

Company Number: 03897234

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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

***NEW ARTICLES OF ASSOCIATION**

of

DANAMERE TRUSTEES LIMITED

(As *adopted by Special Resolution passed on 6 June 2001)

INCORPORATED ON 10 DECEMBER 1999



THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION OF DANAMERE TRUSTEES LIMITED

(Adopted by Special Resolution passed on _____ 2001)

1. PRELIMINARY

The regulations contained in Table A (defined in article 3.2.1) shall, unless otherwise stated or to the extent that they are inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association. References in these Articles to regulations are references to regulations in Table A.

2. PRIVATE COMPANY

The Company is a private company and accordingly the Company shall not:

- 2.1 offer to the public (whether for cash or otherwise) any shares in or debentures of the Company: or
- 2.2 allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public

3. DEFINITIONS AND INTERPRETATION

- 3.1 The words 'and in any articles adopting these regulations in whole or in part' shall be inserted at the end of the first line of regulation 1, after the word 'regulations'.

- 3.2 In these Articles:

- 3.2.1 unless the context otherwise requires the following expressions have the following meanings:

Act	: the Companies Act 1985.
Additional Directors	: a director appointed in accordance with Article 15.2.
deemed Transfer Notice	: a Transfer Notice deemed to be given under any provision of these Articles or any Relevant Agreement..
directors	: the board of directors of the Company for the time being.
member	: a registered holder of Shares, but excluding (except for the purposes of Articles 7, 8, 9, 10 and 11) a person who holds Shares as a trustee of a Qualifying Trust.

- members of the member's family** : the member's spouse, widow, widower, child and remoter issue (including a child by adoption), brother and sister (whether of the full or half blood and including a brother or sister related by adoption), and child and remoter issue of any such brother or sister (including a child by adoption), of the member.
- paid up** : in relation to a share, that such share is paid up or credited as paid up.
- present in person** : in relation to general meetings of the Company and to meetings of the holders of any class of shares, shall include present by proxy or, in the case of a corporate shareholder, by representative.
- Qualifying Trust** : a trust created by a member and meeting the following criteria:
- a. the beneficiaries are one or more of the member and members of the member's family;
 - b. the voting rights conferred by any shares in the trust are not exercisable by or subject to the consent or direction of any person other than the trustee or trustees of the trust or the settlor member; and
 - c. the directors are satisfied that the trust is, and is intended to remain, a trust the sole purpose of which is to benefit the member and/or members of the member's family.
- Relevant Agreement** : any agreement relating (in whole or in part) to the management of the Company which is binding from time to time on the Company and some or all of the members and which (expressly or by implication) supplements and/or prevails over any provisions of these Articles.
- Shares** : the issued shares for the time being in the capital of the Company (of whatever class) and the word "share" shall be construed accordingly.
- Table A** : 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).

Transfer	: the transfer of a Share (including the assignment of the beneficial interest in, or the creation of any charges or other security interest over, a share and the renunciation or assignment of any right to receive or subscribe for a Share).
Transfer Notice	: the written notice to be given to the directors by a proposing transferor, as described in article 8.1.
Transfer Price	: the price per Transfer Share determined in accordance with article 9.2.
Transfer Share	: the Shares specified in a Transfer Notice, as described in Article 9.1.1.

3.2.2 words or expressions the definitions of which are contained or referred to in the Act shall, unless otherwise stated or inconsistent with the context, be construed as having the same meanings when used in these Articles (but excluding any statutory modification of the definition that is not in force on the date of adoption of these Articles).

3.2.2 words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships.

3.2.3 a reference to an article is a reference to an article of these Articles.

3.2.4 a reference to an ordinary, special or extraordinary resolution of the Company in General Meeting shall include a written resolution of all the members in accordance with regulation 53.

3.3 A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of the regulations or these Articles

4. **SHARE CAPITAL**

The authorised share capital of the Company at the date of adoption of these Articles is £1,000 divided into 10,000 ordinary shares of 10p each.

5. **ISSUE OF UNISSUED SHARES**

5.1 Unissued shares comprised in the Company's authorised share capital at the date of adoption of these Articles shall be issued and allotted in accordance with the provisions of any Relevant Agreement. After Shares have been issued and allotted in accordance with any Relevant Agreement any future unissued shares in the Company's authorised share capital for the time being and which the directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing Shares of the same class held by them respectively (the "Proportion") unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer

shall be made by notice specifying the number of shares offered, and limiting a period of not less than fourteen days (the "Acceptance Period") within which the offer, if not accepted, will be deemed to be declined. After the expiration of the Acceptance Period, the shares deemed to be declined shall be offered in the Proportion to the members who have, within the Acceptance Period, accepted all the shares offered to them; such further offer shall be made on the same terms and in the same manner and the period for acceptance shall be the same length as the Acceptance Period applicable to the original offer. Any shares (the "Unissued Shares"):

5.1.1 not accepted pursuant to such offer or further offer; or

5.1.2 not capable of being offered as described except by way of fractions; or

5.1.3 released from the provisions of this Article by Special Resolution

shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the Unissued Shares to such persons, on such terms, and in such manner as they think fit, provided that Unissued Shares shall be disposed of on terms which are more favourable to the subscribers therefor than the terms on which the Unissued Shares were offered to the members. The provisions of this Article 5.1 shall have effect subject to Section 80 of the Act.

5.2 In accordance with Section 91 (1) of the Act, Sections 89 (1) and 90 (1) to (6) (inclusive) of the Act shall not apply to the Company.

5.3 The directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital at the date of adoption of these Articles at any time or times during the period of five years from the date of adoption of these Articles and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority given by this Article 5.3 may, subject to Section 80 of the Act, at any time be renewed, revoked or varied by ordinary resolution of the Company in General Meeting.

6. LIEN

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

7. TRANSFER OF SHARES

7.1 The directors shall refuse to register the Transfer of any Share unless the Transfer is permitted by, or is made pursuant to and in accordance with Article 8 or Article 9 or the provisions of any Relevant Agreement. The directors shall also refuse to register the Transfer of any Share which is prohibited under Article 10 or the provisions of any Relevant Agreement.

- 7.2 Subject to Articles 7.3 and 7.6, the directors shall not be entitled to decline to register the Transfer of any Share which is permitted by, or is made pursuant to and in accordance with Articles 8 or 9 or the provisions of any Relevant Agreement.
- 7.3 For the purpose of ensuring that a particular Transfer of Shares is permitted under the provisions of these Articles or under the provisions of any Relevant Agreement, the directors may require 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 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.
- 7.4 If a member or other person entitled to Transfer a Share at any time attempts to deal with or dispose of the Share or any interest in the Share otherwise than in accordance with the provisions of Articles 8 or 9 or any Relevant Agreement or in contravention of Article 10 he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such Share.
- 7.5 Where a Transfer Notice in respect of any Share is deemed to have been given under any provision of these Articles or under any Relevant Agreement and the circumstances are such that the directors are unaware of the facts giving rise to the deemed Transfer Notice (the "Relevant Facts"), the deemed Transfer Notice shall be deemed to be received by the directors on the date on which the directors receive actual notice of the Relevant Facts and the provisions of Article 9 shall apply accordingly.
- 7.6 The directors may, in their absolute discretion and without giving any reason, decline to register any transfer of any Share which would otherwise be permitted under these Articles if it is a transfer of a Share over which the Company has a lien. The first sentence of regulation 24 shall not apply.
- 7.7 Except as provided in Article 8 a member shall not be entitled to transfer part only of the Shares held by him for the time being.

8. PERMITTED TRANSFERS

Subject always to Articles 7, 10 and 11:

- 8.1 Any member may at any time Transfer all or any of his Shares to any person with the prior written consent of all the other members (and for this purpose a Transfer made in accordance with the provisions of a Relevant Agreement shall be deemed to have the written consent of all the other members).
- 8.2 Any member may at any time Transfer all or any of his Shares to any person or persons acting in the capacity of trustee or trustees of the member's Qualifying Trust.
- 8.3 Subject to the following provisions of this Article 8.4, any member may at any time Transfer all or any of his Shares to his spouse. Where Shares have been transferred to a member's spouse (the "Spouse Transferee") and:
- 8.3.1 the Spouse Transferee is subsequently divorced or permanently separated from the transferor member; or

- 8.3.2 the transferor member (and/or the trustees of his Qualifying Trust(s)) subsequently serves a Transfer Notice in respect of 80% or more of the aggregate number of Shares registered in his name and/or in the names of the trustees of his Qualifying Trust(s); or
- 8.3.3 a Relevant Event (defined in Article 10.1) occurs in respect of the transferor member

then the Spouse Transferee shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then registered in her name and in the names of the trustees of her Qualifying Trusts (if any). The provisions of Article 10.2.2 shall apply in respect of the Transfer Price. If the Sale Notice given pursuant to Article 9.7 shall not specify all of the Transfer Shares, then the Spouse Transferee (and the trustees of her Qualifying Trusts (if any)) shall be entitled to retain the Shares not specified in the Transfer Notice. The provisions of Articles 9.8 (Withdrawal Notice) and 9.9 shall not apply. The provisions of Articles 9.10 and 9.11 shall apply.

- 8.4 A transfer of any Share pursuant to this Article shall only be treated as a permitted transfer for the purposes of these Articles if it is a Transfer of the entire legal and beneficial interest in the share free from all liens, charges and other encumbrances.

9. PRE-EMPTION RIGHTS

9.1 Transfer Notice

Except as provided in Article 8 or elsewhere in these Articles or a Relevant Agreement, before transferring or agreeing to transfer any Share or any interest in a Share the member proposing the transfer ('the proposing transferor') shall give the directors written notice ("Transfer Notice") that the proposing transferor desires to transfer the Shares specified in the Transfer Notice. The Transfer Notice shall:

- 9.1.1 specify the number of Shares ("Transfer Shares") that the proposing transferor desires to transfer;
- 9.1.2 constitute the directors the proposing transferor's agent for the sale of all (but not some only (unless the proposing transferor is a trustee of a Qualifying Trust)) of the Transfer Shares (together with all rights attaching to them at the date of the Transfer Notice or at any time afterwards) to any member or members willing to purchase them at the Transfer Price (as defined in Article 9.2) on the terms of this Article 9;
- 9.1.3 deemed to contain a condition ('Total Transfer Condition') that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article 9 none shall be so sold if the proposing transferor gives a Withdrawal Notice in accordance with Article 9.8;

Except as provided in Article 9.8, once given a Transfer Notice may only be withdrawn with the prior written consent of all the other members holding Shares of the same class as the Transfer Shares.

9.2 Transfer Price

- 9.2.1 Within seven days after the receipt of a Transfer Notice the directors shall (unless the Transfer Price has been agreed in writing between the proposing

transferor and each of the members holding Shares of the same class) instruct the Auditor to certify in writing the Transfer Price of the Transfer Shares. If the Transfer Shares are Shares, the Transfer Price certified by the Auditor shall be their open market value as at the date of the Transfer Notice on the following assumptions and bases:

- a. valuing the Transfer Shares as on an arm's length sale between a willing vendor and a willing purchaser;
- b. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- c. that the Transfer Shares are capable of being transferred without restriction;
- d. valuing the Transfer Shares as a rateable proportion of the total value of all the Shares, which value shall not be discounted or enhanced by reference to the number or class of the Transfer Shares.

9.2.2 If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Auditor in such manner as he shall in his absolute discretion think fit.

9.2.3 The directors will use their best endeavours to procure that the Auditor determines the Transfer Price within 21 days of being requested to do so. In calculating the Transfer Price the Auditor shall be considered to be acting as an expert and not as an arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply.

9.2.4 The Auditor's costs of valuing the Company and certifying the Transfer Price shall be apportioned among:

- a. the proposing transferor; and
- b. those members ("Purchasing Members") and/or the Company who purchase the Transfer Shares pursuant to these Articles

or shall be borne by any one or more of them as the Auditor shall in his absolute discretion decide.

9.2.5 Upon receipt of the Auditor's certificate of the Transfer Price, the directors shall notify the amount of the Transfer Price to the proposing transferor.

9.3 First Offer Notice

The directors shall offer the Transfer Shares to the members (other than the proposing transferor) holding Shares of the same class. The Transfer Shares shall be offered as nearly as may be in proportion to the number of Shares of the same class held by the members respectively. The offer shall be made by notice in writing ("First Offer Notice") within seven days after the receipt by the directors of the Auditor's certificate of the amount of the Transfer Price or, if applicable, the written agreement of the members holding Shares of the same class and the proposing transferor of the amount of the Transfer Price. The First Offer Notice shall:

- 9.3.1 state the Transfer Price per Transfer Share;
- 9.3.2 specify the time and date by when the member's written acceptance of the offer must be communicated to the directors ("First Acceptance Date"). The First Acceptance Date must not be less than twenty-one days nor more than forty-two days after the date of the First Offer Notice. For the purpose of this Article 9.3.2 an offer shall be deemed to be accepted on the day on which the acceptance is received by the directors;
- 9.3.3 invite each member to state in his reply the number of additional Transfer Shares (if any) in excess of his proportion which he desires to purchase if some members do not accept all or some of the Transfer Shares offered to them in the First Offer Notice.

If the Transfer Notice is a deemed Transfer Notice the directors shall serve a copy of the First Offer Notice on the proposing transferor (for information only) notifying him that the Transfer Notice has been deemed to have been given.

9.4 Unsold Shares - the Second Offer Notice

If by the First Acceptance Date Purchasing Members have not been found for some or all of the Transfer Shares ("Unsold Shares") the following provisions of this Article 9.4 shall apply in respect of the Unsold Shares:

- 9.4.1 The Unsold Shares shall be offered for purchase at the Transfer Price by the directors to those members holding Shares of the same class as the Unsold Shares (other than any member to whom under Article 11.3 Shares may not be transferred) who have stated in their acceptance of the First Offer Notice that they desire to purchase additional Transfer Shares ("Relevant Members"). The offer shall be made within 5 days following the First Acceptance Date.
- 9.4.2 If there are insufficient Unsold Shares to offer the Relevant Members the numbers of additional Transfer Shares stated in their acceptance of the First Offer Notice, the Unsold Shares shall be offered to the Relevant Members in proportion (as nearly as may be without involving fractions) to the number of Shares (including the Transfer Shares offered in the First Offer Notice and accepted) of the same class as the Unsold Shares then held by them respectively.
- 9.4.3 If any of the Unsold Shares shall not be capable of being allocated as described in Article 9.4.2 without involving fractions, they shall be offered amongst the Relevant Members, or some of them, in such proportions or in such manner as may be determined by lots drawn for the purpose in such manner as the directors shall think fit.
- 9.4.4 The offer shall be made by notice in writing ("Second Offer Notice") and shall specify:
 - a. the time and date by when a member's written acceptance of the offer must be communicated to the directors ("Second Acceptance Date"). The Second Acceptance Date must not be less than two days nor more than ten days after the date of the Second Offer Notice. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the directors;

- b. the number of Unsold Shares offered to the Relevant Member;
- c. the Transfer Price;
- d. invite each Relevant Member to state in his reply the number of additional Transfer Shares (if any) in excess of his proportion which he desires to purchase if some Relevant Members do not accept all or some of the additional Transfer Shares offered to them in the Second Offer Notice.

9.5 Unsold Shares after the Second Acceptance Date - subsequent Offer Notices

If all the Unsold Shares are not accepted by Relevant Members by the Second Acceptance Date the directors shall offer the remaining Unsold Shares to those Relevant Members who have stated in their acceptance of the Second Offer Notice a desire to purchase additional Transfer Shares. The provisions of Article 9.4 and this Article 9.5 shall apply, mutatis mutandis, until:

- 9.5.1 acceptances have been received in respect of all the Transfer Shares; or
- 9.5.2 there remain Unsold Shares which no Relevant Member has stated a desire to purchase and which have then been offered (applying the provisions of Articles 9.3 and 9.4 mutatis mutandis) to members holding only Shares of a different class from the Transfer Shares and those members have declined to buy all or some of the Unsold Shares offered to them.

9.6 Unsold Shares - purchase by Company if permitted by law

If Article 9.5.2 applies, the directors shall within 7 days of becoming aware that there are Unsold Shares that no member wishes to purchase and:

- 9.6.1 provided the Company is then able to comply in all respects with the requirements of the Act regarding payment by the Company for the purchase of its own Shares; and
- 9.6.2 subject to the Company being able to fund the Transfer Price for the Unsold Shares without material detriment to its normal business activities and the Company's prospects; and
- 9.6.3 subject to the Company first obtaining all necessary clearances from the English taxation authorities in connection with such purchase; and
- 9.6.4 subject (unless the proposing transferor otherwise elects) to the Transfer Price paid by the Company for any Unsold Shares being taxable as a capital payment in the hands of the proposing transferor,

call a general meeting ("the GM") to be held not more than 28 days after the date of the notice of the GM (or such other period as the Act may specify), at which it shall be proposed as a special resolution that the Company purchase at the Transfer Price all of the Unsold Shares that remain unsold and the special resolution shall be duly passed as a special resolution.

9.7 Directors to give Sale Notice to proposing transferor

Not later than seven days after the later of:

9.7.1 the date on which the directors are notified of the acceptance by a Purchasing Member of the last Unsold Share; and

9.7.2 the date of the GM,

the directors shall give notice in writing ("the Sale Notice") to the proposing transferor specifying:

i. the number, if any, of the Transfer Shares to be purchased by Purchasing Members (defined in Article 9.2.4 b); and

ii. the number, if any, of the Transfer Shares to be purchased by the Company,

together with the names of the Purchasing Members and the number of the Transfer Shares to be purchased by each of them.

9.8 Proposing transferor's Withdrawal Notice

If the Sale Notice shall not specify all of the Transfer Shares the proposing transferor may, by not later than the 20th working day from the date of the Sale Notice, notify the directors of his withdrawal of the Transfer Notice ("the Withdrawal Notice").

9.9 Proposing transferor's right to sell the Transfer Shares

9.9.1 If the proposing transferor issues a Withdrawal Notice pursuant to Article 9.8 then the proposing transferor may within a period of 6 months after the date of the Sale Notice dispose of some or all of the Transfer Shares to any person, subject to Article 9.9.3;

9.9.2 If the proposing transferor does not issue a Withdrawal Notice pursuant to Article 9.8 then the proposing transferor may within a period of 6 months after the date of the Sale Notice dispose of some or all of those Transfer Shares that are not specified in the Sale Notice to any person, subject to Article 9.9.3.

9.9.3 Any disposal of Transfer Shares made by the proposing transferor under Articles 9.9.1 or 9.9.2 shall be effected as a sale at a price that is not less than the Transfer Price (after deducting, where appropriate, any net dividend or other distribution declared, paid or made after the date of the Transfer Notice in respect of the Transfer Shares and which has been or is to be retained by the proposing transferor).

9.10 Procedure to complete sale of Transfer Shares if no Withdrawal Notice is given

If the Sale Notice shall specify some or all of the Transfer Shares and the proposing transferor does not issue a Withdrawal Notice pursuant to Article 9.8, the proposing transferor shall be bound, upon payment of the Transfer Price due in respect of the Transfer Shares specified in the Sale Notice, to transfer such Transfer Shares to the Purchasing Members and/or the Company (as applicable).

9.11 Directors' authority to execute transfers and receive purchase price on behalf of proposing transferor

If in any case the proposing transferor after having become bound as described in Article 9.10, defaults in transferring any Transfer Shares the directors may receive the Transfer Price on his behalf, and may authorise some person to execute a transfer of such Transfer Shares in favour of the Purchasing Members. The receipt of the directors for the Transfer Price shall be a good discharge to the Purchasing Members. The directors shall pay the Transfer Price (less any amount due from the proposing transferor under Article 9.2.4) into a separate bank account to be opened in the name of the proposing transferor.

9.12 Right of directors to require evidence that a transfer pursuant to Article 9.9 is bona fide

Without prejudice to the generality of Article 8.3 the directors may require to be satisfied that any Shares being transferred by the proposing transferor pursuant to Article 9.9.3 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

10. TRANSFER OF SHARES - RELEVANT EVENTS

10.1 Meaning of Relevant Event

For the purposes of Article 10.2 a 'Relevant Event' means:

- 10.1.1 the member becoming bankrupt; or
- 10.1.2 the member dying; or
- 10.1.3 the happening of any such event as is referred to in paragraph (c) of regulation 81; or
- 10.1.4 a member making any arrangement or composition with his creditors generally.

10.2 Effect of the happening of a Relevant Event

Upon the happening of any Relevant Event the following provisions of this Article 10.2 shall apply:

- 10.2.1 The member in question shall be deemed to have immediately given a Transfer Notice (a "deemed Transfer Notice") in respect of:
 - a. if the Relevant Event is the member's death, any Shares that were registered in the deceased member's name at the time of death; or
 - b. if the Relevant Event is one described in Articles 10.1.1, 10.1.3 or 10.1.4, all the Shares as shall then be registered in the name of the member.

10.2.2 The Transfer Price of the Transfer Shares shall be determined in accordance with Article 9.2.

10.2.3 If the Sale Notice given pursuant to Article 9.7 shall not specify all of the Transfer Shares the person who has in consequence of the Relevant Event become entitled to those the Transfer Shares that are not specified in the Sale Notice (the "Unspecified Transfer Shares") shall be registered himself as the holder of the Unspecified Transfer Shares.

The provisions of Articles 9.8 (Withdrawal Notice) and 9.9 shall not apply.

10.2.4 The provisions of Articles 9.10 and 9.11 shall apply in respect of the Transfer Shares specified in the Sale Notice.

10.3 Third party purchaser offer to buy all of the Shares

If:

10.3.1 a third party makes an arms length offer ("Third Party Offer") to purchase all of the Shares; and

10.3.2 the Auditor has confirmed in writing that the total purchase price offered for all the Shares ("Total Purchase Price") is not less than the Transfer Price for all the Shares, calculated in accordance with Article 9.2; and

10.3.3 notice of the Third Party Offer has been sent to all the members by the directors ("Third Party Offer Notice"); and

10.3.4 members (including members who hold Shares as trustee of a Qualifying Trust) who together hold not less than 51% of the Shares ("Majority Members") wish to accept the Third Party Offer; but

10.3.5 members (including members who hold Shares as trustee of a Qualifying Trust) who together hold not more than 49% of the Shares ("Minority Members") do not wish to accept the Third Party Offer

then the provisions of Articles 10.4 to 10.8 (inclusive) shall apply.

10.4 Right of Minority Members to buy Majority Members' Offer Shares

The Minority Members shall have 21 days from the date of the Third Party Offer Notice to notify the Majority Members that the Minority Members wish to purchase all (but not some only) of the Shares registered in the names of the Majority Members ("Majority Members' Shares"). A notice given under this Article 10.4:

10.4.1 must be signed by all of the Minority Members (to signify their approval to the notice);

10.4.2 must identify the Minority Members who will purchase all of the Majority Members' Shares ("Purchasing Minority Members") and specify the number of Majority Members' Shares to be purchased by each Purchasing Minority Member.

10.5 Purchase Price

The purchase price for each Majority Members' Share ("Purchase Price") shall be an amount calculated applying the formula:

$$A \div B = \text{purchase price for each Majority Members' Share}$$

where **A** = the Total Purchase Price; and

B = the total number of Majority Member Shares

10.6 Completion of Minority Members' purchase of Majority Members' Offer Shares

If notice is served by the Minority Members in accordance with Article 10.4 ("Minority Members' Purchase Notice") then the Purchasing Minority Members and the Majority Members must complete the sale and purchase of the Majority Members' Offer Shares within 21 days of the date of the Minority Members' Purchase Notice or such later date as the Purchasing Minority Members and the Majority Members shall agree ("Minority Purchase Date"). The provisions of Articles 9.10 and 9.11 shall apply with the substitution of the words "Majority Members" for the words "proposing transferor".

10.7 Obligation of Minority Members to participate in sale to third party

If no Minority Members' Purchase Notice is given in accordance with Article 10.4, or if the Purchasing Minority Members are in default of their obligation to complete the purchase of the Majority Members' Shares by the Minority Purchase Date, then the Minority Members shall be bound to participate in the sale of all their Shares to the third party Purchaser and shall be party to the Share sale agreement as the registered holders of their respective Shares. Provided that the purchase price paid to a Minority Member for each of his Shares shall be the Purchase Price, as defined in Article 10.5 (save that "B" shall mean "the total number of the Minority Member Shares").

10.8 Appointment of director as Defaulting Minority Member's attorney

For the purposes of Article 10.7, if a Minority Member ("Defaulting Minority Member") refuses or neglects to sign the Share sale agreement or to Transfer his Shares in accordance with Article 10.7, one of the directors duly nominated for that purpose by a resolution of the board of directors shall be constituted the attorney of the Defaulting Minority Member, with full power on his behalf and in his name to sign the Share sale agreement and to execute, complete and deliver a transfer of the Defaulting Minority Member's Shares to the third party purchaser; and the Company may give a good discharge for the purchase money.

11. TRANSFER OF SHARES - CONSEQUENTIAL PROVISIONS

11.1 Entire legal and beneficial interest in Shares

An obligation to transfer a Share under the provisions of Articles 9 and 10 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrances.

11.2 Waiver of provisions of Articles 9, 10 and 11

The provisions of Articles 9, 10 and 11 may be waived in whole or in part in any particular case with the prior written consent of all the members holding Shares of the same class as the Transfer Shares.

11.3 Prohibited transfers

Notwithstanding anything else contained in these Articles no Share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

12. PROCEEDINGS AT GENERAL MEETINGS

12.1 Three members present in person or by proxy shall be a quorum. Regulation 40 shall be modified accordingly.

12.2 Regulation 41 shall be read as if the words 'and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the adjourned meeting, or if during the meeting a quorum ceases to be present, such adjourned meeting shall be dissolved' were added to the end.

12.3 An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

12.4 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll on the election of a chairman and on a motion to adjourn the meeting.

12.5 The chairman of a general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply.

12.6 If a member is by any means in communication with one or more other members so that each member participating in the communication can hear what is said by any other of them, each member so participating in the communication is deemed to be present in person at a meeting with the other members so participating, even though those members are not present together in the same place. A meeting at which any or all of the members participate as described in this Article 12.6 shall, notwithstanding any other provisions of these Articles, be deemed to be a general meeting of the Company for the purposes of these Articles and all of the provisions of these Articles and of the Act relating to general meetings of the Company and to the proceedings at general meetings shall apply, mutatis mutandis, to every such meeting.

13. RESOLUTIONS IN WRITING

Any such resolution in writing as is referred to in Regulation 53 may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

14. ALTERNATE DIRECTORS

A Director shall not be permitted to appoint an alternate director and Regulations 65 to 69 shall not apply.

15. APPOINTMENT AND RETIREMENT OF DIRECTORS

15.1 Members who together hold a majority of the Shares (including Shares held by the trustee(s) of their respective Qualifying Trusts) (a "Majority of Members") shall be entitled to appoint one or more additional directors by giving written notice of the appointment to the Company. Any director so appointed shall be an Additional Director. An Additional Director's appointment may be ended in appropriate circumstances pursuant to the provisions of any Relevant Agreement or service agreement for the time being between the Additional Director and the Company.

15.2 A notice of appointment or removal of a director pursuant to this Article shall take effect upon lodgment at the office or on delivery to a meeting of the directors or on delivery to the secretary.

15.3 Every director appointed pursuant to this Article shall hold office until he is either removed in the manner provided by this Article or dies or vacates office pursuant to regulation 81 (as modified by Article 18) and neither the Company in general meeting nor the directors shall have power to fill any such vacancy.

16. RETIREMENT BY ROTATION

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

17. APPOINTMENT OF DIRECTORS

No director shall be appointed otherwise than as provided in these Articles. Regulations 76 to 80 shall not apply.

18. DISQUALIFICATION AND REMOVAL OF DIRECTORS

Regulation 81 shall be modified by the deletion of paragraph (e). The office of a director shall also be vacated if he shall be removed from office in accordance with Article 15.

19. REMUNERATION OF DIRECTORS

The ordinary remuneration of the directors shall from time to time be determined by an ordinary resolution of the Company, and shall (unless such resolution otherwise provides) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Regulation 82 shall not apply.

20. PENSIONS

The directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any employees or ex-employees and to officers and ex-officers (including directors and ex-directors) of the Company or its predecessors in business or of any holding company or subsidiary of the Company or to the relations or dependants of any such persons and may establish, support and maintain pensions,

superannuation or other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and/or their relations or dependants or any of them. Any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit, and may vote as a director in respect of the exercise of any of the powers conferred upon the directors by this Article, notwithstanding that he is or may become interested in the resolution voted upon. Regulation 87 shall not apply.

21. PROCEEDINGS OF DIRECTORS

- 21.1 the quorum for the transaction of the business of the directors shall be three. Regulation 89 shall be modified accordingly.
- 21.2 In the event that at any duly convened meeting of the directors or of any committee of the directors the meeting is not quorate, or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place (or to such other day, and at such other time and place as the directors who are then present may agree in writing) and at such adjourned meeting the quorum shall be any two directors.

22. VOTES OF DIRECTORS

All business arising at any meeting of the directors or of any committee of the directors shall be determined only by resolution passed by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote.

23. TELEPHONE MEETINGS OF THE DIRECTORS

For the purposes of regulation 88, a conference of the directors, notwithstanding that at the time it is held the directors participating in the conference ("the Participating Directors") are not present together in the same place, shall be deemed to constitute a meeting of the Participating Directors provided that:-

- 23.1 all of the Participating Directors are, at the time of such conference, in direct simultaneous oral communication with each other, whether by way of telephone, audio-visual link or other form of telecommunication, and have agreed to hold the meeting in the manner described in this Article 19; and
- 23.2 the meeting is in all other respects duly convened and constituted and for these purposes references in these Articles to meetings of the directors shall, in so far as they relate to the proceedings or powers of the directors, be construed accordingly.

24. NOTICE OF MEETINGS OF DIRECTORS

- 24.1 Unless otherwise agreed in writing by all of the directors in any particular case, at least 14 clear days' notice in writing shall be given to each director of every meeting of the directors. The requirement to give notice under this Article 24.1 shall not apply in respect of any director who is absent from the United Kingdom for the time being and who has failed to provide the Company with an address abroad to which such notices may be forwarded.

The third sentence of regulation 88 shall not apply to the Company.

24.2 Regulation 111 shall be read as if the words 'except that a notice calling a meeting of the directors need not be in writing' were deleted.

24.3 Each notice of a directors' meeting shall:

24.3.1 either be delivered to him personally or be sent to the address notified from time to time by each director to the secretary (or, if there is none at that time, the chairman) as his address for the service of such notices (or if no address has been so supplied, to his last known address);

24.3.2 contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting;

24.3.3 wherever practicable, be accompanied by any relevant papers for discussion at the meeting.

Provided that whenever the date and time of a directors' meeting is fixed during a previous directors' meeting:

a. notice of the meeting shall be deemed to have been given personally to those directors present at the previous meeting at which the date and time were fixed; and

b. the requirements of Article 24.3.2 and 24.3.3 shall be complied with not less than 14 days before the date fixed for the meeting (or within such other period as the directors shall agree).

24.4 Notice of a directors' meeting may be delivered personally or by first class prepaid letter and shall be deemed to have been served if by delivery when delivered, and if by first class letter 48 hours after posting.

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

25. **MINUTES**

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

26. **DIRECTORS INTERESTS**

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

27. BORROWING POWERS

The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject as otherwise provided in these Articles to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

28. ACCOUNTS AND INFORMATION

28.1 Subject to the restriction in Article 28.2, every member shall be entitled, either himself or through his agents duly authorised in writing, during the Company's normal hours of business to inspect and take copies of the books of account and all other records and documents of the Company and each of its subsidiaries on giving not less than 48 hours written notice to the secretary (or, if there is none for the time being, the chairman). The Company shall give each such member all such facilities as he may reasonably require for such purposes including the use of copying facilities. The Company may make a reasonable charge for any copies taken but otherwise shall not charge for any facilities requested as aforesaid. Regulations 109 shall not apply.

28.2 A member may not exercise the rights set out in Article 28.1 more than once in any period of six consecutive months.

29. NOTICES

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

30. INDEMNITY

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

31. OVERRIDING PROVISIONS

31.1 Notwithstanding the provisions of these Articles the directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement.

31.2 Where the approval, agreement or consent of any member or director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.