

Company No 3837985

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of

LIVING VENTURES LIMITED

(Adopted by special resolution passed on 31 March 2005 and as amended by
special resolution passed on 22 June 2007)

FF THURSDAY



1. PRELIMINARY

1.1 In these Articles -

- "Act"** means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force
- "Auditors"** means the auditors of the Company from time to time
- "Board"** means the board of directors of the Company for the time being
- "Call Option"** has the meaning given in the Call Option Agreement
- "Call Option Agreement"** means the agreement of even date with the adoption of these Articles between TRG and the Individual Shareholders relating to TRG's call option to purchase the Option Shares (as defined in the Call Option Agreement)
- "Controlling Interest"** means an interest in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company taking account of restrictions on voting rights contained in the articles of association of that company
- "Connected Person"** has the meaning attributed by section 839 ICTA
- "Default Event"** means the earlier of -
- (a) TRG notifying the Founder Members that they do not intend to exercise the Call Option pursuant to the Call Option Agreement,
 - (b) the Call Option having lapsed,
 - (c) following the proper service of an Option Notice (as defined in the Call Option Agreement) TRG failing to pay any part of the Consideration as defined in and on the terms set out in the Call Option Agreement ("Default Event (c)"), and
 - (d) the completion of the Est Call Option
- "Deferred Shares"** means the non voting deferred shares of 1 pence each in the capital of the Company arising as a result of the conversion effected by Article 2.3.5

"Employee Member"	means a person other than a Founder Member, who is or has been a director and/or an employee of the Company or any of its subsidiaries or whose services as director are or have been supplied to the Company or any of its subsidiaries
"Employees' Share Schemes"	has the meaning given in the Shareholders Agreement
"Employee Trust"	means the Employees' Share Schemes and any other trust approved by the holders of not less than 75% of the Ordinary Shares and whose beneficiaries are the bona fide employees of the Company or any of its subsidiaries
"Est Business"	has the meaning given in the Est Call Option Agreement
"Est Call Option"	means the option granted to TRG by the Company pursuant to the terms of the Est Call Option Agreement
"Est Call Option Agreement"	means the agreement of even date with the adoption of these Articles between TRG and the Company relating to TRG's call option to purchase the Option Shares (as defined in the Est Call Option Agreement)
"Est Completion"	means completion of the sale and purchase of the Option Shares (as such term is defined in the Est Call Option Agreement) in accordance with clause 8.1 of the Est Call Option Agreement
"Est Consideration"	means the Aggregate Transfer Price as defined in the Est Call Option Agreement
"Founder Member"	means either of Jeremy Roberts or Timothy Bacon or any person to whom either of them has transferred shares in accordance with these Articles (other than an Employee Member)
"Good Leaver"	means an Employee Member who ceases to be a director or employee of the Company or any of its subsidiaries (and does not continue in that capacity in relation to any of them) where such cessation occurs for one of the following reasons:- <ul style="list-style-type: none"> (a) death, or (b) illness or disablement which in the opinion of the Board is sufficiently serious to prevent the relevant person from carrying out his contractual duties, or (c) dismissal other than in circumstances where the Company or any of its subsidiaries is entitled to terminate the Employee Member's employment without notice.
"Group"	means the Company and its subsidiaries from time to time, any holding company of the Company and any subsidiaries from time to time of such parent company (each a "Group Company")
"ICTA"	means the Income and Corporation Taxes Act 1988
"Individual Shareholders"	has the meaning ascribed to it in the Call Option Agreement
"Loan Notes"	the secured loan notes 2008 constituted by the Loan Note Instrument

"Loan Note Instrument"	means the instrument dated on or about the date of adoption of these Articles constituting £25,000,000 secured loan notes 2008
"Ordinary Share"	means an ordinary share of £1 in the capital of the Company
"Preference Share"	means a redeemable preference share of £1 in the capital of the Company
"Privileged Member"	means John Branagan, Daniel Fox, Paul Newman, James Moroney and any person to whom any of them has transferred Ordinary Shares in accordance with these Articles
"Privileged Relation"	means the spouse of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children
"Redemption Amount"	has the meaning given in the Est Call Option Agreement
"Shareholders Agreement"	means the agreement of even date with the adoption of these Articles between inter alios (1) TRG (2) the Founder Members (3) the Minorities (as defined therein) and (4) the Company
"Specified Price"	means the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any Ordinary Shares in the Company plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares
"Table A"	means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985
"Termination Date"	means - <ul style="list-style-type: none"> (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires, or (b) where a contract of employment is terminated by notice given by the employer and a payment is made in lieu of notice, the date on which such notice was served, or (c) where the employee concerned is a director and an employee of any Group Company, the date on which the employee's contract of employment with any Group Company is terminated, or (d) where the employee concerned is a director (but not an employee) of any Group Company, the date on which the contract for the provision of his services (whether entered into directly with him or with a third party) with any Group Company is terminated, or (e) in any other case, the date on which the contract of employment is terminated
"Transfer Price"	is the transfer price per Ordinary Share determined using the same

formula as is set out in Schedule 2 of the Call Option Agreement

"TRG" means The Restaurant Group plc (company number SC030343)

"voting rights" shall be construed in accordance with section 736(A) of the Act

1 2 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company

1 3 Regulations 54, 73-77 and 79-80 (inclusive), 85, 86, 94-98 (inclusive) and 118, and the last sentence of regulation 112, of Table A do not apply to the Company

2 **SHARE CAPITAL**

The share capital of the company is £2,892,339 divided into 1,500,000 Preference Shares and 1,392,339 Ordinary Shares. The rights attaching to the respective classes of shares shall be as follows -

2 1 **Income**

2.1 1 No dividend shall be declared or paid to the holders of Ordinary Shares in respect of any financial year of the Company without the prior written consent of the holders of 75% of the Ordinary Shares

2 1 2 Before payment of any dividend to all holders of Ordinary Shares the Company shall pay a fixed preferential dividend of £10,000 to each Founder Member.

2 1 3 No dividend shall accrue on the Preference Shares

2 2 **Capital**

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows -

2 2 1 first in paying to the holders of the Preference Shares £1 per share and the accrued unpaid dividend to date in respect of such shares of 46 67 pence per Share,

2 2 2 second in paying to the holders of the Ordinary Shares the sum paid up on each such share,

2 2 3 the balance of such assets shall be distributed amongst the holders of the Ordinary Shares pro rata to the number of shares which they hold

2 3 **Redemption**

2 3 1 Subject to Article 2 3 2 and the provisions of the Act, the Company may with the prior written consent of the holders of not less than 75% of the Ordinary Shares redeem all or (in instalments of not less than 500,000 shares) some of the Preference Shares at any time. The Company shall pay on each of the Preference Shares so redeemed the sum of £1 per share and the accrued unpaid dividend to date in respect of such shares of 46 67 pence per Share

2 3 2 Subject to the provisions of the Act the Company shall redeem all of the Preference Shares on the date the Loan Notes registered in the name of TRG are due to be redeemed in full in accordance with the Loan Note Instrument. The Company shall pay on each of the Preference Shares so redeemed the sum of £1 per share and the accrued unpaid dividend to date in respect of such shares of 46 67 pence per Share

- 2 3 3 If some or all of the Preference Shares are not redeemed in accordance with Article 2 3 2 then the Preference Shares shall convert into the number of Ordinary Shares calculated in accordance with the following formula -

$$N = P/TP$$

N = Number of Ordinary Shares

P = The aggregate amount required to redeem the Preference Shares in issue being £1 per share plus 46 67 pence in respect of accrued but unpaid dividend (in pounds sterling)

TP = Transfer Price per Ordinary Share (in pounds sterling)

- 2 3 4 In the event that TRG exercises the Est Call Option and

- (a) the Est Consideration is in excess of the Bank Debt Amount and the Redemption Amount and the amount necessary to redeem the Loan Notes; and
- (b) TRG notifies the Company that it intends to deduct the Redemption Amount from the Est Consideration in accordance with clause 11 5 of the Est Call Option Agreement,

then, on the date of Est Completion, subject always to requisite shareholder approval being obtained, the provisions of Articles 2 3 5 and 2 3 6 shall apply

- 2 3 5 If the circumstances set out in Article 2 3 4 should apply, the Preference Shares shall be converted into Deferred Shares in such manner as the Board may determine and as the law may allow

- 2 3 6 The Deferred Shares arising as a result thereof shall carry no voting rights, no right to payment of any dividend, shall be freely transferable and on a return of capital or winding-up, entitle the holder only to repayment of the amount of 1 penny per Deferred Share after the application of the provisions of Article 2.2

The Company may at its option at any time after the creation of the Deferred Shares redeem all of the Deferred Shares then in issue, at a price not exceeding 1 penny each

3. LIEN

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders

4 CALLS

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the company by reason of such non-payment"

5 TRANSFER OF SHARES

- 5 1 The Board shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question

5 2 Save for transfers pursuant to Articles 6, 7, 8 and 9 no Ordinary Shares may be transferred unless -

5 2 1 the prior written consent of the holders of not less than 75% of the Ordinary Shares has been obtained, and

5 2 2 (unless the holders of not less than 75% of the Ordinary Shares have agreed in writing otherwise) the proposed transferee has entered into an agreement to be bound by the Shareholders Agreement in the form required by that agreement

5 3 A reference in these Articles to a transfer of shares shall include a transfer of any interest in shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over shares and these Articles shall take effect accordingly

6. PERMITTED AND MANDATORY TRANSFERS

6 1 Permitted transfers from an Employee Trust

Notwithstanding any other provision of these Articles the trustee or trustees of an Employee Trust may with the consent of the Board at any time transfer all or any shares pursuant to the terms of such Employee Trust to an employee of the Company or any of its subsidiaries

6 2 Permitted transfers to relations

Notwithstanding any other provision in these Articles any member may at any time transfer all or any shares held by him to a Privileged Relation provided that the transferee gives a written undertaking to the Company -

6 2.1 authorising any director of the Company to sign in his name and on his behalf any dividend mandate, form of proxy, consent to short notice of any meeting, resolution in writing, requisition or notice of any resolution or proposal which may in the opinion of the directors be necessary or desirable and which, as the registered or beneficial holder of the shares, he would have power to sign,

6 2 2 that if the transferor becomes subject to the compulsory transfer provisions of Articles 6 7 or 6 9, the transferee agrees that the shares held by him or her will be subject to those Articles, and

6 2 3 that other than as required by the Articles the transferee will not transfer the shares other than back to the transferor

6 3 Permitted transfers to Group Companies

Notwithstanding any other provision in these Articles where shares are held by a body corporate such member may transfer any shares it holds to its ultimate parent company or any other body corporate controlled, directly or indirectly, by it or its ultimate parent company **PROVIDED ALWAYS THAT** the transferee gives an undertaking to the Company that in the event of any such body corporate ceasing to be controlled, directly or indirectly, by the original shareholder or such ultimate parent company immediately prior to it so ceasing such shares shall be transferred to another body corporate so controlled (for which purposes "control" has the same meaning as in section 840 of ICTA,

6 4 Transfers to the Company

Any holder of shares may at any time transfer shares to the Company in accordance with the Act and these Articles

6 5 Transfers pursuant to Articles 8 and 9

Notwithstanding any other provision of these Articles, a transfer of any share made pursuant to and in accordance with Article 8 or 9 shall be registered by the directors (subject to stamping)

6 6 Mandatory transfers by Privileged Relations

If and whenever any shares are held by a person who has received a transfer of such shares pursuant to Article 6 2 such that he is a Privileged Relation of the transferring party (the **"transferring relative"**) and such person subsequently ceases to be a Privileged Relation of the transferring relative, on the date of such cessation, the transferring relative shall immediately transfer all shares held by him or her to the original transferring party for a consideration equal to the consideration per share paid by the transferring relative and if such transfer cannot be made the Company shall offer the relevant shares for sale in accordance with Article 7

6 7 Mandatory transfer on cessation of employment or directorship

Transfers of shares required to be made under this sub-article are in these Articles referred to as **"Compulsory Employee Transfers"** An Employee Member the subject of a Compulsory Employee Transfer and each of the Employee Member's Privileged Relations shall be treated as a **Vendor** (as hereinafter defined) for those purposes If an Employee Member ceases to be a director or employee of the Company or any of its subsidiaries or ceases to be a person whose services as director are supplied to the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them, the Company (as agent of the holders) shall (unless the Board resolve otherwise (and for the avoidance of doubt, such Employee Member shall not vote in any such Board resolution)) offer for sale in accordance with Article 7 -

6.7 1 all shares then held by the Employee Member, and

6 7 2 all shares then held by the Employee Member's Privileged Relations

6 8 Mandatory transfer on change of control of shareholder

If a member being a company ceases to be within the control (as such term is defined by Section 840 of the Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these Articles (whichever shall be the later) the Company (as agent of the holder) shall offer for sale in accordance with Article 7 all the shares as shall then be registered in its name

6 9 Mandatory transfer on death

If a member of the Company who is not an Employee Member (or a Founder Member) (a **"deceased member"**), being an individual, either dies, then, the personal representatives of the deceased member shall immediately transfer all relevant shares to the original transferring party for a consideration equal to the consideration paid per share and if such transfer cannot be made the Company shall offer the relevant shares for sale in accordance with Article 7

6 10 If the holders of not less than 75% of the Ordinary Shares serve a notice to that effect, any shares which fail to be sold or transferred under Articles 6 6, 6 7, 6 8 or 6 9 shall, until transferred, not 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 or a written consent of any member or class of members nor shall the holder of such shares be entitled to participate in any offer of shares made to members nor in any allotment of new shares

6 11 Transfers with Shareholder Consent

Notwithstanding any other provision of these Articles, a transfer of any shares may be made with the prior written consent of the holders of 75% or more of the Ordinary Shares and such transfer shall be registered by the Directors (subject to stamping)

7 COMPULSORY EMPLOYEE TRANSFERS AND BAD LEAVER FOUNDER MEMBERS

7.1 Transfer notices

Where shares are required to be offered for sale pursuant to Article 6, the transferor of such shares is deemed to have given a notice in writing to the Company (a **"Transfer Notice"**) offering such shares for sale on -

7.1 1 the date of the event occasioning the requirement to sell as set out in Articles 6 6, 6 7, 6 8 or 6 9, or

7 1 2 the Termination Date

whichever is the sooner

A Transfer Notice constitutes the Company the agent of the member who is required to offer those shares for sale (the **"Vendor"**) for the sale of the shares specified therein (the **"Sale Shares"**) in one or more lots at the discretion of the Board at the Sale Price.

7 2 Calculation of the Sale Price

Subject to Article 7 3 the price for the Sale Shares (the **"Sale Price"**) shall be the price agreed by the Vendor and the Board. If the Vendor and the Board are unable to agree a price within 14 days of the Transfer Notice being deemed to have been given the Sale Price will instead be the price which the Auditors shall certify to be in his opinion a fair value thereof. In arriving at his opinion the Auditors will value the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Auditors as to the Sale Price shall be final and binding. The costs of the Auditors shall be borne as to half by the Company and half by the relevant Vendor.

7 3 Restriction of Sale Price for certain transfers by Employee Members

In the case of Compulsory Employee Transfers where the Employee Member is neither a Privileged Member nor a Good Leaver the Sale Price of the Sale Shares shall be the original subscription price of the Sale Shares.

7 4 Unless the holders of not less than 75% of the Ordinary Shares agree otherwise any shares being sold by reason of an Employee Compulsory Transfer shall first be offered to a person or persons proposed by the Board to take the place of the leaving Employee Member. If no such person is proposed, or if there are any shares which such person does not acquire, the shares shall next be offered to an Employee Trust. Any shares not sold under this sub-article within 21 days of such offer will be offered for sale to the members of the Company as determined by the Board.

7 5 A Vendor shall be bound upon receipt by the Company of the Sale Price (and the Company shall give a good discharge for the Sale Price on behalf of the Vendor) to transfer the Sale Shares at the direction of the Board and the Company shall then be bound to deliver up the Sale Price to the Vendor against delivery by the Vendor of his certificate for the Sale Shares and the transfer(s) of the Sale Shares executed by the Vendor. If the Vendor defaults in transferring Sale Shares the Company shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall (subject to stamping the transfers of the Sale Shares) enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.

7 6 Effect of non-compliance

Any purported transfer of shares otherwise than in accordance with the foregoing provisions of these Articles shall be void and have no effect.

7 7 Voting Restrictions for Founder Members

If a Founder Member should cease employment with the Company for reasons other than Good Leaver reasons, such a Founder Member shall not be able to exercise their voting rights in relation to their holding of Ordinary Shares from the Termination Date but such right shall be restored immediately upon the earlier of -

- 7 7 1 the Company registering a transfer of those Ordinary Shares pursuant to Articles 8 or 9,
- 7 7 2 an admission of such Ordinary Shares on a Recognised Investment Exchange (as defined in Section 285(1)(a) Financial Services and Markets Act 2000) and including the Alternate Investment Market of the London Stock Exchange plc, and
- 7 7 3 a Default Event occurring

8. TAG ALONG

8 1 Notwithstanding any other provision of these Articles, no sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest in the Company would be obtained or increased by any person (other than a person to whom shares are transferred pursuant to Article 6 3) unless -

- 8.1 1 before the transfer is lodged for registration the proposed transferee or his nominee has obtained the written consent of the holders of not less than 75% of the Ordinary Shares, and
- 8.1 2 the proposed transferee or his nominee has made an offer (stipulated to be open for acceptance for at least 5 days) to purchase all the other Ordinary Shares (including any 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 securities convertible into shares, in existence at the date of such offer) at the Specified Price and upon the same terms offered to the proposed transferee, which offer every offeree shall be bound within 7 days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer), and
- 8 1 3 before the transfer is registered each such accepted offer is completed and the consideration thereunder paid (except insofar as failure to complete is due to the fault of the offeree)

8 2 For the purpose of Article 8 the expressions "**transfer**" and "**transferee**" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment

9 COME ALONG

9 1 Subject to Article 9 2 below, if the holders of not less than 75% in nominal value of the Ordinary Shares in issue for the time being (in either case the "**Selling Shareholders**") wish to transfer all their interest in Ordinary Shares to a bona fide purchaser on an arm's length basis (the "**Third Party Purchaser**") the Selling Shareholders shall have the option (the "**Come Along Option**") to require all other holders of Ordinary Shares (the "**Called Shareholders**") to sell with full title guarantee and free from all encumbrances and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 9

9 2 Upon the occurrence of a Default Event, and provided that the Loan Notes registered in the name of TRG have been repaid in full or would be repaid in full as a result of the completion of the transfer of shares made pursuant to the provisions of this Article 9 the holders of not less than 60% of the Ordinary Shares held by the Individual Shareholders (or their Privileged Relations) shall constitute the Selling Shareholders and such persons shall be able to exercise the Come Along Option as set out in this Clause 9

- 9 3 The Selling Shareholders may exercise the Come Along Option by giving notice to that effect (a **"Come Along Notice"**) at any time before the transfer of the shares of the Selling Shareholders. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their Ordinary Shares (the **"Called Shares"**) pursuant to this Article 9 3, the person to whom they are to be transferred, the price and terms on which the Called Shares are to be transferred (specified in accordance with Article 9 6) and the proposed date of transfer (**"Completion"**)
- 9 4 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Come Along Notice. If a Come Along Notice lapses the Selling Shareholders shall be entitled to give a further Come Along Notice or Notices either in respect of the same Third Party Purchaser or otherwise
- 9 5 After a Come Along Notice has been served and before it has lapsed no Called Shareholder may transfer any shares held by him other than in accordance with the Come Along Notice without the consent of the Selling Shareholders
- 9 6 The Called Shareholders shall be obliged to sell each of the Called Shares at the Specified Price and on the same terms as those offered to the Third Party Purchaser
- 9 7 Upon any person, following the issue of a Come Along Notice, becoming a member of the Company pursuant to exercise of a pre-existing option or other right to acquire shares in the Company (a **"New Member"**), a Come Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Come Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article 8 shall apply mutatis mutandis to the New Member
- 9 8 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Ordinary Shares
- 9 9 If any holder of Ordinary Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of the Called Shares held by him the Selling Shareholders shall be irrevocably entitled to and shall authorise and instruct such person as they shall think fit to execute necessary transfer(s) (and any other documents required to be executed by the Selling Shareholder on the sale of their Called Shares) on his behalf and against receipt by the Company (on trust for such member) of the purchase monies for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person
- 9 10 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 9

10 VOTING AND GENERAL MEETINGS

- 10 1 Subject to Article 10 3 below, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Ordinary Share in the capital of the Company of which he is the holder save that in no circumstances shall the total number of votes cast by TRG exceed 40% of the total number of votes cast on a poll. The Preference Shares shall not entitle the holder to a vote
- 10 2 Regulation 62 of Table A shall be modified by the substitution in paragraph (a) of the words "at any time" in place of "48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "24 hours".
- 10 3 Immediately upon the occurrence of Default Event (c) the Founder Members shall in respect of the Ordinary Shares held by them and their Privileged Relations be entitled either in person or by proxy

to exercise on a poll one hundred million times the total number of votes conferred by all the shares of all other classes for the time being in issue

11. APPOINTMENT AND REMOVAL OF DIRECTORS

- 11 1 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director
- 11 2 The office of director shall be vacated if the director, in the reasonable opinion of all his co-directors, becomes incapable by reason of mental disorder of discharging his duties as director, and regulation 81 of Table A shall be modified accordingly. In addition, the office of director shall be vacated if he is removed from office by notice signed by all his co-directors and addressed to him at his last known address
- 11 3 A director shall be entitled to appoint any person willing to act, whether or not he is a director, to be his alternate director and such person need not be approved by resolution of the directors and regulation 65 of Table A shall be modified accordingly

12 PROCEEDINGS OF DIRECTORS

- 12 1 Notice of every meeting of the directors shall be given to each director at any address in the United Kingdom supplied by him to the Company for that purpose whether or not he is present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he does so it shall be no objection to the validity of the meeting that notice was not given to him. Meetings of the directors may be held by conference telephone or similar equipment as long as the participants can all hear each other
- 12 2 Any quorum for the transaction of business at a meeting of the directors shall be two
- 12 3 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office -
- 12 3 1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,
- 12 3 2 may be a director or other officer of or employed by or be 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 in any way interested,
- 12 3 3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,
- 12 3 4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service 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, and
- 12 3 5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article
- 12 4 For the purposes of this Article -
- 12 4 1 a general notice 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,
- 12 4 2 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, and

12.4.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

13 LOAN NOTES

No Loan Notes shall be issued without the prior written consent of the Founder Members other than Loan Notes in the principal sum of £16,375,000 issued to TRG on or about the date hereof or in accordance with the terms of Clause 4.2 of the Loan Note Instrument

14 INDEMNITY

14.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

14.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any liability which may lawfully be insured against by the Company