the case of Article 8.1.3 the CCRP Shareholder shall be entitled to vote only on any such resolution as is mentioned therein. On any such vote the CCRP Shareholders present in person or by proxy shall be entitled to one vote on a show of hands and on a poll one vote for every "D" Share (excluding fractions but having regard to the limitation in Article 6.1.2) which that holder would then be entitled to had his entire holding of CCRP Shares been converted into "D" Shares on the date of the meeting.

8.2 CCRP SHARE DEFAULT RIGHTS

If the Company is at any time unable to or fails to redeem the CCRP Shares in accordance with Articles 7.1 or 7.3 (as the case may be) on the date for redemption specified therein or if the Company shall have failed to give effect to any relevant provision of Article 6, any holding or holders together holding not less than 10 (ten) per cent in nominal value of the CCRP Shares may (without prejudice to any other rights the CCRP Shareholders may have under these Articles or otherwise) duly proceed to convene a separate meeting of the CCRP Shareholder for the purposes of considering and, if thought fit, passing as an extraordinary resolution the following resolution namely.

"That, pursuant to Article 8.2 of the Articles of Association of the Company, the Company be wound up voluntarily".

If such resolution having been put to the vote shall be duly passed as an extraordinary resolution, any CCRP Shareholder shall be entitled to convene an extraordinary general meeting of the Company for the purpose of considering and if thought fit, passing as a special resolution a resolution to the effect that the Company be wound up voluntarily and that the person named in the notice convening such meeting be appointed liquidator of the Company.

A meeting convened under this Article 8.2 shall be convened in the same manner, as nearly as practicable, as that in which meetings are to be convened by the Directors. Any expenses incurred by the CCRP Shareholders concerned in convening the meeting in question shall be repaid to such members by the Company. At an extraordinary general meeting of the Company convened pursuant to this Article the quorum shall be one CCRP Shareholder and each CCRP Shareholder voting for the resolution to wind up the Company voluntarily shall be deemed to have cast for the resolution three times the total number of votes cast against the resolution. At any such meeting only the CCRP Shareholders may vote on any resolution relating to its adjournment.

8.3 ORDINARY SHARE VOTING RIGHTS

8.3.1 Subject as provided below in this paragraph and to any other special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, at every general meeting of the Company;

8.3.1.1 Every holder of "A" Shares present in person or by proxy shall (whether on a show of hands or on a poll) have for every share of which he is the holder three votes;

8.3.1.2 Every holder of "B" Shares or "D" Shares present in person or by proxy shall (whether on a show of hands or on a poll) have one vote for every share of which he is the holder; and

8.3.1.3 Every holder of "C" Shares present in person or by proxy shall (whether on a show of hands or on a poll) have one vote for every share of which he is a holder PROVIDED THAT no Shares of any class shall confer any right to vote upon a resolution for the removal from office of a Director appointed by holder of Shares of the other classes.

8.3.2 Regulation 54 shall not apply.

8.3.3 Except with the prior written agreement of all the other members, no member who has agreed to cast any of the voting rights exercisable in respect of any of the shares held by him in accordance with the directions, or subject to the consent of, any other person (including another member) shall be entitled during the relevant period (as hereinafter defined) to exercise any of the voting rights attached to any of the Shares registered in his name for the time being or to be present or reckoned in a quorum at any general meeting and any resolution passed

at any such meeting during the relevant period which would not have been passed but for the vote(s) of such member cast in contravention of the provisions of this paragraph shall be null and void and of no effect. For the purpose of this paragraph:

8.3.3.1 "Relevant period" means the period from, and including the date on which the member in question first agreed to cast the said voting rights in accordance with the directions, or subject to the consent of, the other person up to, and including, the date on which the transaction or arrangement which gave rise to that agreement is annulled.

8.3.3.2 Any Member who has assigned the beneficial interest in, or created any charge or other security interest over any Share to or in favour of any other person shall be deemed, in the absence of clear evidence to the contrary, to have agreed to exercise the voting rights attached to that Share in accordance with the directions of that other person.

9. CLASS CONSENTS AND OTHER RIGHTS

9.1 Without prejudice to the restrictions contained in these Articles as to the modification of the rights attaching to any class of Shares and without prejudice to the rights contained in Article 9.2, the consent or sanction of the CCRP Shareholders (given in accordance with the provisions of Article 10) shall be required:

- 9.1.1 to the creation, allotment or issue of or the grant of any option or other right to subscribe for any shares or securities of the Company; or
- 9.1.2 to any amendment or proposal for amendment of the provisions of any of the Memorandum and Articles of Association; or
- 9.1.3 to the payment of any dividend or any other distribution to the holders of any Shares other than CCRP Shares; or
- 9.1.4 to any act or omission whereby the limits on borrowing contained in Article 34 would be exceeded; or
- 9.1.5 (except in respect of redeemable shares as provided herein and as authorised by sections 159 to 162 of the Companies Act 1985) to the proposal or passing of any resolution to reduce the share capital of the Company or to reduce any uncalled liability in respect of partly paid Shares or to reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve; or
- 9.1.6 to the making of any distribution to Members of any nature including any distribution out of capital profits or capital reserves arising from a distribution of profits or reserves by a subsidiary of the Company; or

- 9.1.7 to the issue by any subsidiary of the Company (other than the Company or another wholly owned subsidiary of the Company) of any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital in any subsidiary; or
- 9.1.8 to the disposal of the undertaking of the Company or of any of its subsidiaries or any substantial part thereof or the disposal of any share in the capital of any subsidiary of the Company; or
- 9.1.9 to the acquisition of any interest in any share in capital of any company by the Company or any of its subsidiaries; or
- 9.1.10 to the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve; or
- 9.1.11 to the proposal or passing of any resolution to approve a contract for the purchase by the Company or any of its subsidiaries of their own shares; or
- 9.1.12 to the proposal or passing of any resolution to wind up or dissolve the Company or any of its subsidiaries; or
- 9.1.13 to the approval or coming into effect of any scheme of compromise or arrangement within the meaning of section 425 of the Companies Act 1985 affecting the Company; or
- 9.1.14 to the entering into of a written service agreement with any director or Connected Person or the material variation of any such existing service agreement with any such person.
- 9.2 So long as any conversion rights under Article 6 remain exercisable the following provisions shall apply unless the consent or sanction of the CCRP Shareholders (given in accordance with Article 10) is obtained:
 - 9.2.1 the Company will not do any act or thing which would result on Conversion in the issue of Ordinary Shares at a discount;
 - 9.2.2 none of the Ordinary Shares shall be sub-divided or consolidated;
 - 9.2.3 the Company shall not change its accounting reference date or that of its Subsidiaries;
 - 9.2.4 no resolution shall be passed whereby the rights of the Ordinary Shares shall be modified, varied or abrogated.

9.3. GENERAL MATTERS

The Company shall send to the CCRP Shareholders a copy of every document sent to the holders of the Ordinary Shares at the same time as the same is sent to the holders of the Ordinary Shares.

10. MODIFICATION OF RIGHTS

- 10.1 Subject to the Acts, all or any of the special rights for the time being attached to any class of Shares for the time being in issue may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the Members holding not less than three-fourths of the issued Shares of the class concerned or with the approval of an extraordinary resolution passed at a separate general meeting of the Members holding such Shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall apply, mutatis mutandis, but so that the necessary quorum shall be two or more persons holding or representing by proxy not less than (one third) of the issued Shares of the relevant class (save that at any adjourned meeting of such Members one Member present in person or by proxy (whatever the number of Shares held by him) shall be a quorum and may constitute a meeting) and every Member holding Shares of that class shall be entitled to a poll to one vote for every such Share held by him and any member holding Shares of that class present in person or by proxy may demand a poll.
- 10.2 The special rights conferred upon the holders of any Shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such Shares or in these Articles, be deemed to be altered by the creation or issue of further Shares ranking *pari passu* therewith.

11. ISSUE OF NEW SHARES AND ALTERATION OF CAPITAL

- 11.1 Save with the consent of not less than seventy five per cent of the shareholders of the class of Shares thereby affected attending and voting at a class meeting:
- 11.1.1 No Shares may be allotted or issued to any person; and
- 11.1.2 The Company shall not exercise any of the powers referred to in Regulations 3, 32, 33, 34, 35 and 110.
- 11.2 Subject to this Article 11 and to Section 80 of the Act, all unissued Shares shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper provided that no shares shall be issued at a discount, provided that this authority shall expire on the fifth anniversary of the date of adoption of these Articles.

- 11.3 Section 89(1) and sub-sections (1) to (6) of Section 90 of the Act shall not apply to the Company, provided that this authority shall expire pm the fifth anniversary of the date of adoption of these Articles.

LIEN

12. The Lien conferred by Regulation 8 shall attach also to fully paid up Shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holder for all moneys presently payable by him or his estate to the Company. Regulation 8 shall be modified accordingly.

CALLS

13. The liability of any members in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 of the words "and all expenses that may have been incurred by the Company by reason of non-payment of the call".

TRANSEFER OF SHARE

14. The Board may, in its absolute discretion, refuse to register any instrument of transfer of Shares which are not fully paid or which includes Shares which are not fully paid or upon which the Company has a lien, but shall not be bound to specify the grounds upon which such registration is refused.
- 15.1 The Board may also refuse to register any instrument of transfer of Shares, unless:
- 15.1.1 It is duly stamped, is lodged at the registered office of the Company or at such other place as the Board may appoint and is accompanied by the certificate (if one has been issued) for the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor (or a person executing the transfer on behalf of the transferor) to make the transfer.
- 15.1.2 It is in respect of only one class of Shares; and
- 15.1.3 In the case of a transfer to joint holders, they do not exceed four in number.
15. If the Board refuses to register a transfer, it shall, within one month after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
16. The registration of transfers of Shares or of any class of Shares may be suspended and the Register closed at such times and for such periods as the Board may from time to time determine, provided that it shall not be closed for more than fourteen days in any year.

PROHIBITED TRANSFERS

17. Notwithstanding anything else contained in these Articles no Share shall be issued or transferred to any infant, bankrupt or person of unsound mind and the Directors may, notwithstanding the provisions of Articles 15 and 16, require such evidence as to the age, financial standing and mental health of any person to whom the issue or transfer of Shares is proposed as they may deem fit, where there are reasonable grounds for the Directors to doubt such persons age, financial standing or mental health. In the event that the Directors are not satisfied that such person is not an infant, bankrupt or of unsound mind the Directors may refuse to issue Shares to that person or register any transfer of Shares to him.

18. LIMITATION ON TRANSFER OF CONTROL

- 18.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of 75% of the CCRP Shares or (following Conversion thereof into "D" Shares) of the "D" Shares if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) is obtained in the Company:-

18.1.1 by a company (other than a company to which article 18.1.2 applies) or a person or persons (other than a company) who are not Original Members (as hereinafter defined) unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or had offered to purchase all the "D" Shares at the Specified Price (as hereinafter defined) and (if not redeemed or converted) all the CCRP Shares at a price per share of at least £1 plus the Applicable Premium and a sum equal to any arrears or accruals of the Preference Dividend grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer; or

18.1.2 by a company in which one or more of the Members or Connected Persons of such Members has or as a result of such sale or transfer will have a Controlling Interest.

18.2 For the purpose of this article:-

18.2.1 the expression "a Controlling Interest" shall mean an interest (within the meaning of Schedule 13 Part I and Section 324 of the Act) in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in the Company;

18.2.2 the expression "Original Members" shall mean persons who were members of the Company on the date of adoption of these articles;

18.2.3 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renouncement letter of allotment and the renounce under any such letter of allotment; and

18.2.4 the expression "the Specified Price" shall mean at the option of the holders of 75% of the "D" Shares either:-

18.2.4.1 a price per share of £1; or

18.2.4.2 the consideration (in case or otherwise) per share equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for (any other ordinary) shares in the Company plus the relevant proportion of any other consideration (in cash or otherwise) receive or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such shares provided that if any part of the price per share is payable otherwise than by cash the holders of the "D" Shares may at their option elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole; plus in either case 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 of sale or transfer and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being or the Institute of Chartered Accountants of England and Wales) whose decision shall be final and binding;

18.3 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

19. PROCEEDINGS AT GENERAL MEETINGS

19.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Four members present in person or by proxy shall be a quorum. Regulation 40 shall not apply.

19.2 If within half an hour from the time appointed for a general meeting a quorum is not present, the 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 all the members may agree in writing). If at any adjourned meeting such a quorum is not present within half an hour from the time appointed for the adjourned meeting any two members present in person or by proxy shall be a quorum. Regulation 41 shall not apply.

19.3 In Regulation 44 the words "of the class of Shares the holder of which appointed him as Director" shall be substituted for the words "any class of Shares in the Company".

- 19.4 At any general meeting a poll may be demanded by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 19.5 An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a Director or the Secretary thereof or by its duly appointed Attorney or duly authorised representative.
- 19.6 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll on the election of a chairman and on a motion to adjourn the meeting.
- 19.7 The chairman of a general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply.
20. Any such resolution in writing as is referred to in Regulation 53 may in the case of a corporation be signed on its behalf by a Director or the Secretary thereof or by its duly appointed Attorney or duly authorised representative.

21. **ALTERNATE DIRECTORS**

- 21.1 Any Director (other than an alternate Director) may at any time appoint any person (including another Director) to be an alternate Director and may at any time terminate such appointment. Any such appointment or termination of appointment shall be effected in like manner as provided in Article 23.3. The same person may be appointed as the Alternate Director of more than one Director.
- 21.2 The appointment of an Alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.
- 21.3 An Alternate Director shall be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director of the relevant class. It shall not be necessary to give notices of meetings to an Alternate Director who is absent from the United Kingdom. If an Alternate Director shall be himself a Director or shall attend any such meeting as Alternate for more than one Director his voting rights shall be cumulative, but he shall count as only one for the purpose of determining whether a quorum is present. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An Alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

21.4 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangement or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

21.5 Regulations 65 to 69 shall not apply.

DELEGATION OF DIRECTORS' POWERS

22. The holders of a majority of the "A" Shares may at any time and from time to time revoke all or any of the power delegated to a Managing Director or other Executive Director being an "A" Director respectively pursuant to Regulation 72 by notice in writing in like manner as provided in Article 23.6 Regulation 72 shall be modified accordingly.

APPOINTMENT AND RETIREMENT OF DIRECTORS

23.1 The holders of a majority of the "A" Shares shall be entitled by notice in writing to the Company to appoint five Directors and by like notice to remove such Directors and at any time and from time to time by like notice to appoint any other person to be a Director in the place of any Director so removed. Any Director so appointed shall be an "A" Director.

23.2 A Notice of appointment or removal of a Director pursuant to this Article shall take effect upon lodgement at the registered office of the Company or on delivery to a meeting of the Directors or on delivery to the Secretary.

23.3 Every Director appointed pursuant to this Article shall hold office until he is either removed in manner provided by this Article or dies or vacates office pursuant to Regulation 81 (as modified by Article 26) and neither the company in general meeting nor the Directors shall have power to fill any such vacancy.

23.4 Any Director appointed pursuant to this Article shall be at liberty from time to time to make such disclosure to his appointor(s) as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine.

24. The Directors shall not be subject to retirement by rotation and accordingly Regulations 73 to 75 shall not apply and all other references in the Regulations to retirement by rotation shall be disregarded.

NOMINATED DIRECTOR

25. Each of the holders of Ordinary Shares whilst they each hold more than twenty per cent of the issued Ordinary Share Capital of the Company shall have the right

at any time and from time to time to appoint a Director of the Company and the following provisions shall have effect:-

- 25.1 Any such appointment shall be effected by notice in writing to the Company by the shareholder in question and such shareholder may in like manner at any time and from time to time remove from office any Director appointed by it pursuant to this Article and appoint any person in place of any Director so removed or dying or otherwise vacating office.
- 25.2 Only the Ordinary Shares held by the shareholder in question shall confer upon the holder(s) the right to vote upon any resolution pursuant to S303 of the Act or Article 27 hereof for the removal of any Director appointed by it and for the time being holding office pursuant to this Article.
26. No Director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

27. Regulation 81 shall be modified by deleting paragraph (e) thereof. The office of a Director shall also be vacated if he shall be removed from office as hereinbefore provided.

PENSIONS

28. The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any employees or ex-employees and to officers and ex-officers (including Directors and ex-Directors) of the Company or its predecessors in business or of any holding company or subsidiary of the Company or to the relations or dependants of any such persons and may establish, support and maintain pensions, superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and/or their relations or dependants or any of them. Any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit and may vote as a Director in respect of the exercise of any of the powers by this Article conferred upon the Directors notwithstanding that he is or may become interested therein. Regulation 87 shall not apply.

PROCEEDINGS FOR DIRECTORS

29. The quorum for the transaction of the business of the Directors shall be four.

In the event that at any duly convened meeting of the Directors or of any committee of the Directors the meeting is not a quorate, or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place and at such adjourned meeting the quorum shall be any two Directors.

30. The Chairman of any meeting of the Directors or of any committee of the Directors shall be entitled to a second or casting vote. Regulation 88 shall be modified accordingly.

31. **NOTICE OF BOARD MEETINGS**

31.1 Unless otherwise agreed in writing by the "A" Directors in any particular case, at least fourteen clear days' notice in writing shall be given to each Director of every meeting of the Directors, except any absent from the United Kingdom for the time being who have (a) (in the case of a Director), nominated an alternate or (b) failed to furnish the Company with an address abroad to which such notices may be forwarded. The third sentence of Regulation 88 shall not apply to the Company.

31.2 Regulation 111 shall be read as if the words "except that a notice calling a meeting of the Directors need not be in writing" were deleted therefrom.

31.3 Each such notice shall:

31.3.1 be sent to the address notified from time to time by each Director to the Secretary (or, if there is none at that time, the Chairman) as his address for service of such notices (or if no address has been supplied, to his last known address)

31.3.2 Contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting.

31.3.3 Be accompanied by any relevant papers for discussion at such meeting and

31.3.4 If sent to an address outside the United Kingdom, be sent by courier, telex or facsimile transmission.

31.4 Save as provided in Article 30.3, any such notice may be delivered personally or by first class pre-paid letter and shall be deemed to have been served if by delivery when delivered and if by first class letter forty eight hours after posting.

31.5 Except as may be agreed by all the Directors in any particular case, no business or resolution shall be transacted or passed at any meeting of the Directors except as was fairly disclosed in the agenda for such meeting.

32. Appropriate complete minutes of each meeting of the Directors shall be maintained by the Company and copies thereof distributed to the Directors as soon as reasonably practicable after the meeting shall have been held.

PARTICIPATION IN MEETING BY TELEPHONE

33. All or any of the members of the Board or any committee of the Board may participate in a meeting of the Board or that committee by means of a conference

telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

DIRECTORS INTERESTS

34. A Director who is in any way whether directly or indirectly interested in a transaction or arrangement or proposed transaction or arrangement with the Company may vote in respect of any such transaction or arrangement or proposed transaction or arrangement on any matter arising thereout and if he does so vote shall be counted and he shall be capable of constituting a quorum at any meeting of the Directors at which any such transaction or arrangement or proposed transaction or arrangement shall come before the Board of Directors for consideration and may retain for his own use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 97 shall not apply.

35. BORROWING POWERS

- 35.1 Subject as hereinafter provided and to the provisions of the Companies Acts the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 35.2 The Board shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Board in relation to its subsidiary companies (if any) so as to secure (so far, as regard subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all monies borrowed by the group (which expression in this article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an ordinary resolution of the Company and also such consent or sanction on the part of the holders of the CCRP Shares as is required for a variation of the special rights attached to such shares exceed £3,500,000.
- 35.3 For the purpose of the foregoing limit the following provisions shall apply. In determining the aggregate amount for the time being remaining outstanding of all monies borrowed by the Group:
- 35.3.1 there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed monies of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):

- 35.3.1.1 the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
- 35.3.1.2 the outstanding amount of acceptance (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- 35.3.1.3 the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
- 35.3.1.4 the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed monies (not being shares or debentures which or borrowed monies the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the group;
- 35.3.1.5 any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed monies falling to be taken into account;
- 35.3.2 monies borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed monies falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves to be taken into account;
- 35.3.3 monies borrowed by a partly owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and monies borrowed and owing to a partly-owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Company;
- 35.3.4 borrowed monies of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be translated into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the auditors may determine or approve.

- 35.4 No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

ACCOUNTS AND INFORMATION

36. Every member shall be entitled, either himself or through his Agents duly authorised in writing, during the Company's normal hours of business to inspect and take copies of the books of account and all other records and documents of the Company and each of its subsidiaries on giving not less than forty eight hours, written notice to the Secretary (or, if there is none for the time being, the Chairman). The Company shall give each such member all such facilities as he may reasonably require for such purposes including the use of copying facilities. The Company may make a reasonable charge for any copies taken but otherwise shall not charge for any facilities requested as aforesaid. Regulation 109 shall not apply.

NOTICES

37. A notice sent by post shall be deemed to be given at the time when the same was posted. The second sentence of Regulation 115 shall not apply.

INDEMNITY

38. Subject to the provisions of and so far as may be permitted by law, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.

OVERRIDING PROVISIONS

- 39.1 Notwithstanding the provisions of these Articles the Directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to the Relevant Agreement.
- 39.2 Where the approval, agreement or consent of any member or Director is required, under any provision of there Articles to any particular matter, such

approval, agreement or consent may be given subject to such terms and conditions as that member or Director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.