

No: 3256483

**The Companies Act 1985**

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**Company limited by shares**

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**Written resolutions of**  
**Pinnacle Group Limited**  
(passed on 4 August 1998)



The following resolutions were passed as unanimous written resolutions by all the members of the Company entitled to attend and vote at an extraordinary general meeting of the Company on 4 August 1998 and shall, for the purposes of article 4 of the Company's existing articles of association, constitute the written consent of the holders of the different classes of shares in the capital of the Company to the variation, modification, abrogation or cancellation of the rights attaching to the relevant classes of shares as effected by the resolutions set out below.

**That:**

1. each of the "A" ordinary shares of £1 each in the capital of the Company be and is hereby re-classified as one ordinary share of £1 each having the rights attributable to such shares as are set out in the articles of association to be adopted pursuant to resolution 11 below ("the new Articles");
2. each of the "B" ordinary shares of £1 each in the capital of the Company be and is hereby re-classified as one ordinary share of £1 each having the rights attributable to such shares as are set out in the new Articles;
3. of the 1,402,631 "A" preference shares of £1 each in the capital of the Company registered in the name of Savills Finance Holdings plc:
  - (a) 117,710 thereof be and are hereby re-classified as 117,710 ordinary shares of £1 each; and
  - (b) 1,284,921 be and are hereby re-classified as 1,284,921 deferred shares of £1 each,

such shares having the respective rights attributable to them as are set out in the new Articles;

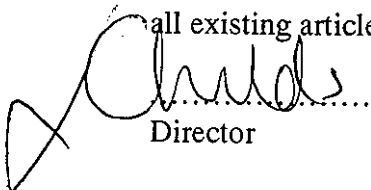
4. the number of "B" preference shares of £1 each in the capital of the Company registered in the names of the persons whose names appear in column 1 below and which are set out in column 2 below be and are hereby re-classified under the names given in column 3 below, such shares to rank pari passu with each other in all respects subject to the passing of resolution 5 below:

<b>Name</b>	<b>Number of "B" preference shares of £1 each</b>	<b>Name following re-classification</b>
Curzon Secretaries & Trustees Limited	1,067,318	Curzon shares
Owen Hampden Inskip	355,051	OHI shares
Timothy Saunders	63,000	TS shares
John Andrew Swinney	33,750	JAS shares
Lisbeth Ann Childs	20,250	LAC shares

5. the following numbers and classes of shares of £1 each arising from the re-classification effected by the passing of resolution 4 above and referred to in column 1 below, be and are hereby re-classified as the numbers of deferred shares of £1 each, preference shares of £1 each and ordinary shares of £1 each referred to in columns 2, 3 and 4 below, respectively, all such shares having the respective rights attributable to them as are set out in the new Articles:

<b>No. and class of shares</b>	<b>Deferred shares of £1 each</b>	<b>Preference shares of £1 each</b>	<b>Ordinary shares of £1 each</b>
1,067,318 Curzon shares	0	1,067,318	0
355,051 OHI shares	0	355,051	0
63,000 TS shares	57,696	0	5,304
33,750 JAS shares	30,926	0	2,824
20,250 LAC shares	18,527	0	1,723

6. that each of the remaining 108,000 unissued "B" preference shares of £1 each and 24,000 "B" ordinary shares of £1 each in the capital of the Company be and is hereby re-classified as one ordinary share of £1 each, having the rights attributable to such shares as are set out in the new Articles;
7. the authorised share capital of the Company be and it is hereby increased by £400,000 to £3,700,000 by the creation of an additional 400,000 ordinary shares of £1 each, ranking pari passu in all respects as one class of shares with the existing ordinary shares of £1 each in the capital of the Company arising from the re-classifications effected by the passing of resolutions 1-6 above;
8. the directors be and they are generally and unconditionally authorised for the purposes of Section 80 Companies Act 1985 to allot, or to grant any right to subscribe for or to convert any security into, shares in the Company up to a maximum nominal amount of £399,177 at any time or times during the period from the date of the passing of this resolution up to and including 31 December 1998 on which date this authority shall expire and this authority shall allow the Company to make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after the expiry of the authority;
9. the directors be and they are generally authorised pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94(2) of that Act) up to a nominal value of £399,177 pursuant to the authority given in resolution 8 above as if sections 89(1) and 90(1) to (6) of that Act did not apply to such allotment provided that this power shall expire on 31 December 1998;
10. the Company be and is hereby authorised pursuant to Part V of the Companies Act 1985 and the existing Articles of Association of the Company to purchase its own shares in accordance with a proposed agreement for the purchase by the Company of an aggregate of 1,392,070 deferred shares of £1 each, for an aggregate consideration of £4, from the persons listed in the schedule to the agreement, a draft of which is attached to these resolutions which contract is hereby approved.
11. the draft regulations contained in the printed document attached to this resolution be and they are approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.

  
Director

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## Articles of Association

Pinnacle Group Limited

No. 3256483

BR/672475  
TAC-01/6/97

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**The Companies Act 1985**

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**Private company limited by shares**

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**Articles of Association**

**of**

**Pinnacle Group Limited**

(as adopted by special resolution passed on 1998)

**1. Preliminary**

- 1.1 Except as otherwise provided in these Articles, the regulations contained or incorporated in Table A shall apply to the Company.
- 1.2 These Articles and the regulations incorporated in them shall take effect subject to the requirements of the Act and of every other statute for the time being in force affecting the Company.
- 1.3 In these Articles, unless the context otherwise requires, the following words and expressions shall have the following meanings:

**"Act"** the Companies Act 1985;

**"Approved Offer"** an offer in writing for all the Ordinary Shares in the Company or any other scheme, arrangement, merger, transfer or sale involving the acquisition, cancellation, transfer or reorganisation of more than 75% of the issued Ordinary Shares or the issued ordinary shares of any Subsidiary of the Company or involving the sale or transfer of the whole or substantially the whole of the undertaking of the Company or any of its Subsidiaries on equal terms;

**"Board"** the board of Directors of the Company for the time being;

"Controlling Interest"	an interest (within the meaning of Schedule 13, Part 1 of the Act) in shares conferring, in aggregate, 50% or more of the total voting rights conferred by the Ordinary Shares for the time being in issue;
"Deferred Shares"	deferred shares of £1 each in the capital of the Company;
"Director"	a Director for the time being of the Company;
"Exit Event"	as defined in the Shareholders' Deed;
"Fair Price"	<p>such price as shall be agreed between the Board and the proposing transferor as the fair price of the Ordinary Shares to be transferred for the purposes of Articles 7 and 10 or, if the Board and the proposing transferor are unable to agree such price within 28 days of the cessation of employment of the relevant person or other relevant event, such price as the Independent Accountant shall certify to be in his opinion the fair price of the Ordinary Shares concerned. In determining such fair price, which determination shall be final and binding on all parties, the Independent Accountant shall be instructed in particular:</p> <ul style="list-style-type: none"> <li>(a) to value the shares on a going concern basis as between a willing seller and a willing purchaser;</li> <li>(b) to take no account of the effect of clauses 7 and 8 of the Shareholders' Deed;</li> <li>(c) to disregard whether or not the shares represent a minority interest;</li> <li>(d) to take no account of whether the shares do or do not carry control</li> </ul>

of the Company;

- (e) that, in stating the Fair Price, the Independent Accountant (whose charges shall be borne by the party whose own opinion as to the Fair Price was furthest from the decision of the Independent Accountant) shall be considered to be acting as an expert and not as an arbitrator;

**"Family Trust"**

a trust under which no immediate beneficial interest in the shares in question is for the time being or may in the future be vested in any person other than the Shareholder concerned or a Privileged Relation of such Shareholder and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustee or trustees or the Shareholder concerned or a Privileged Relation of such Shareholder;

**"Group"**

the Company and its Subsidiaries for the time being and "Group Company" means any of them;

**"Holding Company"**

a holding company as defined for the purposes of sections 736 and 736A of the Act;

**"Independent Accountant"**

an independent accountant nominated by the parties concerned, or in the event of disagreement as to nomination within 14 days, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the application of either party;

**"Leaver"**

as defined in Article 10.1;

**"Leaver's Shares"**

in relation to a Leaver, any Ordinary Shares transferred or issued to that Leaver and subsequently transferred by him to a trustee, nominee or Privileged



	Relation and, in addition, in a case where the Leaver is OH Inskip, any Ordinary Shares registered in the name of Curzon Secretaries & Trustees Limited;
"Ordinary Shares"	the ordinary shares of £1 each in the capital of the Company;
"Permitted Shareholding Group"	a body corporate and any Holding Company of which it is a direct or indirect Subsidiary and any other direct or indirect Subsidiaries of that Holding Company (including any direct or indirect Subsidiary of the body corporate).
"Preference Shares"	the redeemable preference shares of £1 each in the capital of the Company;
"Privileged Relation"	in relation to a Shareholder, the spouse or widow or widower of the Shareholder and the Shareholder's children (including step and adopted children);
"Purchaser"	a person who expresses a willingness to purchase Offered Shares as defined in Article 7.2;
"Shareholder"	a holder for the time being of shares in the capital of the Company;
"Shareholders' Deed"	the shareholders' deed dated the date of adoption of these Articles between O H Inskip, T Saunders, J A Swinney, L A Childs (1), Savills Finance Holdings plc (2), the Company (3), UKPAC (4) and Curzon Secretaries and Trustees Limited and J B Barrett (5);
"Shares"	the issued shares in the capital of the Company from time to time;
"Subsidiary"	a subsidiary undertaking for the purposes of the Act and "Subsidiaries" shall be construed accordingly;
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations

1985 (as amended);

"Transfer Notice" as defined in Article 7.1; and

"UKPAC" UK Pacific Investments Limited  
(company no: 3291407).

1.4 References in these Articles to:

- (a) "employees" shall be deemed to include Directors and a contract of, the commencement or cessation of, employment shall include contracts for, and the commencement or cessation of, a Directorship; and
- (b) a "share" shall include any interests in shares referred to in section 209(1)(a) and (e) and 209(10)(c) of the Act.

1.5 The headings to these Articles do not affect the construction of these Articles.

1.6 A person shall be deemed to be connected with another if that person is connected with another within the meaning of section 839 Income and Corporation Taxes Act 1988.

## 2. Share capital

The authorised share capital of the Company at the date of adoption of these Articles is £3,700,000, divided into 885,561 Ordinary Shares, 1,422,369 Preference Shares and 1,392,070 Deferred Shares.

## 3. Rights attaching to shares

### 3.1 *Income*

#### (a) *Preference Shares - Fixed Dividend*

The holders of Preference Shares shall be entitled to receive, in priority to the holders of any other class of shares, a fixed cumulative preferential net cash dividend ("**the Preference Dividend**") of 6.0 per cent. per annum of the nominal value of each share for the period from 1 July 1998 until the occurrence of an Exit Event, such dividend to accrue from day to day from 1 July 1998 and to be payable half yearly on 30 June and 31 December, the first such payment to be made on 31 December 1998.

(b) *Preference Shares - Participating Dividend*

The holder of Preference Shares shall be entitled to receive in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company (but subject to the payment of all dividends accrued and in arrears on the Preference Shares in respect of any earlier financial year and payment of the Preference Dividend) as a class, a net cash participating dividend ("**the Participating Dividend**") equal to 0.5 per cent of the amount by which the net profit before tax of the Company as shown by the latest audited profit and loss account of the Company exceeds £3,000,000 but does not exceed £4,000,000, such dividend to be payable annually on 30 June in each year, the first such payment to be made on 30 June 1999.

(c) *Ordinary Shares*

The balance of any profits resolved to be distributed in any financial year or period may be distributed amongst the holders of the Ordinary Shares pro rata according to the amount for the time being paid up on them.

(d) *Deferred Shares*

The Deferred Shares shall carry no entitlement to income.

(e) *Declaration and payment of dividends*

- (i) Subject to the provisions of paragraph (iii) below, every sum which shall become payable by the Company on any due date ("**dividend date**") in respect of the Preference Shares in accordance with the foregoing provisions of this Article 3 shall on that dividend date ipso facto and without any resolution of the Directors or of the Company in general meeting and notwithstanding anything provided in Regulations 102 to 105 (inclusive) of Table A become a debt due from the Company.
- (ii) The Company shall procure that each of its Subsidiaries shall from time to time and so far as lawfully able declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of the Preference Dividend and the Participating Dividend.
- (iii) In the event, whether by reason of any principle of law or otherwise, that the Company is unable to pay in full

on a dividend date any Preference Dividend or the Participating Dividend, which would otherwise be required to be paid pursuant to the foregoing provisions of this Article on that dividend date ("the relevant dividend"), then:

- (A) on the dividend date the Company shall pay the maximum sum (if any) which can then consistently with any such principle of law or other restrictive circumstance be properly paid by the Company first in or towards paying off all arrears of Preference Dividend and thereafter in paying off all arrears of Participating Dividend;
- (B) on every succeeding dividend date the Company shall pay to such holders and in such order on account of the balance of the relevant dividend for the time being remaining outstanding (until the relevant dividend shall have been paid in full) the maximum sum (if any) on each such succeeding dividend date respectively which can, consistent with any such principle law or circumstance still prevailing, be properly paid by the Company; and
- (C) interest shall accrue from day to day on the amount of the relevant dividend unpaid (plus the associated tax credit) at the rate of 4% per annum above the base lending rate of Bank of Scotland from time to time and shall be paid at the same time as the amount to which it relates is paid or, if any such amount remains outstanding on 31 June or 31 December in any year, on such half-yearly dates to the extent accrued at that time.

### 3.2 *Capital*

On a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares), the assets of the Company available for distribution amongst Shareholders after payment of its liabilities shall be applied in the following manner and order of priority:

- (a) first, in paying to the holders of the Preference Shares £1 per share together with a sum equal to all unpaid arrears, interest and accruals of the Preference Dividend and Participating

Dividend down to the date of the return of capital on the Preference Shares;

- (b) subject to sub-paragraph (c) below, in paying the balance to the holders of the Ordinary Shares; and
- (c) the Deferred Shares shall carry a right to a return of the nominal value paid up on such shares but only if the holders of Ordinary Shares will receive a payment of at least £1,000,000 per Ordinary Share pursuant to sub-paragraph (b) above.

### 3.3 *Redemption*

- (a) Subject to the provisions of the Act, the Company may redeem all or (in instalments of not less than 100,000 Preference Shares or the balance of Preference Shares then outstanding, if less,) some of the Preference Shares at any time by giving one month's notice of the redemption to the shareholder.
- (b) Subject to the provisions of the Act, on the date upon which an Exit Event occurs, all of the Preference Shares shall be redeemed immediately.
- (c) Subject to receipt of the relevant share certificates or an indemnity in respect of them in a form reasonably satisfactory to the Company, on the dates fixed for any redemption the Company shall pay to the holder of each Preference Share then to be redeemed:
  - (i) £1 per share; and
  - (ii) all arrears, interest and accruals of Preference Dividend payable on it (whether earned or declared or not) calculated in the case of the Preference Dividend to and including the date fixed for redemption which shall become a debt due and payable by the Company to the holder.
- (d) If any certificate so delivered to the Company includes any Preference Shares not redeemed on the relevant redemption date a fresh certificate for the Preference Shares not so redeemed shall be issued to the Shareholder concerned.
- (e) If there is more than one holder of Preference Shares, the number of each holder's Preference Shares to be redeemed on each occasion on which Preference Shares are redeemed shall be such number (as nearly as may be) as shall bear the same proportion to the total number of Preference Shares to be

redeemed on each such occasion as that proportion which each such holder's entire holding of Preference Shares bears to the total number of Preference Shares then in issue.

- (f) Any Preference Shares not redeemed and still outstanding as at 31 December 2004 shall be redeemed in accordance with this Article on that date. If the Company is unable at that time to redeem in accordance with the Act the number of Preference Shares then due to be redeemed pursuant to this Article, the Company shall:
  - (i) redeem on that date such number of Preference Shares as it is then able to redeem in accordance with the Act and shall redeem the balance as soon as it is able to do so; and
  - (ii) interest shall accrue from day to day on the redemption monies then due and payable in accordance with Article 3.3(c) at the rate of 4% per annum above the base lending rate of Bank of Scotland plc from time to time and shall become due (as a charge against the Company) and be paid at the same time as the amount to which it relates is paid or, if any such amount remains outstanding on 30 June or 31 December in any year, on such half-yearly dates to the extent accrued at that time.

### 3.4 *Voting*

#### (a) *Preference Shares*

The holders of the Preference Shares shall be entitled to receive notice of and to attend either in person or by proxy at any general meeting of the Company but shall not be entitled to vote at it (either personally or by proxy) unless at the date when the notice convening such general meeting is sent to the Shareholders the business of the meeting includes a resolution directly and adversely affecting, altering or abrogating the rights, privileges or restrictions attached to the Preference Shares in which event each holder of Preference Shares present in person or by proxy or representative shall be entitled to one vote on a show of hands and on a poll to such number of votes for each Preference Share held by him as results in the voting rights conferred on all holders of Preference Shares representing 90% of the voting rights attaching to all shares in the capital of the Company after the application of this vote enhancement.

(b) *Ordinary Shares*

The holders of the Ordinary Shares shall have the right to receive notice of and attend and vote at any general meeting of the Company. Each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll to one vote for each Ordinary Share held by him.

- (c) The Deferred Shares shall not confer on the holders thereof any rights to attend and vote at any general meeting of the Company.

4. **Redemption and purchase of shares**

Subject to the provisions of Part V of the Act and to the rights of the holders of the respective classes of shares of the Company, the Company may:

- (a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder concerned;
- (b) purchase its own shares (including any redeemable shares); and
- (c) make a payment in respect of the redemption or purchase under section 159 or 160 or (as the case may be) section 162 of the Act and the relevant power under (a) or (b) above, of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by section 171 and section 172 of the Act.

5. **Lien**

The lien conferred by Regulation 8 of Table A 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 holders, for all moneys presently payable by him or his estate to the Company.

6. **Permitted transfers**

6.1 ***Transfers to family shareholders, trusts and nominees:***

- (a) Any Shareholder (or the legal personal representatives of a deceased Shareholder) may at any time with the prior written consent of the Board transfer Shares to a Privileged Relation or

the trustees of his Family Trust.

- (b) The trustees of a Family Trust may, on change of trustees, transfer Shares held by them in their capacity as trustees to the new trustees of that Family Trust.
- (c) The trustees of a Family Trust may also transfer any of the Shares held by them in that capacity to a person who has an immediate beneficial interest under the Family Trust.
- (d) Shares may be transferred by a Shareholder to a person to hold such shares as his nominee but any transfers by such nominees shall be subject to the same restrictions as though they were transfers by the original Shareholder himself.
- (e) Shares may be transferred without restriction by a nominee to their beneficial owner or to another nominee of the beneficial owner.
- (f) If any trust whose trustees hold Shares in the Company ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and shall give a Transfer Notice in respect of those shares and, if the trustees fail to give a Transfer Notice, they shall be deemed to have served the Company with a Transfer Notice in respect of those Shares.

## 6.2 *Transfers with consent*

A transfer of Shares may be made to any person with the prior written consent of all Shareholders holding Ordinary Shares.

## 6.3 *Transfers by corporate shareholders*

- (a) A corporate member may at any time transfer shares to another member of its Permitted Shareholding Group.
- (b) If a Controlling Interest in a corporate member which has a Controlling Interest in the Company, or in any direct or indirect Holding Company of such a corporate member which has a Controlling Interest in the Company, is acquired, or where a Controlling Interest in such a corporate member or Holding Company of such a corporate member is currently held by one person and such interest is acquired by another person, other than, in all cases, by a member of the Permitted Shareholding Group of that or any other member, then that member shall notify the Company within 30 days of such event that such event has occurred and shall give a Transfer Notice in respect of the Shares registered in its name within such 30 day period



and, if that member then fails to give a Transfer Notice, it shall be deemed to have served the Company with a Transfer Notice in respect of those Shares on the 31<sup>st</sup> day after such event.

- (c) If a corporate member holding Shares transferred to it under Article 6.3 (a) ceases (other than by reason of a change in a Controlling Interest not requiring the giving of a Transfer Notice pursuant to Article 6.3(b)) to be a member of the same Permitted Shareholding Group as the original corporate member who held them, the corporate member then holding those Shares shall within 10 days of such event notify the Company that this event has occurred and shall re-transfer such shares to the original corporate member or another member of such original member's Permitted Shareholding Group, within 30 days of such event, failing which it shall be deemed to have served the Company with a Transfer Notice in respect of those shares on the 31st day after such an event.

## **7. Pre-emption procedure**

- 7.1 Except as provided in Articles 6, 7, 8, 9, 10, or 11 no member, or person entitled to Ordinary Shares by transmission, shall be entitled to transfer any of his Ordinary Shares without first offering them for transfer to the holders of the other Ordinary Shares in the Company and any transfer made otherwise shall be void. The offer shall be in respect of all the Ordinary Shares intended to be transferred and may be in respect of all or part only of the shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company ("a Transfer Notice"). No member, or person entitled to Preference Shares or Deferred Shares by transmission, shall be entitled to transfer any of his Preference Shares or Deferred Shares without the prior written consent of members holding in aggregate more than 50% in nominal value of the issued Ordinary Shares at the time of the proposed transfer.
- 7.2 The Transfer Notice shall specify the Ordinary Shares offered ("the Offered Shares"), the Fair Price and the proposed transferee(s). The Transfer Notice shall constitute the Company as the agent of the proposing transferor for the sale of the Offered Shares to other holders of shares of the same class at the Fair Price. The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this Article, none shall be sold and that provision shall have effect. The Transfer Notice may not be revoked unless the Board otherwise agrees.
- 7.3 On receipt by the Company of the Transfer Notice the Company shall as soon as practicable give notice to all the holders of Ordinary Shares

(other than the proposing transferor) of the number and description of the Offered Shares and the Fair Price. The notice shall invite each of the members to state in writing to the Company within 30 days of the date of despatch by the Company of such notice whether he is willing to purchase any, and if so what maximum number ("Maximum") of the Offered Shares. The Company shall at the same time give a copy of the notice to the proposing transferor.

7.4 On the expiration of the 30 day period the Board shall allocate the Offered Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows:

- (a) each allocation shall in the case of competition be made pro rata to the nominal amount of Ordinary Shares held by each Shareholder (other than the proposing transferor) but shall not exceed the Maximum which such holder shall have expressed a willingness to purchase; and
- (b) if the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated.

7.5 On the allocation being made, the Company shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the seventh day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchase price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made free from all liens, charges and encumbrances and with full title guarantee.

7.6 If the proposing transferor after becoming bound to transfer Offered Shares fails to do so (other than because the Purchaser fails to pay the Fair Price to the proposing transferor), the Company may receive the purchase price and the Company may appoint a person to execute instruments of transfer of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to those Purchasers and, after their names have been entered in the register of members of the Company under this provision, the validity of the transactions shall not be questioned by any person.

7.7 If, following the expiry of the 30 day period referred to in Article 7.4,

any of the Offered Shares have not been allocated under that Article, the proposing transferor may (subject to the provisions of Article 10) at any time within a period of 30 days after the expiry of the 30 day period, transfer the Offered Shares not allocated to any person and at any price (being not less than the Fair Price) provided that:

- (a) if the Transfer Notice contained a provision that, unless the Offered Shares are sold under this Article, none shall be sold, he shall not be entitled to transfer any of the Offered Shares unless in aggregate all the Offered Shares are so transferred; and
- (b) the Board may require to be satisfied that those shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the Purchaser and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the Board's absolute discretion to refuse to approve or register any transfer of shares in the circumstances described in Article 9).

**8. Deceased and bankrupt shareholder provisions**

- 8.1 Regulations 29, 30 and 31 of Table A shall be applied subject to the provisions of Article 8.2 below and of Article 11.
- 8.2 A person entitled to a share in consequence of the death or bankruptcy of a member shall be bound at any time, if and when required in writing by the Board so to do, to give a Transfer Notice in respect of such share, and if such person fails to give a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice in respect of that share. The provisions of Article 7 shall apply to the share and the Transfer Notice; the Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on which the Board required the Transfer Notice to be given at the Fair Price as at the date on which the Transfer Notice is either actually given or deemed to have been received by the Company and the Board shall give notice under Article 7.3 as soon as the Fair Price is ascertained.

**9. Registration of transfers**

- 9.1 The Board shall refuse to register a proposed transfer not made under or permitted by Articles 6, 7, 8, 9, 10 or 11 .
- 9.2 The Board may also refuse to register a transfer of a share on which the Company has a lien.
- 9.3 A person executing an instrument of transfer of a share is deemed to

remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect of it.

9.4 The Board shall (unless the allottee or transferee is already a party to the Shareholders' Deed or the transfer is pursuant to an Approved Offer) refuse to register an allottee or transferee of shares or a person entitled to shares by transmission until he has duly executed and delivered a deed of undertaking to those persons who are parties to or who have agreed to adhere to the Shareholders' Deed whereby such allottee or transferee undertakes to adhere to and be bound by the provisions of the Shareholders' Deed as if such allottee or transferee were an original party thereto and an original copy of such undertaking has been delivered to the Company.

9.5 The first sentence of Regulation 24 of Table A shall not apply.

#### **10. Compulsory transfers**

10.1 If any person who at the date of adoption of these Articles, or subsequently, is an employee of the Company or any Subsidiary of the Company, shall cease to be so employed for whatever reason (including death or a Subsidiary of the Company ceasing to be a Subsidiary of the Company) ("a Leaver") then, unless the Board shall prior to such cessation otherwise resolve, the Leaver shall, in respect of all of his Ordinary Shares, and each person holding (whether as trustee, nominee or a Privileged Relation) any Leaver's Shares shall, in respect of those Leaver's Shares, be deemed to have served a Transfer Notice in respect of the remaining Ordinary Shares on the 31st day after such cessation (in which case the price payable for such Ordinary Shares shall be the Fair Price).

10.2 Fair Price shall be calculated as at the date of cessation of employment of the relevant person.

#### **11. Limitation on transfer of control**

11.1 No sale or transfer of any interest in any Shares conferring a right to vote at general meetings of the Company which would result, if made and registered, in a person (or one or more persons as part of a single transaction or otherwise acting by agreement or understanding) or connected persons of that persons obtaining a Controlling Interest in the Company shall be made or registered unless an Approved Offer is made.

11.2 Any transfer of shares pursuant to an Approved Offer shall not be subject to the restrictions on transfer contained in these Articles.

11.3 If any member fails to accept an Approved Offer in accordance with its

terms by the first closing date of that Approved Offer and the holders of more than 50% of the Ordinary Shares in issue at the time have accepted, any such accepting holder or holders, subject to giving written notice thereof to the Board, may authorise some person to execute any forms of acceptance on behalf of that member in relation to the Approved Offer and/or transfers in favour of the relevant offeror (or as he may nominate) pursuant to the acceptance of the Approved Offer and the consideration may be received by the Company on behalf of that member. Upon the Company receiving such consideration and transfer (duly stamped) the offeror or its nominee shall be entered in the register of members of the Company. The certificate(s) in respect of any shares so transferred, in the name of the original member, shall be deemed to be cancelled and a new certificate shall be issued in the name of the offeror or its nominee. The receipt of the Company for the consideration shall be a good discharge to the offeror who shall not be bound to see to the application of it, and after such registration in exercise of the above powers the validity of the proceedings shall not be questioned by any such person. The Company shall hold the said consideration on behalf of any such member in a separate bank account on trust for the relevant member pending delivery up of the cancelled certificate(s).

## **12. General meetings**

- 12.1 No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, one being UKPAC, its proxy or a duly authorised representative of UKPAC and one being another member, proxy or duly authorised corporate representative for that other member, shall be a quorum. Regulation 40 of Table A shall not apply.
- 12.2 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the meeting or by any Shareholder present in person or by proxy. Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 12.3 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.

**13. Written resolutions**

A resolution in writing signed by or on behalf of all the Shareholders for the time being entitled to vote shall be as effectual as if it had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more Shareholder. In the case of a corporation the resolution may be signed on its behalf by a Director of it or by its duly appointed or duly authorised representative. Regulation 53 of Table A shall not apply.

**14. Votes of members**

A proxy appointed by a member of the Company under section 372 of the Act may vote on a show of hands as well as on a poll, but no person present shall be entitled to more than one vote on a show of hands. Regulation 54 of Table A shall be amended accordingly.

**15. Directors**

15.1 The number of Directors (other than alternate Directors) shall not be less than two. Regulation 64 of Table A shall not apply.

15.2 The Directors shall not be subject to retirement by rotation and Regulations 73 to 75 (inclusive) and the last sentence of Regulation 84 of Table A shall not apply and Regulations 76 to 79 (inclusive) shall be amended accordingly.

15.3 The quorum necessary for the transaction of business of the Board shall be two one of whom must be a nominee of UKPAC. The first sentence of Regulation 89 of Table A shall be modified accordingly.

15.4 In the event of a quorum not being present or ceasing to be present, the meeting shall be adjourned to the same day in the next week at the same time and place and such Directors as may be present at such adjourned meeting shall constitute a quorum.

15.5 Any Director able to participate in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) which allows all the other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.

15.6 The Board may meet together for the despatch of business, adjourn and

otherwise regulate their meetings as they think fit. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Unless a majority of the Directors or their duly appointed alternates shall agree to the holding of a meeting by shorter notice, at least 14 days' notice of every meeting of the Board shall be given either in writing or by facsimile or other means of visible communication to each Director. Regulation 88 of Table A shall be amended accordingly.

- 15.7 At any meeting of the Board each Director (or his alternate Director) present at the meeting shall be entitled to one vote.
- 15.8 In the case of an equality of votes at any meeting the chairman of the Company shall be entitled to a second or casting vote.
- 15.9 Subject to the provisions of section 317 of the Act, a Director (including an alternate Director) may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. A Director shall also be capable of voting in respect of such contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company or of the terms of the arrangement and may be counted in the quorum at any meeting at which any such matters is considered. Regulations 94 to 96 (inclusive) of Table A shall not apply.
- 15.10 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Board duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors, but so that the expression "Director" in this paragraph shall not include an alternate Director. Regulation 93 of Table A shall not apply.
- 15.11 The Board may by resolution exercise all the powers of the Company to make provision (in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any Subsidiary) for the benefit of persons employed or formerly employed by the Company or that Subsidiary.
- 15.12 A Director and an alternate Director shall not be required to hold any shares, but nevertheless shall be entitled to attend and speak at any general meeting of the Company.
- 16. **Alternate Directors**
  - 16.1 Each Director shall have the power at any time to appoint as an alternate Director either another Director or any other person approved for that purpose by the Directors (such approval not to be unreasonably

withheld), and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.

- 16.2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company 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, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.
- 16.3 An alternate Director shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and to vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all general meetings. Regulation 66 of Table A shall not apply.
- 16.4 The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting. Regulation 67 of Table A shall not apply.
- 16.5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Board or any committee of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present. The last sentence of each of Regulations 88 and 89 of Table A shall not apply.

## **17. Borrowing powers**

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.



18. **Notices**

18.1 Every Director of the Company and every alternate Director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director or alternate Director shall not invalidate the proceedings at the meeting convened by such notice.

18.2 A notice may be given:

- (a) by the Company to any Shareholder or Director either personally or by sending it by first class post (airmail if abroad) or Royal Mail Special Delivery post or by facsimile or other means of visible communication to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or
- (b) to the Company for the purpose of these Articles by like method at its registered office for the time being.

18.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. Where a notice is sent by facsimile or other means of visible communication, service of the notice shall be deemed to be effected forthwith.

19. **Indemnity**

Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation to it, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 144 and 727 of the Act, in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation to it. This Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act. Regulation 118 of Table A shall not apply.