

PRIVATE COMPANY LIMITED BY SHARES

Decision of the sole shareholder of

Deloro Stellite Group Limited

Company No. 03290596

(the "Company")

On *MARCH 5*, 2014, Kennametal Holdings Europe Inc, as the sole shareholder of the Company, took the following decisions to have effect as if agreed, by the Company in general meeting, as special resolutions -

1. **THAT** the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's articles of association
2. **THAT** the Company's existing articles of association be and are hereby amended by adding the words underlined and deleting the words struck through in each case in the places in which they appear in the document annexed to this resolution

Signed



Director

FRIDAY



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14/03/2014
COMPANIES HOUSE

#339

The Companies Act 1985
A Private Company Limited by Shares

ARTICLES OF ASSOCIATION

of

DELORO STELLITE GROUP LIMITED

COMPANY NO. 3290596

*(Adopted by special resolution passed on 25 January 1999,
amended by special resolution passed in or around March 2002,
amended and restated on 5th January 2004,
amended by special resolution passed on 27 October 2004,
further-amended by special resolution passed on 22 March 2006,*

*And further amended by special resolution passed on 31 May 2012), and further amended by
decision of the sole shareholder of the Company on [INSERT DATE] in accordance with
section 357 of the Companies Act 2006)*

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PRELIMINARY

1 None of the regulations in Table A shall apply to the Company For the purposes of these articles, Table A means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended by the Companies (Tables A to F) (Amendment) Regulations 1985

2 (1) In these articles

"Act" means the Companies Act 1985 including any statutory modification or re-enactment of it for the time being in force;

"A Preference Share Redemption Premium" means, in respect of A Preference Shares redeemed between

- (a) 1 September 2002 and 28 February 2002, the sum of £0 156247 per A Preference Share,
- (b) 1 March 2002 and 31 August 2002, the sum of £0.162 per A Preference Share,
- (c) 1 September 2002 and 28 February 2003, the sum of £0 167965 per A Preference Share; and
- (d) 1 March 2003 and 31 August 2003, the sum of £0.17415 per A Preference Share,

and in respect of A Preference Shares redeemed in each period of six months thereafter, means the figure in US dollars that would have been payable had such shares been redeemed in the preceding six month period multiplied by 1 03682206767,

"A Preference Shares" means the A 13%/75% cumulative redeemable preference shares of £1 each in the capital of the Company and "A Preference Shareholder" means a holder of any of them,

"A Shares" means the A ordinary shares of 1p each in the capital of the Company and **"A Shareholder"** means a holder of any of them,

"Board" or **"directors"** means the board of directors of the Company,

"B Preference Shares" means the B 7.5% cumulative preference shares of £0.10 each in the capital of the Company and **"B Preference Shareholder"** means a holder of any of them,

"C Shares" means the C ordinary shares of 1p each in the capital of the Company and **"C Shareholder"** means a holder of any of them,

"clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"Connected Person" in relation to an individual means his spouse, child or remoter issue,

"Conversion" means conversion of the A Shares and C Shares into Ordinary Shares pursuant to article 18,

"DHI" means Deloro Holdings, Inc., a Delaware corporation whose registered office and registered agent is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808, United States of America;

"employees" shall be deemed to include consultants and directors (other than Institutional Directors) and the terms **"employee"** and **"employed"** shall be construed accordingly,

"executed" includes any mode of execution,

"Exit" means a Sale or Flotation or liquidation of the Company,

"Fair Price" means

- (a) the price which the Valuer states in writing to be in its opinion the fair value of the shares concerned on a sale as between a willing seller and a willing purchaser and in determining such fair value the Valuer shall be instructed in particular
 - (i) to have regard to the rights and restrictions attached to such shares in respect of income, capital and voting but to disregard any other special rights or restrictions attached to such shares,
 - (ii) to disregard whether such shares represent a minority or a majority interest,
 - (iii) at their discretion, to take into account the value of any bona fide offer which may have been received to purchase the shares in question or any imminent Flotation, and
 - (iv) if the Company is then carrying on business as a going concern, to assume that it will continue to do so,

and the auditors (all of whose charges shall be borne by the Company) shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding, or

- (b) such other price as may be agreed between the transferor and the Board with Institutional Consent,

"Family Trust" means a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being or may in future be vested in any person other than the member or former member establishing the trust or a Connected Person of that member or former member,

"Finally Determined" means, in relation to a value, the value agreed between the Majority Holders and the holders of at least 50 per cent of the C Shares, failing which the value which the auditors of the Company shall have stated in writing to be in their opinion the fair value of the subject matter of the valuation (and in this respect the auditors, all of whose charges shall be borne by the Company, shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding),

"Finance Documents" means the Finance Documents as defined in the Intercreditor Deed;

"Flotation" means the unconditional granting of permission for any of the Ordinary Shares to be dealt in on any recognized investment exchange (within the meaning of section 285 of the Financial Services and Markets Act 2000);

"Group" means the Company and its subsidiary undertakings from time to time;

"holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares,

"Institutional Consent" means

- (a) the consent or approval of the Institutional Director appointed by VCL (or if no such director has been appointed, any Institutional Director) given in writing or given at a meeting of the Board (or of a committee of the Board) and accurately recorded (with particulars of any conditions to which the approval is subject) in the minutes of that meeting, or
- (b) if there is no Institutional Director, the written approval of the Majority Holders,

"Institutional Director" means a director appointed under article 96(2) or (3) as an Institutional Director (or his alternate),

"institutional investor" means a person who the Board reasonably believes to be an institutional investor,

"Intercreditor Deed" means the Intercreditor Deed dated on or around 16 December 2003 made between (among others) (1) the Company and (2) The Royal Bank of Scotland plc as agent,

"Loan Stock" means the Unsecured 13% Loan Stock 2013 constituted by the Company by instrument dated 30th September, 1997 (as amended from time to time),

"Majority Holders" means the holders of more than 50 per cent of the A Shares in issue for the time being,

"Mezzanine Liabilities" means present and future liabilities or obligations (actual or contingent) payable or owing at any time by any Group Company to the Mezzanine Finance Parties under the Mezzanine Finance Documents (as such terms are defined in the Intercreditor Deed),

"New A Preference Shares" means the A 1% cumulative preference shares of 1p each in the capital of the Company and **"New A Preference Shareholder"** means any holder of them,

"office" means the registered office of the Company,

"Ordinary Shares" means the ordinary shares of 1p each in the Company arising on Conversion, which shares shall rank *pari passu* amongst themselves in all respects as one class of shares carrying none of the special rights or restrictions attaching to the A Shares or C Shares,

"paid up" includes credited as paid up,

"Preference Shares" means the A Preference Shares, the New A Preference Shares and the B Preference Shares,

"Sale" means the acquisition by a person (other than a member of the Vision Group) of an interest which gives that person a Controlling Interest pursuant to an Approved Offer (as such terms are defined in article 49) or otherwise by agreement between the holders of Voting Shares;

"seal" means any common seal of the Company or any official seal or securities seal which the Company may have or be permitted to have under the Statutes,

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary,

"Senior Liabilities" means present and future liabilities or obligations (actual or contingent) payable or owing at any time by any Group Company to the Senior Finance Parties under the Senior Finance Documents (as such terms are defined in the Intercreditor Deed),

"Shareholders' Agreement" means the Subscription and Shareholders' Agreement dated 30th August, 1997 made between the Company (1), the Original Managers (2) and the Original Investor (3) (as such terms are as defined therein), as amended on or about the date of amendment of these articles and as the same may be amended from time to time,

"Statutes" means the Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act,

"Subscription Price" means, in relation to a share, the amount paid up upon that share, plus the amount of any premium at which that share was issued, to the extent the same has not been distributed by way of bonus issue or repayment of capital in respect of that share (and for this purpose, where a share has been converted or derived from another share (the "original share"), the Subscription Price shall be the amount (or as appropriate the relevant proportion of the amount) paid up and premium on issue of such original share),

"subsidiary undertaking" has the meaning given to that term in the Companies Act,

"these articles" means these articles of association, as from time to time altered,

"United Kingdom" means the United Kingdom of Great Britain and Northern Ireland,

"Valuer" means the auditors of the Company from time to time (or in the event of their being unwilling or unable to act, or at the option of the Company, an independent firm of chartered accountants nominated by the Board) in each case acting as an expert and not as an arbiter;

"VCL" means Vision Capital Limited,

"Vision Group" comprises

- (a) Vision Capital Limited,
- (b) Vision Capital Group Limited;
- (c) any subsidiary undertaking of Vision Capital Limited,
- (d) any subsidiary undertaking of Vision Capital Group Limited,
- (e) any person, fund or entity (including any subsidiary undertaking of such person, fund or entity) who has funds managed, advised or both managed and advised by Vision Capital Limited or Vision Capital Group Limited (or both) or a subsidiary undertaking of any of Vision Capital Limited or Vision Capital Group Limited and includes, for the avoidance of doubt, Deloro Acquisition, L P , and
- (f) any nominee or trustee of any of the entities, persons or funds described in sub-paragraphs (a) to (c) above,

"Voting Shares" means shares in the Company carrying the right to vote at general meetings of the Company on all, or substantially all, matters

- (2) Unless the context otherwise requires, words or expressions contained in these articles bear, the same meaning as in the Act but excluding any statutory modification of them not in force when these articles become binding on the Company

- (3) Unless the contrary intention appears, words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations
- (4) References in these articles to the transfer of a share include the transfer or other disposal of any beneficial interest in that share
- (5) Headings to these articles are inserted for convenience only and shall not affect construction

SHARE CAPITAL

- 3. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine
- 4. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these articles.
- 5. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other
- 6. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these articles or by law), the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety of it in the holder.
- 7. The authorised share capital of the Company at the date of adoption of these articles is £10,295,784 57 divided into 1,062,500 A Shares, 9,562,500 New A Preference Shares, 455,357 C Shares, 10,416,231 A Preference Shares and 187,500 B Preference Shares
- 8. Save with the prior written consent of the Majority Holders and of the holders of not less than 50 per cent of the C Shares in issue for the time being, or in respect of the issue of shares pursuant to clauses 3, 13 or 17 of the Shareholders' Agreement.
 - (a) before issuing any shares in the Company, or any right to subscribe for or convert securities into shares in the Company, the directors shall offer them for subscription to every person who at the date of the offer is a shareholder (the "Offer"),
 - (b) the Offer shall be made by notice in writing stating the number or amount of shares (or rights to shares) being offered, the price at which they are being offered (the "Offer Price") and any other terms of the Offer,
 - (c) the Offer shall remain open for the period (being not less than 21 days) specified in the notice and, if not accepted within that period, the Offer will be deemed to be declined by the holder concerned,
 - (d) the directors shall allot the shares or rights to subscribe or convert (in the case of competition) to those holders who apply for them in proportion (as far as practicable) to the number of shares then held by them respectively, but so

that an applicant shall not be allotted more shares or rights than the number for which he has applied, and

- (e) any share or right not taken up under the Offer may (at any time up to three months after the expiry of the Offer) be allotted by the directors at such price (being not less than the Offer Price), on such terms (being no less favourable to the Company than the terms of the Offer), in such manner and to such persons as the directors think fit subject to the provisions of article 38(2)

SHARE RIGHTS

- 9 The A Shares and C Shares shall be separate classes of shares and shall carry the rights and be subject to the restrictions set out in these articles but shall rank *pari passu* in all other respects

- 10 (1) The special rights, privileges and restrictions relating to capital attached to the A Shares, the New A Preference Shares and C Shares are as follows.

As to capital

On a return of capital on a winding up but not otherwise the assets of the Company available for distribution to the holders of A Shares, the New A Preference Shares and C Shares shall be applied

- (a) first, in paying to the holders of the New Preference Shares a sum equal to all arrears and accruals of the preferential dividend (as defined in article 12(1));
- (b) second, in repaying to the A Shareholders and the New A Preference Shares (*pari passu* as if the A Shares and the New A Preference Shares constituted a single class) the Subscription Price for the A Shares and the New A Preference Shares or, if there are insufficient assets to repay such amount in full, in repaying such amount rateably between the A Shareholders and the New A Preference Shareholders,
- (c) third, in repaying to the C Shareholders the Subscription Price for the C Shares or, if there are insufficient assets to repay such amounts in full, in repaying such amounts rateably between the C Shareholders, and
- (d) fourth, in distributing any surplus assets remaining after the payments under paragraphs (a) and (b) above, rateably between the A Shareholders and the C Shareholders.

The New A Preference Shares shall not be entitled to participate in the return of capital on a winding up beyond the entitlement given by article 10(1)(a) and 10(1)(b).

- (2) Any alteration to articles 8, 18, 36(1)(1), 37(4), 48, 49, 50 and 51, or any other alteration to the articles having the effect of altering such articles, shall be treated as a variation of the rights attaching to the C Shares
- 11 The special rights, privileges and restrictions relating to income, capital and voting attaching to the Preference Shares are set out in articles 12 to 15 (and, in respect of the New A Preference Shares, article 10) The A Preference Shares, the New A Preference Shares and the B Preference Shares shall be separate classes of shares and

shall carry the rights and be subject to the restrictions set out in these articles but otherwise shall rank *pari passu* in all other respects.

12 **Income**

- (1) Subject to article 12(4) below, the profits which the Company may decide to distribute shall be applied in paying, subject to article 134, to each holder of a Preference Share in priority to any payment to the holders of A Shares or C Shares, a fixed cumulative preference dividend (the "**preferential dividend**") at the rate of
 - (a) in the case of the A Preference Shares, 13 per cent per annum from the date of allotment until 31 August 2001 and 75 per cent per annum thereafter,
 - (b) in the case of the New A Preference Shares, 1 per cent per annum from the date of their creation, and
 - (c) in the case of the B Preference Shares, 75 per cent per annum from 1 September 2001 (regardless of the date of allotment of such shares),(excluding the amount of any associated tax credit) on the amount for the time being paid up on that Preference Share together with, in the case of each B Preference Share only, £5 90112
- (2) The preferential dividend accrues from day to day and is payable, subject to article 134, half-yearly in equal amounts on 30th June and 31st December in each year (each a "**dividend payment date**") (or if any dividend payment date is a Saturday, a Sunday or a day which is a public holiday in England on the next date which is not such a day) in respect of the period ending on those respective dates, except that the first preferential dividend in respect of any A Preference Share is payable on the dividend payment date next following the date of allotment of that preference share and is payable on a pro rata basis in respect of the period from 30th September, 1997 to that dividend payment date (both dates inclusive).
- (3) The preferential dividend is payable to holders on the register at any date up to 42 days before the relevant dividend payment date and which is selected by the board
- (4) No dividends may be paid on the A Preference Shares, the New A Preference Shares or the B Preference Shares until the Senior Liabilities and the Mezzanine Liabilities are discharged in full. Until the discharge in full of the Senior Liabilities and the Mezzanine Liabilities, the preferential dividend will continue to accrue and will accumulate at each dividend payment date. For the avoidance of doubt, from each dividend payment date the preferential dividend will accrue on the sum of:
 - (i) par value of each Preference Share,
 - (ii) in the case of the B Preference Shares only, £5.90112 per B Preference Share; and
 - (iii) in the case of the A Preference Shares only, £0 852877 per A Preference Share from 31 March 2006.

- (5) If following the discharge of the Senior Liabilities and the Mezzanine Liabilities, any preferential dividend is not paid on the relevant dividend payment date, notwithstanding the fact that the preferential dividend is expressed to be cumulative, *ipso facto* and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in articles 117 to 123 (inclusive)) provided that there are profits out of which such dividend may be lawfully paid (and even if the Company is prevented from paying such dividend by article 134), the dividend shall become a debt due from and immediately payable by the Company to the holders of the Preference Shares
- (6) Subject to the Statutes and the Intercreditor Deed, the board shall be obliged to declare and pay the preferential dividend on each dividend payment date together with any arrears or accruals of the preferential dividend.
- (7) Subject to the Statutes and the Intercreditor Deed, the Company shall procure that its subsidiaries declare and pay to the Company such sums as are required to fund the payment of the preferential dividend together with any arrears or accruals of the preferential dividend
- (8) A Preference Share shall not entitle the holder to any further rights of participation in the profits of the Company

13 **Capital**

- (1) Subject to article 134, each A Preference Share shall confer on the holder the right, on a return of capital on a winding up but not otherwise, to receive in priority to any payment to the holders of the New A Preference Shares, the B Preference Shares, A Shares and C Shares a sum equal to all arrears and accruals of the preferential dividend and any additional amount payable under article 12(4)), whether or not the preferential dividend has been earned or declared, calculated up to and including the date of commencement of the winding-up, together with the sum being the aggregate of £1 plus the A Preference Share Redemption Premium
- (2) Subject to article 134, each B Preference Share shall confer on the holder the right, on a return of capital on a winding up but not otherwise, to receive in priority to any payment to the holders of the New A Preference Shares, the A Shares and C Shares a sum equal to all arrears and accruals of the preferential dividend and any additional amount payable under article 12(4)), whether or not the preferential dividend has been earned or declared, calculated up to and including the date of commencement of the winding-up, together with the sum of £5.90112
- (3) Except as provided in article 14 below, a Preference Share does not confer on the holder any further rights of participation in the capital of the Company.

14 **Redemption/Buy-Back**

- (1) The Company may (subject to the Statutes and to article 134) at any time redeem any A Preference Share or buy-back any B Preference Share for the time being in issue, provided that (other than with the written consent of the holders of more than 50 per cent of the A Preference Shares in issue at the

relevant time) no B Preference Shares shall be bought back by the Company while any A Preference Share remain in issue

- (2) The Company shall (subject to the Statutes and to article 134) on Exit or on 31st December 2013, whichever is the earlier, redeem all of the A Preference Shares and buy-back all of the B Preference Shares in issue (if any)
- (3) The holders of 50 per cent or more of the A Preference Shares and the B Preference Shares (taken as a whole as if the same constituted a single class) in issue for the time being shall be entitled at any time to require the Company to redeem all the A Preference Shares and buy-back all the B Preference Shares in accordance with the provisions of this article and the redemption/buy-back date shall be the date on which written notice is received by the Company stating that the A Preference Shares and the B Preference Shares are to be redeemed/bought-back
- (4) If the Company is not permitted by the Statutes or article 134 to redeem/buy-back any A Preference Shares or B Preference Shares on a date determined in accordance with subparagraphs (2) or (3), it shall redeem/buy-back those shares as soon after that date as it shall be permitted to do so by the Statutes or article 134 (as the case may be) and if at any time the Company is permitted to redeem/buy-back under subparagraphs (2) or (3) only some of the A Preference Shares or B Preference Shares, it shall redeem/buy-back those shares at that time and shall redeem/buy-back the remaining shares as soon as it is permitted to do so
- (5) Except in the case of a redemption/buy-back under subparagraph (3) above, the Company shall give at least 28 days' notice in writing (a "**redemption/buy-back notice**") (and in the case of a redemption/buy-back under paragraph (3) the Company shall give a redemption/buy-back notice forthwith upon receipt of a notice pursuant to paragraph (3)) to the holders of A Preference Shares and B Preference Shares to be redeemed/bought-back under this article. A redemption/buy-back notice shall specify the particular Preference Shares to be redeemed/bought-back, the date when the redemption/buy-back is to be effective (the "**redemption/buy-back date**") and the place at which the certificates for (or such other evidence (if any) as the Board may reasonably require to prove title to) those Preference Shares are to be presented for redemption/buy-back
- (6) If any redemption/buy-back date would otherwise fall on a Saturday, a Sunday or a day which is a public holiday in England, then the redemption/buy-back date shall be the next date which is not such a day.
- (7) If only some of the A Preference Shares and/or the B Preference Shares are to be redeemed/bought-back on any redemption/buy-back date, the particular Preference Shares to be redeemed/bought back shall be a proportionate part, as nearly as practicable, of each separate holding of A Preference Shares and the B Preference Shares (taken as a whole), provided that (unless the holders of more than 50 per cent of the A Preference Shares in issue at the relevant time consent in writing) no B Preference Shares may be bought back while any A Preference Shares remain in issue
- (8) Subject to delivery on the redemption date to the Company of the documents referred to in paragraph (5), the Company shall redeem/buy-back that share and pay to the holder (or in the case of joint holders, the holder whose name

first appears in the register in respect of that Preference Share) by cheque by post at the risk of the holder to (or to the order of) the holder the amount due to him in respect of that redemption/buy-back.

- (9) No charge shall be made to the holder for a new certificate for (or other evidence which may reasonably be required to prove title to) A Preference Shares or B Preference Shares which are not to be redeemed/bought back but which were included in a certificate (or in such other evidence of title) delivered to the Company under this article
- (10) On each A Preference Share to be redeemed under this article the Company shall pay an amount equal to the sum calculated in accordance with the provisions of article 13(1) as if the date of redemption/buy-back was the date of winding up and on each B Preference Share to be redeemed under this article the Company shall pay an amount equal to the sum calculated in accordance with the provisions of article 13(2) as if the date of redemption/buy-back was the date of winding up
- (11) As from the relevant redemption/buy-back date of an A Preference Share or a B Preference Share to be redeemed/bought back under this article the preferential dividend shall cease to accrue on that Preference Share, unless on presentation of the documents relating to it (as required in the redemption/buy-back notice) payment of the moneys due at the redemption/buy-back is refused, in which case the preferential dividend on that share shall be deemed to have accrued and shall continue to accrue from and excluding the redemption/buy-back date to and including the date of payment.
- (12) Subject to the Statutes, the Company shall procure that its subsidiaries declare and pay to the Company such sums as are required to fund any redemption/buy-back of the A Preference Shares and the B Preference Shares

15 **Voting**

The Preference Shares shall not entitle the holders thereof to receive notice of, attend or vote at general meetings of the Company

- 16. (1) Whenever the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders of three-fourths in nominal value 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 those shares.
- (2) All the provisions of these articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every such separate general meeting, except that:
 - (a) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class;
 - (b) at an adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy;

- (c) every holder of shares of the class shall, on a poll, have one vote in respect of every shares of the class held by him, and
 - (d) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- (3) Unless otherwise expressly provided by the terms of their issue and notwithstanding article 15(2), the rights attached to any class of shares shall not be deemed to be varied by
- (a) the creation or issue of further shares ranking *pari passu* with them or in priority to them, or
 - (b) any alteration to these articles made conditional upon, or otherwise in connection with, a Listing which does not adversely affect any income, voting or capital rights attaching to them or the operation of article 18
- 17 Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in section 91(1) of the Act) is excluded
18. (1) INTENTIONALLY LEFT BLANK

SHARE CERTIFICATES

- 19 Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on those shares. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 20 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

- 21 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may with Institutional Consent at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to any amount payable in respect of it.
22. The Company may sell in such manner as the directors with Institutional Consent determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in

consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold

- 23 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale
- 24 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale

CALLS ON SHARES AND FORFEITURE

- 25 Subject to the terms of allotment, the directors may with Institutional Consent make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due under it, be revoked in whole or part and payment of a call may be postponed in whole or part, in each case with Institutional Consent. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 26 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 27 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
- 28 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may with Institutional Consent waive payment of the interest wholly or in part.
- 29 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these articles shall apply as if that amount had become due and payable by virtue of a call.
- 30 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares
- 31 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if

the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited

- 32 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors with Institutional Consent and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 33 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors with Institutional Consent determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors with Institutional Consent think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person
- 34 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 35 A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share

TRANSFER OF SHARES

36. (1) A Preference Shares may be transferred to any person Shares of any other class may be transferred in accordance with the following subparagraphs
- (a) an individual may transfer any of his shares to a Connected Person or the trustees of his Family Trust,
 - (b) the trustees of a Family Trust may, on any change of trustees, transfer any share held by them in that capacity 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 or to the settlor,
 - (d) shares may be transferred by a corporate member to a person who is to hold such shares as his nominee but any transfer by such nominee

shall be subject to the same restrictions as though it was a transfer by the original member itself,

- (e) shares may be transferred by a nominee to the beneficial owner of such shares or to another nominee of the same beneficial owner,
- (f) shares may be transferred by a corporate member to another member of its wholly owned group;
- (g) shares held by or on behalf of a fund may be transferred to:
 - (i) the holders of units in, or partners in, or members of or investors in such fund (as the case may be) or to a nominee or trustee for any such holders, partners members or investors and any shares held by any nominee or trustee for such holders, partners, members or investors may be transferred to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors,
 - (ii) a nominee or trustee for such fund and any shares held by a nominee or trustee for a fund may be transferred to that fund or to another nominee or trustee for such fund, or
 - (iii) another fund which is managed or advised by the same manager or adviser or by another member of the same wholly-owned group of such manager or adviser or to a nominee or trustee for such a fund, and
 - (iv) to any person with the consent in writing of the Majority Holders and the holders of more than 50% of the C Shares for the time being in issue (and such shares shall thereupon fall outside the definition of Leaver's Shares in article 48),

but a trustee of a Family Trust may not transfer shares subject to that trust to a Connected Person of his except where permitted under sub-paragraphs (b) or (c)

- (2) If any Family 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, if the Board with Institutional Consent so directs, shall immediately 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.
- (3) If a corporate member holding shares transferred to it under sub-paragraph (1)(f) ceases to be a member of the same wholly-owned group as the original corporate member who held such shares, the corporate member then holding those shares shall without delay notify the Company that such event has occurred and, if the Board with Institutional Consent so directs, shall immediately give a Transfer Notice in respect of those shares and, if the corporate 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
- (4) If there is a change in the controller (or, if more than one, any of them) of a corporate member, or any holding company of a corporate member, then that

member shall notify the Company that such event has occurred and, if the Board with Institutional Consent so directs, shall give a Transfer Notice in respect of the shares registered in its name 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. For the purposes of this paragraph a person is the "**controller**" of a corporate member if he has the power or ability to direct the management or the policies of the corporate member, whether through the ownership of voting capital, by contract or otherwise

- (5) If a member, or other person entitled to a share by transmission, at any time attempts or purports to transfer a share otherwise than in accordance with these articles he shall, unless the Board with Institutional Consent shall otherwise resolve, be deemed immediately before the attempt to have served the Company with a Transfer Notice in respect of the share.
- (6) If a Transfer Notice is given or is deemed to have been served on the Company the provisions of the following article shall apply to the relevant shares. The Specified Price shall be 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 directors shall give notice under paragraph (3) of the following article as soon as the Specified Price is ascertained. A Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on which the directors receive actual notice of the relevant event, require the giving of the Transfer Notice or resolve that the Transfer Notice shall be deemed to have been served, as the case may be
- (7) If the holders of a majority of the A Preference Shares in issue have accepted an offer to purchase all of those A Preference Shares and such offer has been made on equal terms to all holders of A Preference Shares (the "**A Preference Share Offer**"), the directors of the Company, the Institutional Directors or the holders of that majority may authorise some person to execute on behalf of any holders of A Preference Shares who shall have failed to accept the A Preference Share Offer any form of acceptance and/or transfer in favour of the offeror (or as he may nominate) and the consideration for the shares in question may be received by the Company on behalf of such holders. If the holders of a majority of the New A Preference Shares in issue have accepted an offer to purchase all of those New A Preference Shares and such offer has been made on equal terms to all holders of New A Preference Shares (the "**New A Preference Share Offer**"), the directors of the Company, the Institutional Directors or the holders of that majority may authorise some person to execute on behalf of any holders of New A Preference Shares who shall have failed to accept the New A Preference Share Offer any form of acceptance and/or transfer in favour of the offeror (or as he may nominate) and the consideration for the shares in question may be received by the Company on behalf of such holders. If the holders of a majority of the B Preference Shares in issue have accepted an offer to purchase all of those B Preference Shares and such offer has been made on equal terms to all holders of B Preference Shares (the "**B Preference Share Offer**"), the directors of the Company, the Institutional Directors or the holders of that majority may authorise some person to execute on behalf of any holders of B Preference Shares who shall have failed to accept the B Preference Share Offer any form of acceptance and/or transfer in favour of the offeror (or as he may nominate) and the consideration for the shares in question may be received by the Company on behalf of such holders. Upon the Company receiving such consideration and transfer (duly stamped) the offeror or its

nominees 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 nominees. 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 person. The Company shall hold the said consideration on behalf of any such holder in a separate bank account on trust for the relevant holder pending delivery up of the cancelled certificate(s).

- 37 (1) Except as provided in these articles no member, or person entitled to shares in the Company by transmission, shall be entitled to transfer his shares without first offering them for transfer to the holders of the other shares in the Company whether or not of the same class. The offer 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 holder of B Preference Shares and/or C Shares nor a person entitled to B Preference Shares and/or C Shares by transmission shall issue a Transfer Notice unless prior Institutional Consent is obtained.
- (2) The Transfer Notice shall specify the shares offered (the "Offered Shares") and the price at which they are offered (the "Specified Price"). The Transfer Notice shall constitute the directors as the agent of the proposing transferor for the sale of the Offered Shares to other holders of shares whether or not of the same class at the Specified Price. The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this article, none shall be sold. The Transfer Notice may not be revoked unless the directors, with Institutional Consent, otherwise decide.
- (3) On receipt by the Company of the Transfer Notice the directors shall as soon as practicable give notice to all the holders of shares (other than the proposing transferor) of the number and description of the Offered Shares and the Specified Price. The notice shall invite each of the members to state in writing to the Company within 30 days whether he is willing to purchase any, and if so what maximum number, of the Offered Shares. The directors shall at the same time give a copy of the notice to the proposing transferor.

A person who expresses a willingness to purchase Offered Shares is referred to below as a "Purchaser".

- (4) On the expiration of the 30 day period the directors shall allocate the Offered Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows
- (a) Offered Shares shall only be allocated to Purchasers who are not holders of shares of the same class as the Offered Shares to the extent that any remain unallocated after satisfaction of the requests of the Purchasers who are holders of shares of the same class as the Offered Shares,
- (b) allocations between Purchasers shall in the case of competition be made pro rata to the nominal amount of shares of the same class as the Offered Shares held by them (or, if no such class is held by the relevant Purchaser and subject to (c) below, pro rata to the nominal

amount of shares of any class held by them) but no allocation shall exceed the maximum number of Offered Shares which a Purchaser shall have expressed a willingness to purchase;

- (c) Offered Shares which are A Shares shall be allocated (i) first, to holders of A Shares and then (ii) to the extent that any remain unallocated after satisfaction of the requests of Purchasers who are holders of A Shares, they shall be allocated to the holders of C Shares and then (iii) to the extent that any remain unallocated after satisfaction of the requests of Purchasers who are holders of C Shares, they shall be allocated to the holders of B Preference Shares,
 - (d) Offered Shares which are C Shares shall be allocated (i) first, to holders of C Shares and then (ii) to the extent that any remain unallocated after satisfaction of the requests of Purchasers who are holders of C Shares, they shall be allocated to the holders of B Preference Shares and then (iii) to the extent that any remain unallocated after satisfaction of the requests of Purchasers who are holders of B Preference Shares, they shall be allocated to the holders of A Shares;
 - (e) Offered Shares which are B Preference Shares shall be allocated (i) first, to holders of B Preference Shares and then (ii) to the extent that any remain unallocated after satisfaction of the requests of Purchasers who are holders of B Preference Shares, they shall be allocated to the holders of C Shares and then (iii) to the extent that any remain unallocated after satisfaction of the requests of Purchasers who are holders of C Shares, they shall be allocated to the holders of A Shares, and
 - (f) if the Transfer Notice states 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
- (5) On the allocation being made, the directors 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.
- (6) If after becoming bound to transfer any Offered Shares the proposing transferor fails to do so, the Company may receive the purchase price and the directors may appoint a person to execute an instrument of transfer of those Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of the Purchaser 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 the Purchaser and, after his name has 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) If, following the expiry of the 30 day period referred to in paragraph (4), any of the Offered Shares have not been allocated under that paragraph, the proposing transferor may (subject to the provisions of articles 38 and 49) at any time within a period of 90 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 Specified Price) provided that:
- (a) if the Transfer Notice contained a provision that, unless all 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 all the Offered Shares are so transferred, and
 - (b) the directors 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 directors' absolute discretion to refuse to approve or register any transfer of shares in the circumstances described in article 38)
38. (1) The directors shall refuse to register a proposed transfer not made under or permitted by these articles.
- (2) INTENTIONALLY LEFT BLANK
- (3) The directors may refuse to register a transfer of a share on which the Company has a lien. They may also refuse to register a transfer unless
- (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer,
 - (b) it is in respect of only one class of shares, and
 - (c) it is in favour of not more than four transferees
39. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal
40. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee
41. A person executing an instrument of transfer of a share is deemed to remain the holder of that share until the name of the transferee is entered in the register of members of the Company in respect of it
42. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine
43. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share

- 44 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given

TRANSMISSION OF SHARES

- 45 If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest, but nothing in these articles shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
- 46 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
- 47 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

LEAVER PROVISIONS

- 48 (1) For the purposes of this article 48

"Bad Leaver" means a Leaver who is not a Good Leaver,

"Good Leaver" means a Leaver whose cessation of employment occurs as a result of:

- (i) a subsidiary of the Company ceasing to be a subsidiary of the Company,
- (ii) death, incapacity or retirement at normal retirement age,
- (iii) redundancy, and
- (iv) in the case of John Pawlikowski only, the Leaver resigning as a result of the relocation of his place of employment to a location outside a radius 25 miles from St. Louis, Missouri, USA,

"Good Cause" means if Leaver's appointment as non-executive chairman is terminated because he

- (i) is unable properly to perform his duties by reason of ill-health, accident or otherwise for a period or periods aggregating to at least 40% of the time he is required to devote to his duties under his service contract or (as the case may be) letter of engagement in any period of 6 consecutive months, or

- (ii) is guilty of any serious or, after written warning, repeated breach of his obligations under the terms of his service contract or (as the case may be) engagement letter; or
- (iii) is guilty of serious misconduct or any other conduct which materially adversely affects or is likely to materially adversely affect the interests of the Group taken as a whole or is convicted of an arrestable offence (other than a road traffic offence for which a non-custodial penalty is imposed), or
- (iv) becomes bankrupt or makes any arrangement or composition with his creditors; or
- (v) is disqualified from being a director of any company by reason of an order made by any competent court, or
- (vi) breaches any of his obligations under clause 12(2) of the Shareholders' Agreement in circumstances where he has previously breached those obligations and received a written warning in respect of the subject matter relating to that breach, or
- (vii) breaches any of his obligations under clause 12(2) of the Shareholders' Agreement where such breach has a material adverse effect on the Group, or
- (viii) resigns as non-executive chairman and/or director,

"Leaver" means

- (i) any person who is at the date of adoption of these articles or who later becomes an employee of the Company or any of its subsidiaries and who subsequently ceases to be so employed (and does not continue to be so employed) for any reason (including death or as a result of a subsidiary of the Company ceasing to be a subsidiary of the Company), or
- (ii) any person who not being such an employee ceases to be a director of the Company or any of its subsidiaries for any reason;

"Leaver's Shares" means at the date a person becomes a Leaver:

- (i) C Shares held by the Leaver;
- (ii) C Shares which have been transferred by the Leaver in accordance with article 36(1)(a) to (g) or transferred subsequently in accordance with article 36(1)(a) to (g) ("**Transferred Shares**"),
- (iii) C Shares which have been allotted in respect of Transferred Shares ("**Derived Shares**"), and
- (iv) Derived Shares which have been transferred in accordance with article 36(1)(a) to (g), and

"Relevant Percentage" shall be, subject to any agreement to the contrary between the Company (with Institutional Consent) and the Leaver, 0% on the date the Leaver in question first acquires C Shares in the Company (which

date shall be deemed to be 1 January 2002 in relation to any C Shares issued to that Leaver on or around the date of the restructuring of the Company effected by a written resolution dated in or around March 2002) and shall increase on each anniversary of that date up to and including the third anniversary as follows:

First anniversary	33 3%
Second anniversary	66 7%
Third anniversary	100%

(2) Upon a person becoming a Leaver

- (a) unless the Board otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's Shares shall immediately be cancelled (unless all the shares subject to it have already been sold) and no further Transfer Notice shall be issued or deemed to be issued in respect of the Leaver's Shares (except under paragraph (b)) unless and until the 90 day period referred to in (b) below shall have expired with no resolution of the Board having been passed thereunder or, if such a resolution has been so passed, until the provisions of this article 48 have been complied with; and
- (b) if the Board within 90 days so resolves, the Leaver shall, and each person holding any Leaver's Shares shall, in respect of the Leaver's Shares held by him, be deemed to have authorised the directors (subject only to receiving the consideration therefore) to transfer the Leaver's Shares (or such of them as the directors may resolve) to such persons (being employees or officers, or prospective employees or officers, of the Group or persons who undertake to transfer those shares to such persons for a price not exceeding the price paid plus a carrying cost of LIBOR plus 2 per cent per annum and all duties and expenses) as the Board may nominate within 30 days of such resolution

Any decision of the Board under paragraphs (a) and (b) above shall be made by the remuneration committee of the Board (or, if there is no such committee, the Institutional Directors).

(3) On a transfer under paragraph (2) the price per share shall be determined as follows

- (a) if the Leaver is a Good Leaver, the price shall be the Fair Price, or
- (b) if the Leaver is a Bad Leaver, the price for the Relevant Percentage (applying at the date the Leaver becomes, a Leaver) of the shares of each class to be transferred shall be the Fair Price and the price for the remainder of such shares shall be the lower of the Subscription Price and the Fair Price, such price to be averaged over the Leaver's Shares of each class being sold,

provided that where the Leaver becomes a Leaver prior to the first anniversary of the date he first acquires shares in the Company, the price shall not be less than the Subscription Price. The Fair Price shall be calculated as at the date the Leaver becomes a Leaver.

- (4) If the Board shall have passed a resolution under paragraph (2)(b) then, unless the resolution shall have stipulated otherwise, none of the relevant Leaver's Shares shall, until transferred in accordance with this article, entitle the transferor of such shares to receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of shares of the same class and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of a written resolution of any members or class of members provided that all shares so disenfranchised shall on a transfer in accordance with this article, or on expiry of the 30 day period referred to in paragraph (2)(b), be re-enfranchised
- (5) Notwithstanding any other provision of this article, no Leaver shall be obliged to transfer any shares held by him (and the provisions of paragraph (4) shall not apply in respect of his shares) until he has received an offer (to remain open for acceptance for seven days or until the first date of transfer, of the relevant Leaver's Shares under this article, whichever is the lesser) to purchase all of the Loan Stock then held by him for a price which is either agreed between the Board, with Institutional Consent, and the Leaver or which is no less than that which the auditors of the Company shall have stated in writing to be in their opinion the fair value of the Loan Stock concerned on a sale and between a willing seller and a willing purchaser (and in this respect the auditors, all of whose charges shall be borne by the Company, shall be considered to be acting as experts and not as arbitrators and their decision shall be final and binding) provided that, where the Leaver becomes a Leaver prior to the first anniversary of the date he first acquires shares in the Company, the price for the Loan Stock shall be not less than its nominal amount

CHANGE OF CONTROL

49 (1) Notwithstanding the provisions on the transfer of shares in these articles, no transfer of Voting Shares which would result, if made and registered, in a person obtaining or increasing a Controlling Interest, shall be made or registered unless an Approved Offer is made

(2) For the purposes of this article 49

"Approved Offer" means an offer in writing (other than an offer made by a member of the Vision Group) for all the Voting Shares (including any Voting Shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into shares in existence at the date of such offer) on equal terms as if those shares were one class (unless in the case of a particular member less favourable terms are agreed in writing) and which:

(a) is stipulated to be open for acceptance for at least 21 days,

(b) includes an undertaking by the offeror that neither it nor any person acting by agreement or understanding with it have entered into more favourable terms or have agreed more favourable terms during the previous six months with any other member for the purchase of Voting Shares in the Company; and

(c) has been approved by the Institutional Directors, and

"Controlling Interest" in relation to a person means the ownership by that person and his connected persons (as defined in section 839 of the Income and Corporation Taxes Act 1988) of Voting Shares carrying the right exercisable by such person(s) to more than 50 per cent. of the total number of votes which may be cast on a poll at general meetings of the Company on all, or substantially all, matters

(3) Any transfer of shares pursuant to an Approved Offer shall not be subject to the restrictions on transfer contained in these articles

(4) Any transfer of shares to any member of the Vision Group resulting in a person obtaining or increasing a Controlling Interest shall not require an Approved Offer

(5) If a member does not accept an Approved Offer in accordance with its terms and the holders of more than 50 per cent of the Voting Shares accept the Approved Offer, the Board, the Institutional Directors or the Majority Holders may authorise some person to execute on behalf of such member any form of acceptance of the Approved Offer and/or a transfer of shares in favour of the offeror (or as he may nominate) and the consideration for the shares may be received by the Company on behalf of any such 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 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)

- (6) The Institutional Directors may disclose any information relating to the Company to a third party which is considering making an Approved Offer or its representatives or advisers subject to obtaining an appropriate commitment as to confidentiality and bona fides. The Institutional Directors shall notify the Board each time they disclose information to such third party (or its representatives or advisers), although nothing shall oblige the Institutional Directors to provide details of the identity of such third party or the nature of the disclosed information.

INVESTOR DRAG-ALONG

- 50 (1) The Majority Holders may agree to sell or transfer (the "**Relevant Sale**") not less than 50% of the A Shares to any person whatsoever (together with persons acting in concert therewith) (in this article 50 the "**Buyer**"). A Relevant Sale shall only be a Relevant Sale for the purposes of this article 50 if it is a transaction at arms length in good faith. If such Relevant Sale becomes unconditional in all respects, the Buyer shall by written notice to the Company served within 60 days of such acquisition require the Company as agent for the Buyer to serve notices (in this article 50 each a "**Compulsory Acquisition Notice**") on all of the shareholders specified by the Buyer being shareholders who have not participated in such Relevant Sale (the "**Remainder Shareholders**") requiring them to sell their A Shares or C Shares (as appropriate) to the Buyer or a person or entity nominated by the Buyer at a consideration per Share (including any contingent or deferred consideration and/or consideration satisfied by the issue of shares or other securities) which is not less than the consideration payable to the Majority Holders in respect of their A Shares, it being recognised that such consideration payable to the Majority Holders may have been reduced by the Buyer agreeing to pay costs associated with the Relevant Sale and the consideration payable to the Remainder Shareholders shall be the net amount per A Share received by the Majority Holders. The Company shall serve the Compulsory Acquisition Notices forthwith upon being required to do so and the Remainder Shareholders shall not be entitled to transfer their Shares to anyone except the Buyer or a person identified by the Buyer. Each Compulsory Acquisition Notice shall specify the same date (being not less than seven nor more than twenty one days after the date of the Compulsory Acquisition Notice) for the completion of the relevant transfer of Shares to the Buyer (the "**Compulsory Acquisition Completion Date**")
- (2) The Buyer shall be ready and able to complete the purchase of all Shares in respect of which a Compulsory Acquisition Notice has been given on the Compulsory Acquisition Completion Date
- (3) If in any case a Remainder Shareholder shall not on or before the Compulsory Acquisition Completion Date have transferred his Shares to the Buyer or a person identified by the Buyer against payment of the price therefor.
- (a) the Directors shall authorise some person to execute and deliver on his behalf any necessary transfer document(s) in favour of the Buyer or the person identified by the Buyer,

- (b) the Company shall receive the consideration in respect of such Shares, and
- (c) the Company shall do all things necessary to ensure the Buyer is registered as the holder of the relevant Shares,

and any Director is hereby irrevocably and unconditionally authorised to take such action on behalf of and in the name of such Remainder Shareholder as may be required to effect such transfer

- (4) The Company is authorised to receive and shall hold the consideration in trust for the Remainder Shareholder but shall not be bound to earn or pay interest thereon. The issue of a receipt by the Company for the consideration shall be a good receipt for the price for the relevant Shares. The Company shall apply the consideration received by it in payment to the Remainder Shareholder against delivery by the Remainder Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same in form and substance acceptable to the Company. After the name of the Buyer or the person identified by the Buyer has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person

51 (1) INTENTIONALLY LEFT BLANK

ALTERATION OF SHARE CAPITAL

52 The Company may by ordinary resolution

- (a) increase its share capital by new shares of such amount as the resolution prescribes,
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others, and
- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled

53. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale

54. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way

PURCHASE OF OWN SHARES

- 55 Subject to the provisions of the Act and with Institutional Consent, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares

GENERAL MEETINGS

- 56 All general meetings other than annual general meetings shall be called extraordinary general meetings
- 57 The directors or any Institutional Director may call general meetings and, on the requisition of members pursuant to the provisions of the Act, the directors shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.
- 58 (1) A general meeting or a meeting of any class of members of the Company may consist of a conference between members some or all of whom are in different places provided that each member who participates is able
- (a) to hear each of the other participating members addressing the meeting; and
 - (b) if he so wishes, to address all of the other participating members simultaneously,
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
- (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of members required to form a quorum
- (3) A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates
- (4) A resolution put to the vote of a meeting shall be decided by each member indicating to the chairman (in such manner as the chairman may direct) whether the member votes in favour of or against the resolution or abstains
- (5) References in this article to members shall include their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

NOTICE OF GENERAL MEETINGS

- 59 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director 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 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 at the meeting; 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 a majority together holding not less than ninety per cent. in nominal value of the shares giving that right

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such

Subject to the provisions of these articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors

- 60. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

PROCEEDINGS AT GENERAL MEETINGS

- 61. No business shall be transacted at any meeting unless a quorum is present Two members entitled to vote upon the business to be transacted present in person or by proxy or by a duly authorised representative (in the case of a corporation), of whom at least one shall be or represent an A Shareholder, shall be a quorum.
- 62. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine
- 63. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 64. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman
- 65. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 66. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to give any such notice.

67 Subject to article 58 a resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded Subject to the provisions of the Act, a poll may be demanded:

- (a) by the chairman; or
- (b) by at least two members having the right to vote at the meeting, or
- (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or
- (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal, to not less than one tenth of the total sum paid up on all the shares conferring that right,

and a demand by a person as proxy for a member shall be the same as a demand by the member

68. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

69 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

70 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded

71 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have

72 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such, time and place as the chairman directs not being more than thirty days after the poll is demanded The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made

73. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken

SHAREHOLDERS' RESOLUTIONS'

- 74 A resolution in writing signed or approved by letter, facsimile, telegram or telex by or on behalf of all the members of the Company who would be entitled to vote on it if it had been proposed at a general meeting or at a meeting of any class of members of the Company shall be as valid and effectual as if it had been passed at a general meeting or at such class meeting (as the case may be) duly convened and held. The resolution may be contained in one document or in several documents in like form each stating the terms of the resolution accurately and signed by or on behalf of one or more of the members.

VOTES OF MEMBERS

- 75 Subject to any rights or restrictions attached to any shares and to the following article, on a show of hands every member who (being an individual) is present in person or by a proxy appointed under section 372 of the Act or (being a corporation) is present by a duly authorised representative or by a proxy appointed under section 372 of the Act, shall have one vote provided that no person present shall be entitled to more than one vote on a show of hands. On a poll every member shall have one vote for every share of which he is the holder.
- 76 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 77 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, *curator bonis* or other person authorised in that behalf appointed by that court, and any such receiver, *curator bonis* or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with paragraph (a) of article 83 for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 78 No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
- 79 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
80. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.
- 81 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve).

"Deloro Stellite Group Limited (the "Company")

I/We, ●, of ●, being a member/members of the above-named Company, here by appoint ● of ● or failing him, ● of ●, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on ● 20●, and at any adjournment thereof

Signed on ● 20● "

- 82 Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near to it as circumstances allow or in any other form which is usual or which the directors may approve)

" Deloro Stellite Group Limited (the "Company")

I/We, ●, of ●, being a member/members of the above-named Company, hereby appoint ● of ●, or failing him, ● of ● as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company, to be held on ●, 20●, and at any adjournment thereof

This form is to be used in respect of the resolutions mentioned below as follows

*Resolution No 1 *for *against*

*Resolution No 2 *for *against*

**Strike out whichever is not desired*

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting

Signed on ●, 20● "

83. The instrument appointing a proxy and any authority under which it is executed (or such copy of the instrument or the authority or both as the directors may approve) may
- (a) be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
 - (b) be deposited at the place where the meeting or adjourned meeting is to be held at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
 - (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited as specified in (a) above after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
 - (d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director, or
 - (e) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be deposited at the place appointed for the taking of the

poll at any time within the 24 hours preceding the time appointed for the taking of the poll,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

- 84 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll

NUMBER OF DIRECTORS

85. 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 is one, ~~but shall be not less than two~~

ALTERNATE DIRECTORS

- 86 An Institutional Director (other than an alternate director) may appoint any person and any other director (other than an alternate director) may appoint:

- (a) any other director, or
- (b) any other person approved by a resolution of the directors or by a majority of the other directors, in each case with Institutional Consent,

who is willing to act, to be an alternate director and may remove from office an alternate director so appointed by him

- 87 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member to attend and to vote at any meeting at which the director appointing him is not personally present, and at that meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of proceedings at that meeting the provisions of these articles shall apply as if he was a director.
88. Every person acting as alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 89 Any person appointed as an alternate director shall vacate his office as an alternate director if the director by whom he has been appointed ceases to be a director or removes him or on the beginning of any event which, if he were a director, causes or would cause him to vacate that office
90. Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
91. An alternate director shall alone be responsible for his acts and defaults and shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

- 92 Subject to the provisions of the Act, the memorandum and these articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 93 Without prejudice to any other of their powers, the directors may exercise any of the powers conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.
- 94 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS'

- 95 The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 96 (1) The directors may with Institutional Consent appoint any person who is willing to act to be a director, either to fill a casual vacancy or as an additional director.
- (2) For so long as any member of the Vision Group is a member of the Company, VCL may appoint any one person as an Institutional Director and remove from office any such Institutional Director and (if desired) appoint another in his place. Where VCL's rights under this paragraph no longer exist, they shall be exercisable by the Majority Holders.
- (3) For so long as the members of the Vision Group do not between them hold in excess of 75 per cent of the A Shares in issue, the holders of a majority of those A Shares which are not then held by members of the Vision Group may, after prior consultation with VCL where VCL's rights under paragraph (2) above subsist, appoint any one person as an Institutional Director and remove from office any such Institutional Director and (if desired) appoint another in his place.
- (4) Without prejudice to their rights under paragraph (5) below, the holders of shares for the time being carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at general meetings of the

Company may at any time appoint one person to be a director and to hold office as chairman and remove such person as a director and/or chairman and appoint another person to be a director and chairman or an existing director to be chairman (as the case may be) in his place.

- (5) The holders of shares for the time being carrying the right to more than 50 per cent. of the total number of votes which may be cast on a poll at general meetings of the Company may at any time appoint any person as a director of the Company and remove any director (other than a director appointed under paragraphs (2) or (3) above).
- (6) Every appointment or removal under paragraph (2), (3), (4) or (5) shall be made in writing signed by or on behalf of VCL or the relevant shareholders (as the case may be) and shall take effect on and from the date on which the note of appointment or removal is lodged at the registered office of the Company or produced at a meeting of the directors
- (7) No director shall vacate his office or be ineligible for re-appointment as a director, nor shall any person be negligible for appointment as a director, by reason only of his having attained a particular age.
- (8) No special notice is required of any resolution appointing or approving the appointment of such a director nor is any notice required to state the age of the person to whom the resolution relates

REMOVAL AND DISQUALIFICATION OF DIRECTORS

97 The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- (c) he is, or may be, suffering from mental disorder and either.
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice to the Company, or
- (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated; or
- (f) he is removed from office in accordance with article 96 above

REMUNERATION OF DIRECTORS

98. The directors (other than any director who for the time being holds an executive office or employment with the Company) shall be paid out of the funds of the Company by way of remuneration for their services as directors such fees not exceeding in aggregate £200,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable under this article shall be distinct from any remuneration or other amounts payable to a director under other provisions of these articles and shall accrue from day to day

DIRECTORS' EXPENSES

- 99 The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties

DIRECTORS' APPOINTMENTS AND INTERESTS

- 100 Subject to the provisions of the Act, the directors with Institutional Consent may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors with Institutional Consent determine and they may remunerate any such director for his services as they with Institutional Consent think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company
- 101 Subject to the provisions of the Act and, except in the case of an Institutional Director, to Institutional Consent, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
102. For the purposes of article 101.

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified, and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

DIRECTORS' GRATUITIES AND PENSIONS

- 103 The directors with Institutional Consent may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

PROCEEDINGS OF DIRECTORS

104. Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Notices of meetings of the directors shall be given to all directors and to any alternate directors appointed by them. At least 72 hours' notice shall be given unless in any particular case a majority of the directors (including one of the Institutional Directors) agrees otherwise. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have no second or casting vote

- 105 (1) Subject to article 106, the quorum for the transaction of the business of the directors shall be two directors present throughout the meeting of whom at least one is the Institutional Director (if any) appointed under article 96(2) unless otherwise agreed in writing by the Institutional Director so appointed
- (2) If a quorum is not present at the time for which the meeting was called or ceases to be present thereafter, the meeting (the "first meeting") shall be adjourned to a day being no more than five business days from the date of the first meeting at the same time and place. The Company shall give notice to each director who did not attend the first meeting requiring him either to attend the adjourned meeting of the directors or to state in writing his views on the matters to be discussed at that meeting. If any director having received such notice fails to attend such adjourned meeting those directors (being at least two) who are present at such adjourned meeting shall constitute a quorum

- 106 ~~The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting. If and for so long as there is a sole director of the Company~~

- (a) he may exercise all the powers conferred on the directors by the articles by resolution in writing signed by him or by any other means permitted by the articles or the Companies Act 2006,
- (b) for the purpose of article 105(1) the quorum for the transaction of business is one director, and
- (c) all other provisions of the articles apply with any necessary modification (unless the provision expressly provides otherwise).

107. Unless otherwise appointed pursuant to article 96(4) above, the directors with Institutional Consent may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
108. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
109. (1) A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held. The resolution may be contained in one document or in several documents each stating the terms of the resolution accurately and signed by one or more directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- (2) In this article references to a document being "signed" include it being "approved by letter, facsimile or telex".
110. (1) A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able
- (a) to hear each of the other participating directors addressing the meeting, and
 - (b) if he so wishes, to address all of the other participating directors simultaneously,
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
- (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of article 111.

- (3) A meeting held in this way is deemed to, take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates
- 111 Provided that he has disclosed to the directors the nature and extent of any material interest of his and, unless an Institutional Director, obtained Institutional Consent, a director may vote as a director on any resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his vote shall be counted and he shall be counted in the quorum when that resolution or matter is under consideration
- 112 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment
- 113 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

- 114 Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them

MINUTES

- 115 The directors shall cause minutes to be made in books kept for the purpose
- (a) of all appointments of officers made by the directors; and
 - (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

SEAL

- 116
- (1) The Company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the directors
 - (2) The directors shall provide for the safe custody of every seal which the Company may have.
 - (3) A seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given by letter, facsimile, telegram, telex or telephone by a majority of the directors or of the members of a duly authorised committee
 - (4) The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of

instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means.

- (5) Unless otherwise decided by the directors
- (a) certificates for shares, debentures or other securities of the Company to which a seal is applied need not be signed; and
 - (b) every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors.

DIVIDENDS

- 117 Subject to the provisions of the Act and to article 134, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors
- 118 Subject to the provisions of the Act and to article 134, the directors with Institutional Consent may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights
- 119 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly
- 120 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificate and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 121 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be

a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share

122. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
123. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company

ACCOUNTS

124. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company

CAPITALISATION OF PROFITS

125. The directors may with the authority of an ordinary resolution of the Company
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being, unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other but the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid,
 - (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions, and
 - (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members

NOTICES

126. Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
127. The Company may give any notice to a member either personally or by sending it by prepaid airmail or first class post or telex or facsimile transmission at his registered

address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders

- 128 A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called
129. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title
- 130 Proof that
- (a) an envelope containing a notice was properly addressed, prepaid and posted (by airmail or first class post, where available), or
 - (b) a telex or facsimile transmission setting out the terms of the notice was properly despatched,

shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 24 hours after the envelope containing it was so posted or, in the case of telex or facsimile transmission, when despatched

- 131 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

132. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability

INDEMNITY

133. Subject to the provisions of and to the extent permitted by the Statutes, every director, other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, but.

- (a) this indemnity shall not apply to any liability to the extent that it is recovered from any other person, and
- (b) the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced

RELATIONSHIP TO FINANCE DOCUMENTS

- 134 (1) Notwithstanding any other provision of these articles, no payment or redemption shall be made or agreed to be made by the Company in respect of any shares or share capital (whether by way of dividend, distribution, purchase or redemption, or by way of reduction or return of share capital) if such payment or redemption is prohibited or restricted by the terms of the Finance Documents and any payment or redemption made in breach of the terms of the Finance Documents will be held by the recipient on trust for the Finance Parties (as defined in the Finance Documents)
- (2) INTENTIONALLY LEFT BLANK
- (3) INTENTIONALLY LEFT BLANK

REGISTERED OFFICE

- 135 The Company's registered office is to be situated in England & Wales

LIABILITY OF MEMBERS

- 136 The liability of members is limited to the amount, if any, unpaid on the shares held by them