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The Companies Act 1985  
Company Limited by Shares  
Company Number 2990953

WRITTEN RESOLUTION

of

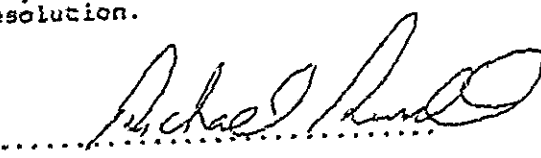
BALLYCLARE SPECIAL PRODUCTS LIMITED

I, the undersigned member of the above named Company being the sole member who at the date hereof would be entitled to attend and vote at a general meeting of the Company, hereby resolve as follows:

SPECIAL RESOLUTION

THAT:

- (1) the authorised share capital of the Company be and is hereby increased from £1,000.00 to £100,000.00 by the creation of 99,000 new ordinary shares of £1.00 each such shares to rank pari passu with the existing shares.
- (2) the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to allot up to 99,000 ordinary shares of £1.00 each to such persons, on such terms and in such manner as they think fit provided that this authority shall expire on the fifth anniversary of the passing of this resolution.

  
.....  
Richard Russell

Dated: 23 January 1995





Company Number: 2990953

COMPANIES ACTS 1985 - 1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

BALLYCLARE SPECIAL PRODUCTS LIMITED  
("the Company")

(Passed 27th day of January 1995)

AT AN EXTRAORDINARY GENERAL MEETING of the above named Company duly convened and held the following Resolution was passed as a Special Resolution:

SPECIAL RESOLUTION

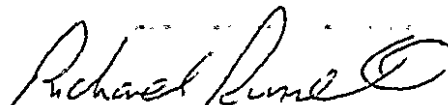
THAT:

- (1) the existing authorised and issued ordinary shares of £1 each in the capital of the Company be and they are redesignated as "A" Ordinary Shares;
- (2) the authorised share capital of the Company be and is hereby increased from £100,000 to £383,333.50 by the creation of 66,667 Redeemable "B" Ordinary Shares of £1 each and 433,333 Redeemable Preference Shares of 50 pence each having the rights set out in the new Articles of Association referred to in paragraph (3) below;
- (3) the new Articles of Association of the Company (a print of which was produced to the Meeting and initialled by the Chairman for identification purposes) be and are hereby adopted to the exclusion of and in substitution for the existing Articles of Association of the Company;
- (4) the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to allot up to 433,333 Redeemable Preference Shares of 50 pence each and 66,667 Redeemable "B" Ordinary Shares of £1 each in

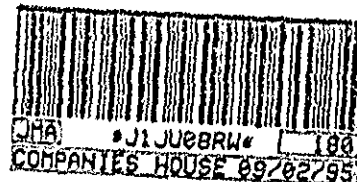
accordance with the terms of the Subscription and Shareholders Agreement entered into by the Company dated 1995 ("the Subscription Agreement");

Provided that this authority shall expire on the fifth anniversary of the passing of this resolution and that the Directors be entitled under the authority conferred by Section 80(7) of the Act and of this Resolution to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority; and

- (5) that the Directors be and are hereby empowered pursuant to Section 95(1) of the Act to allot the shares referred to in paragraph (2) above pursuant to the authority conferred by paragraph (4) above as if Section 89(1) of the Act did not apply to such allotment provided that such power shall expire on the fifth anniversary of the passing of this resolution save that the Directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

  
CHAIRMAN

Company Number: 2990953



COMPANIES ACTS 1985 - 1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

OF

BALLYCLARE SPECIAL PRODUCTS LIMITED  
("the Company")

(Passed 27th day of January 1995)

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SPECIAL RESOLUTION

THAT:

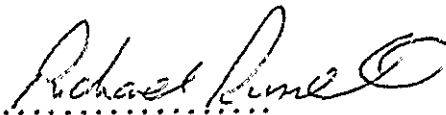
- (1) the existing authorised and issued ordinary shares of £1 each in the capital of the Company be and they are redesignated as "A" Ordinary Shares;
- (2) the authorised share capital of the Company be and is hereby increased from £100,000 to £383,333.50 by the creation of 66,667 Redeemable "B" Ordinary Shares of £1 each and 433,333 Redeemable Preference Shares of 50 pence each having the rights set out in the new Articles of Association referred to in paragraph (3) below;
- (3) the new Articles of Association of the Company (a print of which was produced to the Meeting and initialled by the Chairman for identification purposes) be and are hereby adopted to the exclusion of and in substitution for the existing Articles of Association of the Company;
- (4) the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to allot up to 433,333 Redeemable Preference Shares of 50 pence each and 66,667 Redeemable "B" Ordinary Shares of £1 each in

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accordance with the terms of the Subscription and Shareholders Agreement entered into by the Company dated 1995 ("the Subscription Agreement");

Provided that this authority shall expire on the fifth anniversary of the passing of this resolution and that the Directors be entitled under the authority conferred by Section 80(7) of the Act and of this Resolution to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority; and

- (5) that the Directors be and are hereby empowered pursuant to Section 95(1) of the Act to allot the shares referred to in paragraph (2) above pursuant to the authority conferred by paragraph (4) above as if Section 89(1) of the Act did not apply to such allotment provided that such power shall expire on the fifth anniversary of the passing of this resolution save that the Directors may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

  
CHAIRMAN

not less than 3 and not more than 10 days after the date of such notice. However, if the Transfer Notice states that the Transferor Shareholder is not willing to transfer part only of the Transfer Shares, then the provisions of Article 7.6 shall apply if the Company does not receive offers for all of the Transfer Shares.

7.5 If a Transferor Shareholder fails to transfer any Transfer Shares to a purchaser in accordance with Article 7.2 the directors may (and will if so requested by the "B" Director) authorize any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the Prescribed Price for each share in trust for the Transferor Shareholder and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchase (who shall not be bound to see to the application thereof). The Transferor Shareholder shall in such case be bound to deliver up his certificate for the Transfer Shares to the Company whereupon he shall be entitled to receive the Prescribed Price for each share without interest. If such certificate shall comprise any shares which the Transferor Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Transferor Shareholder a fresh certificate for such shares.

7.6 If the Company does not receive offers to purchase all of the Transfer Shares in accordance with Article 7.1 then the Company shall promptly notify the Transferor Shareholder. The Transferor Shareholder shall within the period of two months from such notification be entitled to transfer those Transfer Shares for which the Company shall not have received offers (or, where the Transferor Shareholder shall have stated that he is not willing to transfer part only of the Transfer Shares, all but not part only of the Transfer Shares) at a price which is not less than the Prescribed Price for each share to any person.

7.7 If the Proposing Transfer is also a holder of Preference Shares he may state in the Transfer Notice that the Transfer Shares are to include a number of Preference Shares, and any offer by the other "B" Ordinary Shareholders (and any transfer by the Transferor

Shareholder in accordance with Article 7.4) must be in that case, in respect of both "B" Ordinary Shares and Preference Shares, in the proportions set out in the Transfer Notice.

7.8 Whenever an "B" Ordinary Share is transferred to a member holding only shares of another class of ordinary shares (other than any shares held as nominee or bare trustee) such first mentioned share shall upon registration of the transfer be converted into and redesignated as a share of such other class and any share certificate issued to the transferee shall take account of such conversion and redesignation.

8 Transfers of "B" Ordinary Shares not subject to pre-emption rights

Article 7 shall not apply to any transfer made:

- (a) with the written consent of the "B" Director;
- (b) on or after Listing or Sale;
- (c) to any of The North of England Venture Fund Limited's subsidiaries or to any partnership (or to the partners of any such partnership) of which any of them is general partner, manager or adviser or to any unit trust or other fund of which any of them is trustee, manager or adviser or any unit trust, partnership or other fund, the managers of which are advised by any of them ("the Defined Group") or to any nominee or trustee for any member of the Defined Group (whether on a change of nominee or trustee or otherwise);
- (d) to the holders of units in, or partners in or members of or investors in any such unit trust or fund referred to in (c) above;
- (e) by the subscribers of any "B" Ordinary Shares within 12 months of the date of subscription for the purposes of syndication.

9 Right to appoint "B" Director

9.1 Those holders of a majority of the "B" Ordinary Shares held by members of the Defined Group shall be entitled to appoint and

remove a director ("the "B" Director"). Such appointment or removal shall be made either by resolution of the directors at the request of such holders or by notice in writing from such holders to the Company.

- 9.2 Subject to Section 303 of the Act on any resolution to remove the "B" Director the "B" Shares held by the Defined Group shall together carry one vote in excess of fifty per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed and if any such "B" Director is removed pursuant to Section 303 of the Act or otherwise the holders of the "B" Shares may reappoint him or any other person as the "B" Director; and

10 Fee of "B" Director

The "B" Director shall be entitled to an annual fee of £15,000 (or such higher amount as the Board may from time to time determine) payable quarterly by direct debit in arrears together with all expenses reasonably incurred by him in connection with his office as a director.

11 Redemption of "B" Ordinary Shares on Sale or Listing

- 11.1 On the earlier of a Sale or Listing during the periods specified below the holders of the "B" Ordinary Shares shall together be entitled to receive on the disposal of their shares that percentage of the Ordinary Share Value as their shares represent of the total of the issued "A" Ordinary Shares and the issued "B" Ordinary Shares at the date of Sale or Listing as specified below ("the Relevant Percentage")

Having calculated the total Ordinary Share Value attributable to the issued "B" Ordinary Shares then immediately prior to the Sale or Listing such number of "B" Ordinary Shares shall be redeemed at par so that the then issued "B" Ordinary Shares shall represent the Relevant Percentage of the issued ordinary share capital of the Company.



11.2 (a) If the Listing or Sale occurs on or before 31st December 1997, the Relevant Percentage shall be calculated by reference to the Ordinary Share Value as follows:

(i) If the Ordinary Share Value is less than £2.0m, the Relevant Percentage shall be 40 per cent.

(ii) If the Ordinary Share Value is equal to or more than £2.0m but less than or equal to £2.5m, the Relevant Percentage shall be X per cent where:

$$X = 40 - Y;$$

$$Y = 5 \times \frac{£500,000 - Z}{£500,000}; \text{ and}$$

$$Z = \text{the amount by which the Ordinary Share Value is less than £2.5m}$$

(iii) If the Ordinary Share Value is more than £2.5m the Relevant Percentage shall be 35 per cent.

(b) If the Listing or Sale occurs on or after 1st January 1998 but on or before 31st December 1998, the Relevant Percentage shall be calculated by reference to the Ordinary Share Value as follows:

(i) If the Ordinary Share Value is less than £2.54m, the Relevant Percentage shall be 40 per cent.

(ii) If the Ordinary Share Value is equal to or more than £2.54m but less than or equal to £3.18m, the Relevant Percentage shall be X per cent where:

$$X = 40 - Y;$$

$$Y = 5 \times \frac{£640,000 - Z}{£640,000}; \text{ and}$$

$$Z = \text{the amount by which the Ordinary Share Value is less than £3.18m.}$$

(iii) If the Ordinary Share Value is more than £3.18m, the Relevant Percentage shall be 35 per cent.

(c) If the Listing or Sale occurs on or after 1st January 1999 but on or before 31st December 1999, the Relevant Percentage shall be calculated by reference to the Ordinary Share Value as follows:

(i) If the Ordinary Share Value is less than £3.23m, the Relevant Percentage shall be 40 per cent.

(ii) If the Ordinary Share Value is equal to or more than £3.23m but less than or equal to £4.04m, the Relevant Percentage shall be X per cent where:

$$X = 40 - Y;$$

$$Y = 5 \times \frac{(\pounds 810,000 - Z)}{\pounds 810,000}; \text{ and}$$

$$Z = \text{the amount by which the Ordinary Share Value is less than } \pounds 4.04\text{m.}$$

(iii) If the Ordinary Share Value is more than £4.04m, the Relevant Percentage shall be 35 per cent.

(d) If the Listing or Sale occurs on or after 1st January 2000 but on or before 31st December 2000 the Relevant Percentage shall be calculated by reference to the Ordinary Share Value as follows:

(i) If the Ordinary Share Value is less than £4.1m the Relevant Percentage shall be 40 per cent;

(ii) If the Ordinary Share Value is equal to or more than £4.1m but less than or equal to £5.13m, the Relevant Percentage shall be X per cent where:

$$X = 40 - Y$$

$$Y = 5 \times \frac{(\pounds 1,030,000 - Z)}{\pounds 1,030,000}; \text{ and}$$

$$Z = \text{the amount by which the Ordinary Share Value is less than } \pounds 5.13\text{m}$$

- (iii) If the Ordinary Share Value is more than £5.13m, the Relevant Percentage shall be 35 per cent.

11.3 (a) "Ordinary Share Value" means:

- (i) in the case of a Listing, the price per share at which ordinary shares in the Company are sold or offered in connection with the Listing (in the case of an offer for sale, being the underwritten price or, if an offer for sale by tender, the striking price under such offer or, in the case of a placing, the price at which shares are sold under the placing) multiplied by the number of shares in issue at the time of such Listing, but excluding any shares issued for the purpose of raising money for the Company as part of the Listing arrangements (whether in order to finance the redemption of shares or the repayment of loans or for any other reason whatsoever);

- (ii) in the case of a Sale, the price offered to each holder of "A" Ordinary Shares and "B" Ordinary Shares multiplied by the number of "A" Ordinary Shares and "B" Ordinary Shares then in issue.

(b) "Listing" means either

- (i) a listing of any equity share capital of the Company on the Official List of the International Stock Exchange of the United Kingdom and Republic of Ireland Limited ("the Stock Exchange") of the United Kingdom and Republic of Ireland Limited ("the Stock Exchange"; or

- (ii) permission for any of the equity share capital of the Company to be dealt in on the Unlisted Securities Market of the Stock Exchange or on any other recognised investment exchange as defined by Section 207 Financial Services Act 1986.

(c) "Sale" means the date upon which either:

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(i) the offer or the agreement respectively referred to in the definition of "Offer" below is or becomes unconditional; or

(ii) if later, the date on which such offer or agreement is due to be completed in accordance with its terms;

(d) "Offer" means either:

(i) the making of an offer to purchase all or part of the equity share capital of the Company which is accepted in relation to such percentage of such share capital as, when aggregated with such share capital, if any, already held by the offeror, will result in the offeror acquiring more than 50% of the equity share capital of the Company; or

(ii) the entering into of one or more agreements which (taking account of such share capital if any already held by such person) will result in any person acquiring more than 50% of the equity share capital of the Company, which agreements become unconditional

11.4 Each such redemption of the "B" Ordinary Shares shall be made amongst the holders thereof pro rata as nearly as possible to their then holdings of "B" Ordinary Shares.

11.5 Upon the due date for any redemption the nominal amount plus any premium paid on subscription of the "B" Ordinary Shares to be redeemed and any accrued, unpaid dividend thereon (irrespective of whether the Company has sufficient distributable reserves out of which to pay such sum) ("the redemption monies") shall become a debt due and payable by the Company to the "B" Ordinary Shareholders and subject to receipt of the relevant share certificates (or indemnity in respect thereof in a form reasonable satisfactory to the Company) the Company shall forthwith upon such date pay the redemption monies to the "B" Ordinary Shareholders. For the purpose of calculating accruals of the Participating

Dividend attributable to such shares the Participating Dividend, shall be calculated pro rata according to the Net Profits for the relevant financial year down to the date of redemption such profits to be calculated on a basis acceptable to the holders of the "B" Ordinary Shares by reference to the latest available management accounts of the Company and its subsidiaries.

11.5 If the Company is unable to redeem, in accordance with the Act and these Articles, the number of "B" Ordinary Shares to be redeemed pursuant to this Article 11, the Company shall thereupon redeem such number of "B" Ordinary Shares, if any, as it is then able to redeem in accordance with the Act and these Articles and the Company shall so redeem the balance as soon thereafter as it is able so to do.

11.7 On redemption the Company shall cancel the share certificate of the shareholder concerned and, in the case of a redemption of part of the shares included in the certificate, without charge issue a fresh certificate for the balance of shares not redeemed.

D. RIGHTS OF THE PREFERENCE SHARES

12 Dividends

12.1 The holders of the Preference Shares are entitled to receive, in priority to the transfer of any sum to reserves and to any rights of the holders of any other class of shares in the Company to receive any dividend or other distribution and payable without any resolution of the directors or shareholders, a fixed cumulative preferential dividend ("Preference Dividend") of 10 pence per annum (exclusive of any associated tax credit) on the nominal amount plus any premium paid on subscription on each of the Preference Shares. The Preference Dividend shall accrue from day to day and be paid half-yearly on each 30th June and 31st December ("a Preference Dividend Payment Date") in respect of the half-years ending on those dates, the first such payment to be made on 30th June 1995. Any amount unpaid shall be carried forward and be payable in priority to the Preference Dividend payable on any later date.

12.2 The rate at which the Preference Dividend ~~is~~ payable shall be a rate per annum compounded with rests on the Preference Dividend Payment Dates, and the amount payable in respect of any overdue dividend shall be increased accordingly.

12.3 The Preference Dividend payable on the Preference Dividend Payment Date and any other sum thereon or payable hereunder shall without any resolution of the directors or of the Company in general meeting (and notwithstanding anything contained in Table A) become a debt due from and immediately payable by the Company to the Preference Shareholder entitled thereto.

12.4 If any dividend due on the Preference Shares is not paid on the date specified for payment by these Articles then the amount of any such overdue dividend shall be increased by 4 per cent per annum above the base rate of The Royal Bank of Scotland plc for the time being such increase to accrue on a daily basis, from the date the Preference Dividend becomes a debt due and references in these Articles to arrears, deficiency or accruals of any dividends shall include a reference to any such increase of such dividend.

### 13 Return of capital

On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst its shareholders shall be applied, in priority to any payment to the holders of any other class of shares in the Company, in paying to the Shareholders:

- (a) first, in paying to the Preference Shareholders the nominal amount plus any premium paid on subscription of the Preference Shares;
- (b) secondly, in paying to the Preference Shareholders a sum equal to any accrued, unpaid Preference Dividend together with any accrued interest thereon in each case to be calculated down to the date of return of capital and to be payable irrespective of whether the Company has sufficient distributable profits out of which to pay such sum;

- (c) thirdly, in paying to the holders of the "B" Ordinary Shares the nominal amount of such shares;
- (d) fourthly, in paying to the holders of the "B" Ordinary Shares a sum equal to all unpaid arrears and accruals of any Participating Dividend together with any accrued interest thereon in each case such arrears and accruals to be calculated down to and including the date of payment to be payable irrespective of whether the Company has sufficient distributable profits out of which to pay such sum;
- (e) fifthly, in paying to the holders of Ordinary Shares (in proportion to the numbers of Ordinary Shares held by them) the nominal amount of such shares; and
- (f) lastly, in distributing the balance amongst the holders of the "A" Ordinary Shares and the "B" Ordinary Shares pari passu as if they were all shares of the same class.

#### 14 Further participation

Subject to the provisions of Articles 12, 13 and 15 the Preference Shares shall not confer any further right of participation in the profits or assets of the Company.

#### 15 Scheduled redemption

15.1 The Company shall redeem on the following dates the following number of Preference Shares, namely:

(1) Date	(2) Number of Preference Shares to be redeemed
31st December 1996	80,000
31st December 1997	80,000
31st December 1998	91,111
31st December 1999	91,111
31st December 2000	<u>91,111</u>
Total	<u>433,333</u>

#### 15.2 Early voluntary redemption by the Company

The Company may at any time redeem all or any of the Preference Shares by serving notice of such redemption upon the Preference Shareholders, specifying a date upon which redemption is to take place being not less than 14 days nor more than 30 days from the date of such notice and stating the number of Preference Shares to be redeemed PROVIDED THAT it shall be a term of such redemption that the Preference Shares to be redeemed shall be so redeemed in an order in reverse to the chronological order set out in Article 15.1. There shall be no limit on the number of such notices that may be served.

#### 15.3 Redemption on a Listing or Sale

The Company shall redeem all the Preference Shares immediately prior to a Listing or a Sale.

#### 15.4 Early redemption required by Preference Shareholders

The Preference Shares shall be entitled by notice in writing to the Company given by the holders of a majority of the Preference Shares to require redemption of all or any of the Preference Shares in the event that:

15.4.1 any sum due whether by virtue of a redemption or dividend in respect of Preference Shares is not paid within 28 days of the date specified in these Articles irrespective of whether the Company had sufficient distributable profits or reserves out of which to pay such sum; and

15.4.2 any indebtedness of the Company or any of its subsidiaries shall become repayable prior to its specified maturity and a demand shall be made for repayment thereof.

#### 15.5 Provisions applicable to all redemptions

Each such redemption of some but not all of the Preference Shares



shall be made amongst the holders thereof pro-rata as nearly as possible to their then holdings of Preference Shares.

15.6 Upon the due date for any redemption of Preference Shares ("a Redemption Date") the Company shall pay the following amount in cash in respect of each Preference Share to be redeemed:

(a) the nominal amount plus any premium paid on subscription of such Preference Share; and

(b) any unpaid Preference Dividend accrued up to the Redemption Date.

15.7 On each Redemption Date the redemption monies payable thereon shall (irrespective of whether the Company has sufficient distributable reserves out of which to pay such sum) become a debt due and payable by the Company to the Preference Shareholders and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon such Redemption Date pay the redemption moneys to the Preference Shareholders.

15.8 On redemption the Company shall cancel the share certificate of the shareholder concerned and, in the case of a redemption of part of the shares included in the certificate, without charge issue a fresh certificate for the balance of shares not redeemed.

15.9 As from the due date for any redemption the Preference Dividend shall cease to accrue on the Preference Shares due to be redeemed on that date unless on the presentation of the certificate (or an indemnity as aforesaid) relating thereto the Company fails to make payment of the redemption moneys in which case the Preference Dividend shall continue to accrue from the due date for redemption to the date of actual redemption.

15.10 If any Preference Share is not redeemed on the date specified for redemption then the amount of such overdue monies (including any premiums due) shall be increased by 4% per annum over base rate of The Royal Bank of Scotland plc for the time being such increase to

accrue daily from the date specified for payment in these articles.

15.11 As regards voting

Preference Shareholders shall be entitled to receive notice of and attend but not to speak or vote at all general meetings of the Company unless either:

- (a) for whatever reason any dividend on either the Preference Shares or the "B" Ordinary Shares is not paid in accordance with Article 6.1 or 12.1; or
- (b) the Preference Shares (or any instalment thereof) have not been redeemed upon the happening of the event referred to in this Article 15 (notwithstanding as referred to in this Article 15 the Company is unable to redeem the shares upon the happening of such event); or
- (c) the business of the meeting includes a resolution for the winding up of the Company, a reduction in the capital of the Company or a resolution adversely altering, varying or abrogating any of the special rights and privileges attached to the Preference Shares;

when the Preference Shareholders shall while such event exists be entitled to speak and vote at any general meeting of the Company and on a show of hands each Preference Shareholder present in person or by proxy shall have one vote and on a poll each Preference Shareholder shall have one vote for every Preference Share of which he is the holder.

16 As regards consents of the Preference Shareholders

16.1 So long as any Preference Shares remain outstanding the Company shall not without the consent or sanction of the Preference Shareholders given in accordance with the provisions of Article 17:

- (a) modify or vary the rights attaching to the "B" Ordinary Shares, or the Preference Shares;

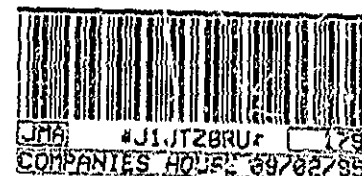
ARTICLES OF ASSOCIATION  
OF  
BALLYCLARE SPECIAL PRODUCTS LIMITED

Adopted on 27th January 1995

ALSOP WILKINSON

India Buildings  
Liverpool L2 0NH

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Company No: 2990953

COMPANIES ACT 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF BALLYCLARE SPECIAL PRODUCTS LIMITED

Adopted by Special Resolution passed on 27th January 1995

A. SHARE CAPITAL

- 1 The authorised share capital of the Company at the date of adoption of these Articles is £383,333.50 divided into:

100,000 "A" Ordinary Shares of £1 each ("A" Ordinary Shares);  
66,667 "B" Redeemable Ordinary Shares of £1 each ("B" Ordinary Shares); and  
433,333 Redeemable Preference Shares of 50 pence each ("Preference Shares").

B. RIGHTS OF THE "A" ORDINARY SHARES

- 2 Pari passu with "B" Ordinary Shares

Save as otherwise specifically provided in these Articles, the "A" Ordinary Shares and the "B" Ordinary Shares shall rank pari passu, but shall constitute two separate classes of shares.

- 3 Restrictions on transfer

The "A" Ordinary Shares and any interest therein shall not be transferable except:

- (a) with the written consent of the "B" Director; or
- (b) on and after Listing as defined in Article 11; or
- (c) when a transfer is required by Article 4; or

- (d) to the trustees of a trust of which the only beneficiaries (and the only persons capable of being beneficiaries) are the "A" Ordinary Shareholder who established such trust and who is transferring the relevant "A" Ordinary Shares and/or his spouse and/or his lineal descendants by blood or adoption Provided that the trustees of any such trust shall not be entitled to transfer any "A" Ordinary Shares pursuant to this paragraph (d), other than to replacement trustees of the same trust; or
- (e) a transfer made upon the death of a shareholder to his executors, administrators or beneficiaries after expiry of the two month time limit in Article 4 without the "B" Director having exercised his rights; or
- (f) on a sale as defined in Article 11.

#### 4 Compulsory transfer

- 4.1 In this Article 4 "Relevant Shares" means all shares in the Company held by any of Mr R Russell, Mr S Turnheim, Mr A Woolley, Mr P Browne or Mr P McCourt (each "a Manager") or any other "A" Ordinary Shareholder concerned or held by a person who in relation to such "A" Ordinary Shareholder is a permitted transferee as described in Article 3 ("Relevant Holder") and whether or not such shares are registered in the name of the Relevant Holder concerned and howsoever such shares were acquired.
- 4.2 In the event that a Manager or an "A" Ordinary Shareholder ceases to be either an employee or Director of the Company or any of its subsidiary undertakings for any reason whatsoever including death and is not continuing as either a director or employee of the Company or any of its subsidiary undertakings there shall be deemed to have been served a notice to the Company indicating a desire to transfer shares ("Sale Notice") in respect of all his Relevant Shares such transferor being referred to in these Articles as a "Compulsory Transferor".
- 4.3 A Sale Notice deemed to have been given under Article 4.2 shall be deemed to have been given on the date on which the Manager or "A" Ordinary Shareholder concerned ceases to be a director or employee as aforesaid.

4.4 The Sale Notice shall constitute the Company the agent of the Compulsory Transferor for the sale of the Relevant Shares at the Prescribed Price (as hereinafter defined).

4.5 On receipt of a Sale Notice given only in respect of "A" Ordinary Shares (an "Ordinary Sale Notice") the Company shall by notice in writing offer the Sale Shares at the Prescribed Price first to all the other holders of "A" Ordinary Shares in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares in the Company or if the Compulsory Transferor is a director or employee of any member of the Group and is not continuing as such to any replacement director or employee or partly in one way and partly in another or others as a majority of the Directors shall decide (such majority to include the "B" Director) ("First Offer"). Such offer shall be made by the Company within 7 days of the Prescribed Price being agreed or determined as aforesaid or if the Prescribed Price shall have been agreed or determined on or prior to the Sale Notice Date within 7 days of the Sale Notice Date and shall specify a time being not less than 21 days and not more than 28 days within which such offer must be accepted or in default thereof will lapse. The Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the First Offer to Ordinary Shareholders (other than any "A" Ordinary Shareholders who have not accepted any Sale Shares already offered to them under the First Offer) at the Prescribed Price and if there be more than one such "A" Ordinary Shareholder in proportion as nearly as may be to the nominal amount of their existing holdings of "A" Ordinary Shares ("Second Offer"). Any such offer shall be made within 7 days of the date on which the First Offer lapses or if earlier the date on which all persons entitled to accept the First Offer have indicated the maximum number of Relevant Shares they wish to accept and shall specify a time being not more than 21 days and not less than 14 days within which such offer must be accepted or in default will lapse.

4.6 If the Company shall not have found purchasers for all of the Relevant Shares pursuant to the procedures described in Article 4.5 the Company shall within 7 days of the date on which the Second Offer lapses or if earlier the date on which all persons entitled



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to accept the Second Offer have indicated the maximum number of shares they wish to accept by notice in writing offer the Sale Shares not so accepted pursuant to the Second Offer at the Prescribed Price to all the holders of "B" Ordinary Shares in proportion as nearly as may be to the nominal amount of their existing holdings of "B" Ordinary Shares in the Company ("Third Offer"). Such offer shall specify a time being not less than 21 days and not more than 28 days within which such offer must be accepted or in default thereof will lapse. The Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the Third Offer to "B" Ordinary Shareholders (other than any "B" Ordinary Shareholders who have not accepted any Sale Shares already offered to them under the Third Offer) at the Prescribed Price and if there be more than one such "B" Ordinary Shareholder in proportion as nearly as may be to the nominal amount of their existing holdings of "B" Ordinary Shares ("Fourth Offer"). Any such offer shall be made within 7 days of the date on which the Third Offer lapses or if earlier the date on which all persons entitled to accept the Third Offer have indicated the maximum number of Relevant Shares they wish to accept and shall specify a time being not more than 21 days and not less than 14 days within which such offer must be accepted or in default will lapse.

- 4.7 If the Company shall not have found purchasers for all of the Relevant Shares pursuant to the procedure described in Article 4.6 the Company shall within 7 days of the date on which the Fourth Offer lapses or if earlier the date on which all persons entitled to accept the Fourth Offer have indicated the maximum number of Shares they wish to accept by notice in writing offer the Sale Shares not so accepted pursuant to the Fourth Offer to the Company at the Prescribed Price ("Fifth Offer"). Such offer shall specify a time being not less than 14 days and not more than 21 days within which such offer must be accepted or in default will lapse.

- 4.8 If the Company is not willing or unable to purchase the balance of the Relevant Shares the Compulsory Transferor shall retain the

Relevant Shares not taken up.

- 4.9 If the Company shall within the said time limits find members willing to purchase all or any of the Relevant Shares it shall within 14 days of the expiry of such time limits or such earlier date as it may have found members willing to purchase the Relevant Shares give notice thereof to the Compulsory Transferor whereupon the Compulsory Transferor shall become bound to sell and transfer the Relevant Shares to the respective purchasers free from all liens charges encumbrances and third party rights together with all rights attaching thereto at the date of sale. A notice given hereunder shall state the name and address of each of the purchasers and the number of shares to be purchased by him and shall designate a place and a time (being not less than 3 nor more than 10 days following the date of the notice) for completion of the sale of the shares comprised in such notice.
- 4.10 A person becoming entitled to any "A" Ordinary Shares in consequence of the death or bankruptcy of any member shall be deemed to have given a Sale Notice in respect of such shares at the date of the death or the bankruptcy and the provisions of this Article 4 shall apply to such notice.
- 4.11 For the purposes of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a shareholder may be bound or be required to give or is deemed to have given a Sale Notice or for the purpose of ascertaining when a Sale Notice should have been or is deemed to have been given hereunder the Directors may from time to time require any member or the legal personal representatives of any deceased member or the trustee in bankruptcy of any member or the receiver administrative receiver or liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after request the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) may resolve to

require by notice in writing that a Sale Notice be given in respect of the shares concerned. If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a shareholder may be bound or required to give or be deemed to have given a Sale Notice the Directors may resolve by notice in writing to require that a Sale Notice be given in respect of the shares concerned. A resolution of the Directors hereunder shall be binding upon the shareholders concerned who shall be bound to give a Sale Notice in respect of the shares concerned forthwith upon receipt of the said notice from the Directors.

4.12 The Prescribed Price at which a transfer shall be made pursuant to this Article 4 shall be:

- (a) in the event of the deemed transfer being made prior to 30th June 1996 or at any time thereafter if the relevant "A" Ordinary Shareholder or employee resigned his employment (other than by reason of permanent ill health or permanent disability) or his contract of employment was terminated by the Company without notice in accordance with its terms, at the nominal amount plus any premium paid on subscription of such "A" Ordinary Shares or, if less, the amount provided for in (b) below;
- (b) in the event of the deemed transfer being made after 30th June 1996 (subject to (a) above) at either the price agreed between the "B" Director and the Compulsory Transferor or if no agreement is reached within 14 days of the exercise of such right by the "B" Director, the price certified by the Company's auditors, for the time being to be the market value of such "A" Ordinary Shares at the time of such cessation. The auditors shall act as experts and not as arbitrators and their determination shall be final and binding. The costs involved in the auditors' determination of the price shall be borne as determined by the auditors.

4.13 If a Compulsory Transferor fails to transfer such "A" Ordinary Shares in accordance with this Article 4 the directors may (and

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will if so requested by the "B" Director) authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such "A" Ordinary Shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

C. RIGHTS AND OBLIGATIONS OF THE "B" ORDINARY SHARES

5 Pari passu with "A" Ordinary Shares

Save as otherwise specifically provided in these Articles, the "B" Ordinary Shares and the "A" Ordinary Shares shall rank pari passu, but shall constitute two separate classes of shares.

6 Dividends - "B" Ordinary Shares and "A" Ordinary Shares

6.1 Subject to the provisions of Article 12 the profits of the Company available for distribution shall be applied in paying to the holders of the "B" Ordinary Shares as a class in respect of each financial year of the Company a cumulative preferential net cash dividend (the "Participating Dividend") of a sum equal to 10% of the Net Profit for the relevant financial year, provided that for the financial year ending on 31st December 1995 the Participating Dividend shall be the pro rata amount of the Net Profit for the year from 1st January 1995 until and including 31st December 1995. The Participating Dividend (if any) shall be paid not later than the earlier of:

- (A) the date 3 months after the end of each successive accounting reference period of the Company, and
- (B) 14 days after the audit report on the accounts of the Company for such period is signed by the auditors to the Company.

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6.2 For the purposes of this article "Net Profit" means the net profit of the Company and its subsidiaries calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year (to the nearest £1 and treating losses as negative numbers):

- (a) before any payment or provision is made for any dividend on any share in the capital of the Company or any of its subsidiaries or for any other distribution or for the transfer of any sum to revenue reserves generated from trading operations and before making any provision for writing off goodwill;
- (b) after deducting any corporation tax (or any other tax levied upon or measured by reference to profits or gains) on the profits earned and gains realised by the Company and its subsidiaries;
- (c) before deducting any sum which exceeds the aggregate amount of emoluments (including amounts referred to in paragraph 1(4) of schedule 6 of the Act) payable to the Company's directors under their service contracts (as adjusted from time to time in accordance with those service contracts) and any sums paid or payable to any person connected with them.
- (d) after adding back any extraordinary loss or deducting any extraordinary profit.

6.3 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act the Preference Dividend payable under the provisions of Article 12 and the Participating Dividend shall (notwithstanding any regulations contained in Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation or resolution of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend

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provided that if, due to delays in the preparation of the audited accounts of the Company, the Participating Dividend cannot be calculated by the date it is due for payment (unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act) there shall be paid forthwith an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend payable and provided further that if the interim dividend paid on account of the Participating Dividend is in excess of the Participating Dividend payable such excess amount shall be set off against the next Participating Dividend payable.

- 6.4 The Company shall take all necessary steps lawfully available to it to ensure that its profits available for distribution are sufficient to enable the lawful and prompt payment of the Preference Dividend and the Participating Dividend on the due dates, such steps to include (without limitation) the distribution to the Company by its subsidiaries of the whole or part of the profits available for distribution from time to time of such subsidiaries and the preparation of such interim accounts of the Company and its subsidiaries by reference to which profits available for distribution might fall to be calculated but subject always to the provisions of Parts V and VIII of the Act.
- 6.5 If the Participating Dividend is not paid on the date specified for payment by these Articles then the amount of such overdue dividend shall be increased by 4 per cent per annum above the base rate of The Royal Bank of Scotland plc for the time being such increase to accrue on a daily basis from the date the Participating Dividend becomes a debt due and references in these Articles to arrears, deficiency or accruals of any dividends shall include a reference to any such increase of dividend.
- 6.6 Without the consent or sanction of the Preference Shareholders given in accordance with Article 17 no dividends shall be declared or paid on the "A" Ordinary Shares in respect of any financial year of the Company unless and until all of the Preference Shares have been redeemed in accordance with Article 15 and thereafter any profits which the Company determines to distribute in any financial

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year after the payment of the Participating Dividend and all arrears thereof shall be applied in the payment of a dividend among the "A" Ordinary Shareholders and "B" Ordinary Shareholders pari passu as if the same constituted one class of shares.

7 Pre-emption rights on transfer

- 7.1 Any "B" Ordinary Shareholder who wishes to transfer any "B" Ordinary Shares ("Transferor Shareholder") shall (unless the provisions of Article 8 apply) serve a written notice ("Transfer Notice") on the Company stating the number of shares he wishes to transfer ("Transfer Shares") and the proposed price for each such share ("the Prescribed Price").
- 7.2 Within 7 days of the receipt of a Transfer Notice the Company shall send a copy of it to the other "B" Ordinary Shareholders who shall each be entitled to offer to purchase all or any of the Transfer Shares at the Prescribed Price. Any such offer must be made in writing to the Company within 21 days of the despatch by the Company of such copy of the Transfer Notice.
- 7.3 If the Company shall receive offers for a number of "B" Ordinary Shares in excess of the Transfer Shares then those "B" Ordinary Shareholders who shall have made such offers shall be deemed (as far as practicable and without exceeding the number of shares which each such "B" Shareholder shall have offered to purchase) to have offered to purchase the Transfer Shares in proportion to their existing holdings of "B" Ordinary Shares.
- 7.4 If the Company shall have received offers to purchase any of the Transfer Shares in accordance with Article 7.1, it shall forthwith give notice thereof to the Transferor Shareholder who shall then be bound to transfer such Transfer Shares (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) upon payment of the Prescribed Price for each share. Such notice shall state the name and address of each of the purchasers and the number of Transfer Shares to be acquired by him and the purchase shall be completed at a place and time to be appointed by the Company being

- (b) pass any resolution to or reduce all or any of its share capital represented by the Equity Shares or (save for the purposes of redeeming any of the Preference Shares) any amount standing to the credit of its share premium account or capital redemption reserve fund or reduce any uncalled liability in respect of partly paid shares;
- (c) make any distribution payment or return of capital to any shareholder (other than to the Preference Shareholders);
- (d) capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of any reserve) or any sums standing to the credit of its share premium account or capital redemption reserve fund; or
- (e) make any distribution payment or return of an income nature to any shareholder (other than to the Preference Shareholders in respect of the Preference Shares) after the Company shall have failed or have been unable to redeem any of the Preference Shares pursuant to Article 14 until such redemption has been effected;
- (f) create or grant any options or other rights to subscribe for or to convert into or issue any shares or other securities ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares.
- (g) permit any subsidiary to issue (other than to the Company or a wholly owned subsidiary of the Company) any shares
- (h) dispose of any shares or permit any subsidiary to dispose of any shares (other than to the Company or a wholly owned subsidiary of the Company)
- (i) amend any provision of or add to or delete from any provision of its Memorandum or Articles of Association;



(j) increase reduce subdivide consolidate redeem (other than in accordance with these Articles) or otherwise vary the share capital of the Company or (other than for the purpose of redeeming the Preference Shares in accordance with these Articles) reduce any amount standing to the credit of its share premium account or capital redemption reserve fund or any other reserve;

(k) commence any action for a voluntary winding up;

(l) change its accounting reference date or its auditors;

#### 17 Modification of Rights

17.1 Subject to the Companies Act 1985 ("the Act") 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 written consent of the holders of not less than three-quarters of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply except 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 class (provided that where all the shares of a class are registered in the name of one holder that holder present in person or by proxy may constitute a meeting) and that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

#### 18 Transfer of Preference Shares

The holders of Preference Shares may transfer their shares only with the consent of the "B" Director for so long as a director is appointed and

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without restriction if no such director is appointed.

E. GENERAL PROVISIONS

19 Table A

19.1 The regulations contained in Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as they are excluded or modified hereby. No other regulations contained in any statute, statutory instrument or other subordinate legislation shall apply as the regulations or the articles of the Company.

19.2 The regulations of Table A numbered 24, 38, 50, 60, 61, 64, 73, 74, 75, 76, 77, 78, 80, 81, 90, 94, 95, 96, 97, 98, 115 and 118 shall not apply. The regulations of Table A numbered 35, 37, 46, 53, 57, 59, 62, 68, 79, 88, 89, 91, 92, 93, 110, 112 and 116 shall be modified. Subject to such exclusions and modifications, and in addition to the remaining regulations of Table A, the provisions hereof shall be the articles of association of the Company.

19.3 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective.

20 Private Company

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

21 Authority to issue shares

21.1 The directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased share capital) to such persons, at such

times and generally on such terms and conditions as the directors may determine. Further, the directors shall have general and unconditional authority pursuant to section 80 of the Act to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of that section) for a period expiring on the fifth anniversary of the date of adoption of these Articles unless previously renewed, varied or revoked by the Company in general meeting, and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the company at the date of adoption of these Articles or, where the authority is renewed, at the date of that renewal.

21.2 The directors shall be entitled, pursuant to the authority conferred by paragraph 21.1 of this article or under any renewal of such authority, to make at any time prior to its expiry any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority and to allot relevant securities pursuant to such offer or agreement.

## 22 Pre-emption rights on issue of shares

22.1 The pre-emption provisions of section 89(1) of the Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the Act shall not apply to any allotment of the Company's equity securities.

22.2 The Company shall not allot any equity securities unless:

- (a) such allotment is of "A" Ordinary Shares and "B" Ordinary Shares as nearly as practicable in the same proportions in which they were in issue immediately prior to such allotment;
- (b) such "A" Ordinary Shares are first offered to the holders of the "A" Ordinary Shares and such "B" Ordinary Shares are first offered to the holders of the "B" Ordinary Shares, in each case as nearly as practicable in the proportions in which they held "A" Ordinary Shares or, as the case may be, "B" Ordinary Shares immediately prior to such allotment.

Such offer shall be open for a period of 14 days. Any shares which are not accepted by any shareholder may be allotted to such other person as the Directors determine.

22.3 The provisions of Article 22.2 do not apply to any issue of shares pursuant to the Subscription and Shareholders Agreement entered into by the Company on the same date as the adoption of these Articles.

23 Purchase of own shares

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

24 Notice of general meetings

Regulation 37 of Table A shall be modified by the deletion of the words "eight weeks" and the substitution for them of the words "twenty-eight days" and by the insertion of the words "or the "8" Director acting alone" after the second word of that regulation.

25 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective

resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

26 Proceedings at general meetings

A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A shall be modified accordingly.

27 Regulation 53 of Table A shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."

28 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

29 Votes of members

Regulation 57 of Table A shall be modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".

30 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof."

31 An instrument appointing a proxy shall be in writing in any form which is usual or in which the directors may approve and shall be executed by or on behalf of the appointor.

- 32 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left or sent by post or by facsimile transmission to".

33 Number of directors

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

34 Alternate directors

An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A shall be modified accordingly.

- 35 Regulation 68 of Table A shall be modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

36 Borrowing powers of directors

The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

37 Appointment and removal of directors

The directors shall not be subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation shall be disregarded.

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

42.3 he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or

42.4 he resigns his office by notice in writing to the Company; or

42.5 (other than in the case of the "8" Director) he shall for more than three consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have attended any such meetings instead of him, and the directors resolve that his office be vacated; or

42.6 (other than in the case of the "8" Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or

42.7 (other than in the case of the "8" Director) he is removed from office by notice given by a member or members under Article 41.

43 Proceedings of directors

Regulation 88 of Table A shall be modified by the exclusion of the third sentence and the substitution of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom."

44 44.1 Any director or his alternate may validly participate in a meeting of the directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of the directors shall for the purposes of the articles be deemed to be validly and effectively transacted at a meeting of

the directors or of a committee of the directors notwithstanding that fewer than two directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

44.2 Meetings of the board of directors shall take place no less frequently than once per calendar month and at least seven clear working days notice shall be given to each director Provided that with the consent of the "B" Director board meetings may be held less frequently and a shorter period of notice for any board meeting may be given.

45 Quorum for Board Meetings

The quorum for the transaction of the business of the directors shall be 2, provided that:

(a) one such director shall be a B Director, if any such have been appointed, and

(b) if a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting shall be adjourned until 2 days later at the same time and place or at such other time or place as the directors may determine and at such adjourned meeting a quorum shall consist of any 2 directors of the Company. A person who holds office only as an alternative director shall, if his appointor is not present, be counted in the quorum.

46 Directors' appointments and interests

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



47 Dividends

The directors may deduct from any dividend or other moneys payable to any member on or in respect of a share any moneys presently payable by him to the Company in respect of that share.

48 Capitalisation of profits

The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividend and regulation 110 of Table A shall be modified accordingly.

49 Notices

Regulation 112 of Table A shall be modified by the deletion of the last sentence and the substitution therefor of the following: "Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."

50 Any notice sent by post to an address within the United Kingdom shall be deemed to have been given within twenty-four hours, if prepaid as first class, and within forty-eight hours, if prepaid as second class, after the same shall have been posted. Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if prepaid as airmail. In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted. Any notice not sent by post but left at the relevant address shall be deemed to have been given on the day it was so left.

51 Regulation 116 of Table A shall be modified by the deletion of the words "within the United Kingdom".

52 Indemnity

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

- 53 The directors may exercise all the powers of the Company to purchase and maintain for any director, auditor or other officers (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.