

THE COMPANIES ACT 1985, AS AMENDED  
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

- of -



OXOID GROUP HOLDINGS LIMITED  
(passed on 28 July 2000)

At an Extraordinary General Meeting of the above named Company duly convened and held on 28 July 2000 at 65 Holborn Viaduct, London EC1A 2DY, the following Resolution was duly passed as a Special Resolution of the Company:

SPECIAL RESOLUTION

That:

- (1) each of the existing 100 Ordinary shares of £1.00 each in the share capital of the Company be and it is hereby subdivided into and redesignated as 100 'A' ordinary shares of 1 penny each; and
- (2) the share capital of the Company be increased to £39,900.01 by the creation of:
  - (a) 940,000 "A" Ordinary Shares of 1 penny each;
  - (b) 150,000 "B" Ordinary Shares of 1 penny each;
  - (c) 2,890,000 Preference Shares of 1 penny each;
  - (d) 1 Deferred Share of 1 pence;

in each case having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to subparagraph (3) of this resolution; and

- (3) the regulations contained in the printed document submitted to this meeting, and for the purpose of identification signed by the Chairman, be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company; and

(4) in accordance with section 80 Companies Act 1985 the Directors be and are hereby generally and unconditionally authorised, for the period commencing on and with effect from the date of passing of this Resolution and expiring on the fifth anniversary of such date, to exercise all the powers of the Company:

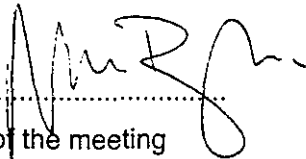
(a) to allot up to 949,800 "A" Ordinary Shares of 1 p each;

(b) to allot up to 150,000 "B" Ordinary Shares of 1 p each; and

(c) to allot up to 2,890,000 Preference Shares of 1 p each;

(5) the pre-emption provisions contained in section 89 Companies Act 1985 are excluded and shall not apply to the allotment of the Shares pursuant to the authority granted to the directors by subparagraph (4) above.

Signed .....  
Chairman of the meeting



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**Company Limited by Shares**

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**Articles of Association**

- of -

**OXOID GROUP HOLDINGS LIMITED**

**Lovells**

65 Holborn Viaduct

London EC1A 2DY

A5/JJM/AMJ

Tel +44 (0)20 7296 2000

Fax +44 (0)20 7296 2001

**Company Limited by Shares**

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**New**

**Articles of Association**

(adopted by Special Resolution  
passed on 28 July 2000)

of

**Oxoid Group Holdings Limited**

**1. REGULATIONS OF THE COMPANY**

- 1.1 The articles comprise these Articles and, save in so far as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 and in force on the date of adoption of these Articles).
- 1.2 Regulations 8, 24, 25, 50, 53, 54, 60-62 (inclusive), 64 to 69 (inclusive), 73-78 (inclusive), 80, 82, 87, 89, 100, 109 and 118 in Table A do not apply to the Company.

**2. INTERPRETATION**

Unless the context otherwise requires:

- (a) words denoting the singular number shall include the plural number and vice-versa;
- (b) words denoting the masculine gender shall include the feminine and neuter genders and vice versa; and
- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships.

3. **DEFINITIONS**

3.1 In these Articles unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:

**"Act"** means the Companies Act 1985 (as amended from time to time);

**"A Shareholders"** means the holders for the time being of "A" Ordinary Shares;

**"A Ordinary Shares"** means the "A" ordinary shares of 1p each in the capital of the Company;

**"Auditors"** means the auditors for the time being of the Company;

**"Board"** means the board of directors for the time being of the Company;

**"B Shareholders"** means the holders for the time being of "B" Ordinary Shares;

**"B Ordinary Shares"** means the "B" ordinary shares of 1 p each in the capital of the Company;

**"Controlling Interest"** means an interest (within the meaning of Schedule 13 Part I and section 24 of the Act) in shares in the Company conferring in the aggregate 30% or more of the total voting rights conferred by all the issued shares in the Company;

**"collective investment scheme"** means as defined in section 75 Financial Services Act 1986;

**"Deferred Shares"** means the deferred shares of 1p each in the capital of the Company;

**"Deferred Shareholder"** means the holders for the time being of Deferred Shares;

**"Facilities Agreement"** means the facilities agreement dated on or about the date of adoption of these articles between (1) the Company and (2) Oxoid 2000 Limited, Oxoid Holdings Limited, Oxoid International Limited and Oxoid Limited and (3)-(6) The Royal Bank of Scotland plc in its various capacities;

**"Fair Value"** means the fair value of a share computed in accordance with Article 14.2(i);

**"Family Trust"** means in relation to any "B" Shareholder or any employee or director of the Company or any of its subsidiaries a trust, whether arising under:

- (a) a settlement inter vivos; or
- (b) a testamentary disposition by whomsoever made; or
- (c) on intestacy;

in respect of which shares in the Company are held under which no beneficial interest in the shares in question is for the time being vested in any person other than the member concerned and/or a Privileged Relation of such member and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees or the member concerned or a Privileged Relation of such member;

**"Fixed Dividend"** means the dividend payable on the Preference Shares in accordance with Article 5.1(a);

**"Group"** means the Company and its subsidiaries from time to time;

**"Intercreditor Agreement"** has the meaning given in the Facilities Agreement;

**"Investment Agreement"** means the Agreement dated [ \*\*\* ] between the Managers, the Investors and the Company;

**"Investors"** means the financial institutions listed in Schedule 2 of the Investment Agreement and any person who is named an Investor in a Deed of Adherence (as defined in the Investment Agreement), in each case while it is a party to the Investment Agreement;

**"Listing"** means:

- (a) the listing of the Ordinary Shares on London Stock Exchange Limited (**"The Stock Exchange"**) becoming effective; or
- (b) the granting of an application by the Company for the dealing in any of the Ordinary Shares on any other public securities market whereby these shares can be freely traded and the approval for such dealing becoming effective;

whether such listing or admission to trading is effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise;

**"Loan Agreements"** means the agreements dated [ ● ] between Oxoid 2000 Limited and the Investors;

**"Managers"** means the persons listed in Schedule 1 of the Investment Agreement and any person who is named as a Manager in a Deed of Adherence (as defined in the Investment Agreement), in each case while it is a party to the Investment Agreement;

**"New Shares"** means the "B" Ordinary Shares issued pursuant to Clause 7.11 of the Investment Agreement;

**"Ordinary Shareholders"** means the holders for the time being of Ordinary Shares;

**"Permitted Transferee"** means a transferee of shares in accordance with Article 15.2(c) or (d);

**"Preference Shares"** means the cumulative redeemable preference shares of 1p each in the capital of the Company;

**"Ordinary Shares"** means the "A" Ordinary Shares or the "B" Ordinary Shares as the case may be;

**"Privileged Relation"** means the wife or common law wife or husband or child or common law husband or grandchild (including any adopted child or stepchild or step grandchild) of a member of the Company;

**"Qualifying Institution"** means any person who manages a collective investment scheme or who manages funds on its own behalf or for clients on a discretionary basis;

**"Remuneration Committee"** has the meaning ascribed to that term in the Investment Agreement;

**"Sale"** means the sale of any interest in the shares of the Company to any person or group (whether in one transaction or a series of transactions) resulting in that person or group alone or together with persons acting in concert with such person or group (as defined by the City Code on Take-Overs and Mergers) holding the right to exercise 50% or more of the voting rights at any general meeting of the Company;

**"Shares"** mean the Ordinary Shares and the Preference Shares as the case may be;

**"Special Director"** means a director appointed pursuant to Article 26.1;

**"Specified Date"** means:

- (a) the date of a Listing; or
- (b) the date upon which an agreement or agreements for a Sale is or are unconditional in all respects;

**"Specified Majority"** means the holders of 51% in nominal value of the "A" Ordinary Shares for the time being in issue;

**"Transfer Notice"** means as defined in Article 14.

- 3.2 Save where the context otherwise requires words and phrases defined in the Act shall have the same meaning herein.

4. **SHARE CAPITAL**

4.1 The share capital of the Company at the date of the adoption of these Articles is divided into:

- (a) 950,000 "A" Ordinary Shares of 1p each;
- (b) 150,000 "B" Ordinary Shares of 1p each;
- (c) 2,890,000 Preference Shares of 1p each; and
- (d) one Deferred Share of 1 penny.

4.2 The "A" Ordinary Shares, the "B" Ordinary Shares, the Preference Shares and Deferred Shares shall constitute separate classes of Shares.

4.3 In the event of the proposed issue of further Shares, these shares shall be offered by notice in writing to the "A" Shareholders and the "B" Shareholders, inviting them to subscribe for the relevant class of additional shares as nearly as may be in proportion to the number of the existing issued "A" Ordinary Shares or "B" Ordinary Shares held by them and setting out the terms upon which such further subscription may be made. If at the time of such offer some or all of the 86,000 "B" Ordinary Shares set aside for the Managers have not been issued then, notwithstanding this, the holders of the "B" Ordinary Shares shall in aggregate be offered such number of additional shares as is equal to the number of existing issued "B" Ordinary Shares as if any of the unissued 86,000 "B" Ordinary Shares had been issued pro rata to each existing holder of "B" Ordinary Shares. Every such invitation shall be open for acceptance in whole or in part within 21 days from the date of its despatch. At the expiration of such 21 day period, the relevant number Shares in respect of which acceptances have been validly received may be allotted to accepting "A" Shareholders and "B" Shareholders on the terms set out in the invitation to subscribe for the Shares.

5. The rights and restrictions attaching to the respective classes of shares shall be as follows.

5.1 **Income**

The profits which are available for distribution (including retained distributable profits) shall be applied:

- (a) (i) first in paying to the holders of the Preference Shares from time to time in issue a fixed cumulative preferential net cash dividend (the "Fixed Dividend") at the rate of 7 per cent per annum on the amount paid up or



credited as paid up thereon (together with any premium paid at the date of issue) the same to be distributed amongst them according to the amounts paid up or credited as paid up thereon and to be payable half yearly, in respect of the 6 month periods ending on 30 June and 31 December respectively, on 15 August and 15 February respectively in every year, the first such dividend to be payable on 15 August 2001 in respect of the period from issue to 30 June 2001;

- (ii) it is hereby expressly provided that all dividends shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same are expressed to be, and shall in the event of their not being paid be, 'cumulative', the amounts due and payable on such dates or at such times shall ipso facto and without any resolution of the directors or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the Preference Shareholders entitled to such dividends subject to there being profits out of which the same may lawfully be paid.
- (b) The balance of such profits which the Company may determine to distribute in respect of any financial year after payment of the Fixed Dividend and all arrears or accruals of any Fixed Dividend shall be distributed amongst the "A" Ordinary Shareholders and the "B" Ordinary Shareholders *pari passu* as if the "A" Ordinary Shares and the "B" Ordinary Shares constituted one class of shares according to the nominal value of "A" Ordinary Shares and the "B" Ordinary Shares (including the premium, if any, paid on the issue thereof) held by them respectively.
- (c) If the Fixed Dividend is not paid on the date specified for payment by these Articles and such payment is permitted under the terms of the Facilities Agreement and the Intercréditor Agreement then the amount of any such overdue dividend shall be increased by 2% from the date on which the payment is due so that any dividend paid after the date on which payment was due shall be at the rate of 7% for the period up to and including the due date and 9% for the period following the due date to the date of payment on the amount paid up or credited as paid up (including any premium).
- (d) If in any financial year of the Company there shall not be sufficient profits of the Company available for distribution and resolved to be distributed in respect of such financial year for which the Company's accounts are made up then any amount unpaid in respect of the Fixed Dividend shall be paid as soon as the

Board considers that the profits available for distribution are sufficient to cover such payment.

- (e) the Deferred Shareholders shall not be entitled to receive any dividend in respect of the Deferred Shares.

## **5.2 As regards capital**

In the event of a winding up of the Company or upon a reduction or return of capital, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in the following manner and order of priority:

- (a) first, in paying to the Preference Shareholders a sum equal to all unpaid arrears or accruals of any Fixed Dividend (whether declared or not) calculated down to and including the date of repayment;
- (b) secondly, in paying to the Preference Shareholders the amount paid up or credited as paid up on each such share (including the premium (if any));
- (c) thirdly, in paying to the holders of "A" Ordinary Shares and the "B" Ordinary Shares the amount paid up or credited as paid up on such shares (excluding the premium (if any));
- (d) fourthly, but subject to the rights of the Deferred Shareholders below, in distributing the balance amongst the "A" Ordinary Shareholders and the "B" Ordinary Shareholders in proportion to the amount paid up or credited as paid up on such shares (excluding the premium (if any)) and as if they were all holders of shares of the same class; and
- (e) the Deferred Shareholders will be entitled to receive the amount paid up on their shares after all other shareholders in the Company have been repaid their capital in full and the holders of equity shares have received an additional amount of £100,000 per share.

## **5.3 As regards redemption**

- (a) The Company shall on each of the following redemption dates (or as soon thereafter as the law permits) redeem the number of Preference Shares for the time being issued and outstanding for the amount paid up or credited as paid up on each share including any premium plus any accrued or unpaid dividends as set out in the table below:

<b>Redemption Dates</b>	<b>Number of Preference Shares to be redeemed</b>
30 June 2009	963,334
30 June 2010	963,333
30 June 2011	963,333

- (b) The Company may if it is lawfully able to do so, redeem the Preference Shares for the amount paid up or credited as paid up including any premium on one or more occasions before 1 July 2009 and shall if it is lawfully able to do so redeem any Preference Shares held by a Manager whose retirement is approved by the Remuneration Committee or who retires on his normal retirement date, subject to the Company being able to comply with its obligations under the Facilities Agreement or as soon as practicable thereafter.
- (c) Fourteen days prior to redemption of any Preference Shares under subclauses 5.3(a) or (b), the Company shall give notice to the Preference Shareholders specifying the total amount of Preference Shares to be redeemed on that occasion, the method by which this was calculated, the number of such holder's Preference Shares to be redeemed in accordance with subclause 5.3(d), the applicable redemption date and place at which the certificate of such shares are to be procured for the redemption. Upon such redemption date each of the Preference Shareholders shall be bound to deliver to the Company at such place the certificates for such of the Shares concerned as are held by him. Upon such delivery of the certificates the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any Preference Shares not to be redeemed on the relevant redemption date, a fresh certificate for such Shares shall be issued free of charge to the holder delivering such certificate to the Company.
- (d) The Preference Shares to be redeemed on any occasion shall be selected, as nearly as may be, pro rata from the holdings of each Preference Shareholder (other than redemption where a member is retiring and such redemption has been sanctioned by the Remuneration Committee or on his normal retirement age).
- (e) On redemption the holders of the Preference Shares being redeemed shall be paid the amount paid up or credited as paid up on each Preference Share to be redeemed (including the premium if any) together with a sum equal to any arrears of the Fixed Dividend, calculated to and including the date of such redemption.

- (f) On the Specified Date (or as soon thereafter as the law permits), the Company shall redeem all Preference Shares then in issue and the provisions of subclause and 5.3(c) above shall apply to such redemption mutatis mutandis.
- (g) As from the date fixed for redemption of any Preference Shares the Fixed Dividend thereon shall cease to accrue except on or in relation to any share in respect of which upon due presentation of the certificate relating thereto payment of the redemption moneys is refused.

#### **5.4 As regards voting**

- (a) Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
- (b) Preference Shares shall entitle the holder to receive notice of and attend any General Meeting but shall not entitle the holder to vote upon any resolution other than a resolution varying or abrogating any of the special rights attached to those shares.
- (c) Any "B" Ordinary Shares held by a person who ceases for whatever reason to be an employee or director of the Company or any of its subsidiaries without remaining or becoming an employee of the Company or any other subsidiary and any "B" Ordinary Shares that have been transferred by that person in accordance with these Articles to a Permitted Transferee shall with effect from the date of such cessation or transfer not be entitled to vote upon any resolution but shall be entitled to receive notice of and attend any General Meeting, provided that if the "B" Ordinary Shares are subsequently transferred by the Permitted Transferee back to the original member who has not ceased to be an employee or director of the Company or any of its subsidiaries, then with effect from that date of transfer, the "B" Ordinary Shares shall carry the right to vote.
- (d) Deferred Shareholders shall not be entitled to receive notice of or attend any General Meeting or to vote on any resolution to be proposed thereat.

#### **5.5 Purchase of Deferred Shares**

On a Specified Date the Company shall (subject to the Act) purchase all the Deferred Shares in issue for an aggregate amount of £100.

6. **CLASS RIGHTS**

6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of 51% of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class subject, in each case, to a 75% majority being required in the circumstances set out in the Act, but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, save that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and where there is only one person holding shares of that class that sole shareholder shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

6.2 Without prejudice to the generality of this Article the special rights attached to the "A" Ordinary Shares shall be deemed to be varied:

- (a) by any alteration to the memorandum or articles of association of the Company; or
- (b) by any alteration, increase, reduction, subdivision consolidation or other variation of any of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries or the reduction in the amount, if any, and standing to the credit of the share premium account or capital redemption reserve fund of the Company or any of its subsidiaries except as expressly provided in or permitted by these Articles; or
- (c) by the creation of any shares or in the share capital of the Company; or
- (d) by the grant of any right to require the allotment or issue of any shares or securities in the Company (other than the creation, allotment or issue of any shares or securities on the date of adoption of these Articles or as expressly provided for or permitted by the Investment Agreement); or
- (e) by the application by way of capitalisation of any sum in or towards paying any debenture or debenture stock (whether secured or unsecured) of the Company; or
- (f) by the passing of a resolution for the winding-up of the Company or any of its subsidiaries; or
- (g) by any Listing or Sale.

- 6.3 The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

**7. ALLOTMENT OF SHARES**

- 7.1 Subject to paragraph 7.4 of this Article and save where expressly provided for or permitted by Investment Agreement the directors shall not without the authority of the Company in general meeting and any consents required pursuant to Article 6.2 allot any of the shares in the capital of the Company.
- 7.2 Where authority has been given to the directors as referred to in paragraph 7.1 of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued and in accordance with this Article allot shares provided that no shares shall be issued at a discount contrary to the Act.
- 7.3 In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.
- 7.4 Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors shall allot such shares as may require to be allotted pursuant to the exercise of such right.
- 7.5 Sections 89(1) and 90 of the Act shall not apply to the Company.
8. In Regulation 3 in Table A there shall be inserted after the words "provided by the articles" the following words, namely: "or by special resolution".
9. Subject to the provisions of Part V of the Act and subject to any other rights attaching to any class of share of the Company under these Articles or otherwise, the Company may:
- (a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;
  - (b) purchase its own shares;
  - (c) make payment in respect of the redemption or purchase under sections 159 and 160 or (as the case may be) section 162 of the Act, together with the relevant consent, of any of its own shares, otherwise than out of distributable profits of the

Company or the proceeds of a fresh issue of shares to the extent permitted by sections 171 and 172 of the Act.

**10. SHARE CERTIFICATES**

In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company".

**11. LIEN**

The Company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

**12. CALLS ON SHARES**

The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no part of that amount has been called up.

**13. TRANSFER OF SHARES**

13.1 No transfer of any share may be registered without the approval of the directors. The directors may withhold such approval if (but only if) either the share is not fully paid up or the Company has a lien thereon or the transfer has not been effected in accordance with these Articles or the directors are otherwise entitled to withhold such approval under these Articles but the directors shall approve a transfer permitted by these Articles.

13.2 The provisions of these Articles shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title. No member shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of Article 14 or Article 15.

13.3 The directors shall not recognise a renunciation of the allotment of any share by the allottee in favour of some other person except and to the extent that the renunciation is in

favour of a person to whom they may be transferred pursuant to Article 15; and in all cases other than this a Transfer Notice shall be deemed to have been given the day before the date of such renunciation.

13.4 The directors may also refuse to register a transfer unless:

- (a) it is lodged duly stamped 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 share; and
- (c) it is in favour of not more than four transferees.

13.5 If the directors refuse to register a transfer of a share, they shall within 14 days after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal.

13.6 All instruments of transfer which are registered shall be retained by the Company, 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.

#### 14. **PRE-EMPTION PROVISIONS**

14.1 This Article is subject to the provisions of Articles 15 and 19.1.

14.2 The provisions contained in this Article 14.2 relate only to the transfer of "B" Ordinary Shares and Preference Shares:

- (a) A member or a person entitled by transmission or otherwise, who intends to transfer shares (the "**Vendor**") shall give to the Company notice in writing of his intention (the "**Transfer Notice**"), specifying the shares which he intends to transfer (the "**Shares for Sale**") and the price per share (the "**Sale Price**") at which he is prepared to sell the Shares for Sale, or where appropriate, that he is prepared to sell at the Fair Value.
- (b) The Transfer Notice once given may not be withdrawn. On receipt of the Transfer Notice by the Company the Transfer Notice shall constitute the Company the Vendor's agent for the sale in accordance with the following provisions of this Article.
- (c) On receipt by the Company of a Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Remuneration Committee, to allocate the Shares for Sale at the Fair Value:



- (i) to a person or persons replacing (directly or indirectly) the Vendor as an employee or director of the Company PROVIDED that such replacement is found within six months of the date of the Transfer Notice; or
- (ii) to a trust for the benefit of employees or directors excluding the Special Director and any Non-executive Directors nominated from time to time by the Investors; or
- (iii) a suitable nominee company (pending nomination of a person pursuant to Article 14.2(c)(i)).

Such determination shall be made within 28 days of the date of the Transfer Notice and shall be communicated in writing to the Vendor. If no such determination is made within this period, or if a determination is made and no replacement is found within the period specified in Article 14.2(c)(i), the Shares for Sale shall be offered in accordance with the remaining provisions of this Article. The date of expiry of the said 28 day or three month period, as the case may be, is herein referred to as the "**Relevant Date**".

- (d) Within seven days of the Relevant Date the Company shall offer the Shares for Sale to the "B" Ordinary Shareholders on the register at the Relevant Date. The offer will invite them to apply for such number of the Shares for Sale as they are respectively prepared to purchase. Every such offer shall be made in writing and shall specify the number of Shares for Sale offered to each "B" Ordinary Shareholder PROVIDED that if the Board considers that the provisions of this Article 14.2 could mean that the offer of the Shares for sale would require a prospectus in accordance with the Public Offers of Securities Regulations 1995, the Board shall (in its absolute discretion) be entitled to devise such other method of offering such Shares which does not require a prospectus. For the avoidance of doubt, such other method may involve the offering of Shares to a limited number of "B" Ordinary Shareholders selected by such method as the Remuneration Committee shall in its discretion think fit.
- (e) Each "B" Ordinary Shareholder shall be entitled to shares as nearly as may be in proportion to the number of the existing issued "B" Ordinary Shares held by him at the date of the offer (the "**Proportionate Entitlement**"). Each offer shall be accompanied by forms of application for use by the "B" Ordinary Shareholder in accepting his Proportionate Entitlement and in applying for any shares in excess of his Proportionate Entitlement (the "**Excess Shares**"). Every such offer shall be open for acceptance in whole or in part within 21 days from the date of its despatch. Every form of application completed by a purchasing "B" Ordinary Shareholder pursuant to any such offer shall state whether, in respect of all (but not some) of the shares applied for, the "B" Ordinary Shareholder is prepared to

accept the Sale Price or requires the Fair Value to be determined in accordance with Article 14.2(i).

- (f) At the expiration of such 21 days, the Remuneration Committee shall allocate the Shares for Sale, in the following manner:
  - (i) if a determination has been made, in accordance with Article 14.2(c);
  - (ii) subject to Article 14.2(f)(i), to each purchasing "B" Ordinary Shareholder there shall be allocated his Proportionate Entitlement or such lesser number of the Shares for Sale for which he may have applied;
  - (iii) if the number of any Shares for Sale which remain unallocated is less than the aggregate number of Excess Shares for which applications have been made, the unallocated shares shall be allocated (as nearly as may be) in the proportions which the Excess Share applications bear to one another;
  - (iv) if the number of the Shares for Sale which remain unallocated equals or is greater than the aggregate number of shares for which Excess Share applications have been made, each purchasing member who has applied for Excess Shares shall be allocated the number of Excess Shares for which he applied.
- (g) If there remains a balance of Shares for Sale which are unsold after the above procedure has been followed, the Remuneration Committee shall offer these remaining shares to the "A" Shareholders and the procedure set out in Article 14.2(d) and 14.2(e) shall be followed with the necessary modification.
- (h) Within seven days of the determination under Article 14.2(c) or the expiry of the last 21 day period in which applications from purchasing members can be made in accordance with this Article, as the case may be, the Company shall notify the Vendor and all purchasing members of the details of the acceptances and applications which have been made and of the allocations made as between purchasing members under this Article. Each purchasing member shall be bound by the terms of any acceptance and application made by him to purchase in accordance with this Article such number of shares are specified therein at the Sale Price or, where such purchasing member has specified that he is not prepared to accept the Sale Price, the Fair Value per share.
- (i) In the case of a determination under Article 14.2(c) or if any purchasing member states in his form of acceptance and application that he is not prepared to accept the Sale Price, the directors shall arrange that an independent chartered accountant ("**the Expert**") shall report in writing on the sum, which in their opinion is the fair value (the "**Fair Value**") of a share comprised in the Shares for Sale (on

the basis that the Vendor is a willing seller and there being a willing buyer), and such sum shall be deemed to be the fair value thereof unless the Vendor in his Transfer Notice shall have notified the Company that a third party, acting in good faith, is willing to purchase the Shares for Sale at a particular price per share and can demonstrate, to the reasonable satisfaction of the Expert (such satisfaction to be notified to the Company in writing by the Expert), the existence of such an offer, when such price shall instead be deemed to be the Fair Value. The Expert shall be an independent chartered accountant of not less than five years' standing who shall be nominated by agreement between the holders of 50 per cent in nominal value of the issued "B" Shares and the holders of 50 per cent in nominal value of the issued "A" Shares or (failing such nomination within 14 days of the event giving rise to the appointment) as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the request of the Directors. In reporting on such sum no account shall be taken of the number of shares comprised in the Shares for Sale nor the number of shares held by other members but the Expert shall otherwise have regard to such criteria as they shall regard as appropriate for the purpose (the Fair Value of the Preference Shares being determined having regard to the rights attaching to such Preference Shares). In so reporting, the Expert shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Act 1996 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The cost of obtaining such Expert's report shall be borne by the Company unless the Fair Value as so determined is less than the Sale Price in which event those purchasing members who have required a fair value to be fixed shall bear the costs, in proportion to the number of shares allocated to each such purchasing member.

- (j) Within seven days of the report of the Auditors being received by the Company, the Company shall send a copy thereof to the Vendor and to all purchasing members.
- (k) Any sale of shares effected pursuant to this Article to a purchasing member who has stated that he is prepared to accept the Sale Price shall be at the Sale Price and any sale of shares effected pursuant to this Article under Article 14.2(c) or to a purchasing member who has required a fair value to be fixed pursuant to Article 14.2(i) shall be at the fair value so fixed.
- (l) The Vendor shall be bound, upon payment of the Sale Price or the Fair Value (as the case may be), to transfer the Shares for Sale which have been allocated pursuant to this Article to the persons nominated by the Board pursuant to Article 14.2(c) or to the purchasing members (as the case may be). If, after becoming so bound, the Vendor makes default in transferring any of the Shares for Sale, the

Company may receive the purchase money and the Vendor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer of Shares for Sale to the purchaser and upon execution of such transfer the Company shall hold the purchase money in trust for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

- (m) If all or any of the Shares for Sale are not accepted by purchasers in accordance with this Article, the Vendor may within six months of the date on which he receives notification of the details of the acceptances and applications by purchasing members under this Article or, when any such purchasing member has required Fair Value to be fixed, within six months after the receipt by the Vendor of a copy of the report of the Auditors under Article 14.2(j) of this Article, transfer all of the Shares for Sale which have not been accepted to any person or persons approved by the Remuneration Committee (such approval not to be unreasonably withheld or delayed) on a bona fide sale at a price per share not less than whichever is the higher of the Sale Price or the Fair Value (after deduction, where appropriate, of any dividend or other distribution to be retained by the Vendor).

14.3 The provisions in this Article 14.3 relate only to the "A" Ordinary Shares:

- (a) The transfer of "A" Ordinary Shares shall be carried out following the same procedure as in Article 14.2, save as varied below.
- (b) Article 14.2(c) shall not apply. The Shares for sale shall be offered in accordance with Article 14.2(d) within 28 days of the date of receipt of the Transfer Notice to shareholders on the register on that date.

14.4 For the purpose of ensuring that a transfer of shares is duly authorised or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the directors may and shall at the written request of the Specified Majority or the Special Director and at the Company's expense request any member or past member or the personal representative or trustee in bankruptcy, administrative receiver or liquidator or administrator of any member or any person named as transferee in any instrument of transfer lodged for registration to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Board within 14 days after such request the Board shall be entitled to refuse to register the transfer in question or, if such information or evidence discloses that a Transfer Notice ought to have been given in respect of any shares the Specified

Majority or the Special Director, may by notice in writing require that a Transfer Notice be given forthwith in respect of the shares concerned.

14.5 If in any case where under the provisions of these Articles:

- (a) the Specified Majority or the Special Director require a Transfer Notice to be given in respect of any shares; or
- (b) a person has become bound to give a Transfer Notice in respect of any shares;

and such a Transfer Notice is not duly given within a period of two weeks of demand being made or within the period allowed thereafter respectively a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.

14.6 No share shall be issued or transferred to any bankrupt or person of unsound mind.

14.7 The provisions of this Article may be set aside with the consent of the Specified Majority and shall cease and determine (except in relation to shares which are then the subject of a Transfer Notice) on the Specified Date.

## 15. **PERMITTED TRANSFERS**

Notwithstanding the provisions of any other Article the transfers set out in this Article 15 shall be permitted without restriction as to price or the requirement to go through the pre-emption procedure in Article 14.

### 15.1 **Permitted transfers by Investors**

- (a) Any transfer by a trustee or nominee for an Investor to another trustee or nominee for that Investor or to that Investor itself.
- (b) Any transfer of any shares in the Company held by an Investor ("**Original Transferor**") between the Original Transferor and any subsidiary company of the Original Transferor or any holding company of the Original Transferor or another subsidiary of such holding company or between one subsidiary of such holding company and such holding company or any other such subsidiary PROVIDED that if subsequently such transferee ceases to be a subsidiary of the ultimate holding company of the Original Transferor or if the beneficial interest in the shares (or the value thereof) ceases to be owned by such ultimate holding company or any of its subsidiaries, such transferee shall:
  - (i) forthwith notify the directors in writing that such event has occurred; and
  - (ii) be bound to give a Transfer Notice in respect of such shares.

- (c) Where shares are held by an Investor as a nominee or on trust for one or more beneficial owners any transfer between that Investor and any other nominee or trustee for those beneficial owners or the beneficial owner for the time being who becomes an Investor.
- (d) Where shares are held by an Investor as a nominee or on trust, whether directly or indirectly, for an approved scheme or schemes as defined in section 612(1) Income and Corporation Taxes Act 1988 any transfer between that member and any other nominee or trustee, whether direct or indirect, for the same approved scheme or schemes.
- (e) Any transfer to a collective investment scheme (or its nominee) managed by an Investor or any other person who becomes a manager or trustee of that collective investment scheme.
- (f) Any transfer to a limited partnership in which each of the limited partners is at the time of the transfer a beneficial owner of some or some part of the shares the subject of the transfer ("**a qualifying partnership**") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the general partner or a nominee of such qualifying partnership to the beneficial owner of the shares.
- (g) Any transfer to a nominee formed for the purposes of administering a co-investment scheme of an Investor.
- (h) Any transfer to a Qualifying Institution.
- (i) Any transfer of shares beneficially owned by an Investor (being an individual) or owned by a trustee which is an Investor to:
  - (i) his nominee or from his nominee to another or to the beneficial owner;
  - (ii) the trustees of any Family Trust or any other trustee or nominee of that Family Trust or any other Family Trust;
  - (iii) (in the case of a trustee) the settlor or the beneficiaries of the trust or to the trustee or nominee of any other Family Trust.
- (j) Any transfer to any other Investor.

## 15.2 Permitted transfers by shareholders who are not Investors

- (a) Any transfer of shares or the creation or transfer of any interest therein by a trust or other scheme for the benefit of employees or directors to or in favour of an employee or director of the Company or of any of its subsidiaries as approved by the Board.

- (b) Any transfer pursuant to Article 14.2(c).
- (c) Any transfer to the member's spouse (including common-law husband or wife) or to the member's children.
- (d) Any transfer to trustees upon a Family Trust and, on a change of trustees, by such trustees to the new trustees of the same Family Trust PROVIDED that:
  - (i) no such transfer shall be made except with the prior consent of the Remuneration Committee and where such consent is requested such consent shall be given when the Remuneration Committee is reasonably satisfied:
    - (1) with the identity of the proposed trustees; and
    - (2) that no costs incurred in connection with the setting up or administration of the relevant Family Trust are to be paid by the Company;
  - (ii) if and whenever any such shares are to cease to be held upon a Family Trust, the trustees shall be bound to serve a Transfer Notice.

### 15.3 Permitted transfers by all shareholders

Any transfer permitted by Article 17 (Limitation on Transfer of control) and 18 (Dragalong).

## 16. COMPULSORY TRANSFERS

- 16.1 (a) If on or before 30 June 2002 an employee or director of the Company or any of its subsidiaries ceases for whatever reason, other than retirement at normal retirement age (or as otherwise agreed by the Remuneration Committee), to be such an employee or director without remaining or becoming an employee of the Company or any other subsidiary (as the case may be) (the "**Leaving Shareholder**"), such employee or director (and any Related Person as defined in Article 6) shall be deemed to have given a Transfer Notice at the date of such cessation in respect of the number of New Shares then registered in his or their names. In any such case as aforesaid the provisions of Article 14 shall take effect save that the Sale Price shall be as set out in Article 16.2 or 16.3 as the case may be.
- (b) If at any time on or before 30 June 2002 any person (whether or not a member) ceases for whatever reason to be a director or employee of the Company or any of its subsidiaries ("**Former Employee**") (other than by reason of retirement at normal retiring age or as otherwise agreed by the Remuneration Committee) and

at any time thereafter he or a Related Person becomes the holder of any shares in the Company, other than the New Shares and the 'B' Ordinary Shares in issue at the date of adoption of these Articles, by virtue of any rights or interests acquired by him whilst he was such director or employee, he shall thereupon be bound to give a Transfer Notice in respect of all such shares in accordance with Article 16.1(a).

- (c) If at any time on or before two years after the date of acquisition of any shares any person, who is not a member of the Company at the date of adoption of these Articles, ceases for whatever reason to be a director or employee of the Company or any of its subsidiaries (other than by reason of retirement at normal retiring age or as otherwise agreed by the Remuneration Committee) ("**Former New Employee**") he shall thereupon be bound to give a Transfer Notice in respect of all such shares registered in his name in accordance with Article 16.1(a).

16.2 Subject to clause 16.3, the Sale Price for the Shares of a Leaving Shareholder, Former Employee and Former New Employee and any related person of either who is deemed to have given a Transfer Notice in accordance with Article 16.1 shall be that set out in column 2 of the table below:

<b>Period since shares first acquired:</b>	<b>Price at which Shares are to be offered</b>
Within first year.	Lower of (a) the cost of acquisition of the shares by the Leaving Shareholder or Former Employee or Former New Employee ("COA") or (b) Fair Value;
Within second year	Lower of (a) aggregate of COA and one half of the difference between COA and Fair Value, or (b) Fair Value.

16.3 If the Leaving Shareholder or Former Employee and Former New Employee ceases to be an employee of the Company due to:

- (a) his death;
- (b) his ill health or permanent disability;
- (c) his redundancy;
- (d) notice or payment in lieu of notice being served by the Company following a determination of the Remuneration Committee has so determined;



- (e) his dismissal where such dismissal is found by a tribunal or court of competent jurisdiction to have been unfair (other than where such unfairness arises solely out of a failure to follow procedure) or wrongful;
- (f) because he is employed by a subsidiary or business of the Company which is sold or otherwise disposed of,

the Sale Price shall be the Fair Value of the Shares.

- 16.4 If the Leaving Shareholder or Former Employee or Former New Employee resigned (other than as a result of retirement, ill-health or permanent disability), that shall not constitute a reason within Article 16.2.
- 16.5 In determining the Fair Value of the Ordinary Shares to be offered pursuant to Article 16, the Company may propose to the Leaving Shareholder or Former Employee or Former New Employee a price which if accepted by the Leaving Shareholder or Former Employee or Former New Employee shall be deemed to be the Fair Value. In the absence of agreement Fair Value shall be determined in accordance with Article 14.2(i).
- 16.6 In this Article a "**Related Person**" is any person who has derived title to any Shares from the Leaving Employee pursuant to Article 15.2 and includes the Family Trusts, personal representations and Privileged Relations of the Leaving Shareholder or Former Employee or Former New Employee.

## 17. **LIMITATION ON TRANSFER OF CONTROL**

- 17.1 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 the registration thereof a Controlling Interest is obtained or increased in the Company by a person who was not a member of the Company on the date this Article was adopted unless and until the proposed transferee or his nominee (the "**Offeror**") makes an offer to purchase all the equity shares at not less than a price approved by the Specified Majority with security as to the performance of the obligations of the proposed transferee which is satisfactory within Specified Majority and on the following terms:
  - (a) save as provided in Article 17.1(b) below, the Offer must be conditional only upon the Offeror having received acceptances in respect of the Ordinary Shares which, together with the Ordinary Shares held by the Offeror, will result in the Offeror holding more than 50% by nominal value of the Ordinary Shares;
  - (b) the Offer may, if appropriate, be conditional upon notification being received from the Office of Fair Trading that the Secretary of State for Trade and Industry does

not intend to refer the proposed acquisition by the Offeror to the Competition Commission;

- (c) the Offer must be open for acceptances for a period of not less than 21 days and not more than 60 days; and
- (d) the Offer must be in cash, or have a cash alternative.

17.2 For the purpose of this Article 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.

17.3 If the Offer becomes unconditional in all respects Shares may be transferred to the Offeror without going through the procedures laid down in Article 14 PROVIDED that the Offeror completes at the same time the purchase of all the shares in respect of which the Offer is accepted.

## 18. **DRAGALONG RIGHTS**

18.1 If a proposed transferee of shares in the Company or his nominee or agent receives (within a period of 21 days of making the first of any offers hereinafter mentioned) acceptances of offers made to all members of the Company (on terms which comply with Article 17.1) which will (ignoring the pre-emption rights, if any, held by other members) result in such transferee or his nominee owning not less than the 75% of the Ordinary Shares then such proposed transferee or his nominee may extend such offers on the terms set out in Article 18.2.

18.2 The terms of the extension are that such transferee or his nominee shall give written notice to those members who have not accepted such offers applicable to them requiring them so to do. Upon the giving of such notice each non-accepting member shall:

- (a) be deemed to have accepted the same in respect of all shares held by him in accordance with the terms of the offer applicable to him and to have irrevocably waived any pre-emption rights he may have in relation to the transfer of any of such shares; and
- (b) become obliged to deliver up to such transferee or his nominee an executed transfer of such shares and the certificate(s) in respect of the same together with an executed waiver of all such pre-emption rights.

18.3 If any such non-accepting member as is referred to in Article 18.2 shall not, within 14 days of becoming required to do so, execute transfers in respect of the shares held by such member and pre-emption waives in respect of other relevant shares, then the directors shall be entitled to, and shall, authorise and instruct such person as they think fit to

execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such member) of the purchase moneys payable for the relevant shares, deliver such transfer(s) and pre-emption waivers to the proposed transferee or his nominee and register such transferee or his nominee as the holder thereof, and after such transferee or his nominee has been registered as the holder the validity of such proceedings shall not be questioned by any person.

- 18.4 Any transfer pursuant to this Article shall not be subject to the pre-emption provisions of Article 14.

## **19. TRANSMISSION OF SHARES**

- 19.1 Regulations 29 to 31 shall apply, with the following modifications:

- (a) The personal representatives of the deceased (where he was a sole holder or only survivor of joint holders) shall be entitled to be registered as the holder of the shares held by the deceased without restriction as to price or the requirement to go through the pre-emption procedure in Article 14. Any instrument of transfer executed by the personal representatives in accordance with regulation 30 shall be subject to Article 14 unless the transfer is permitted under Article 15.
- (b) The person entitled to a share in consequence of the death or bankruptcy of a holder shall be bound to give a Transfer Notice in respect of all the Shares then registered in the name of the deceased or bankrupt holder:
  - (i) in the circumstances set out in Article 16; and/or
  - (ii) at any time, if and when called to do so in writing by the Remuneration Committee.

## **20. ALTERATION OF SHARE CAPITAL**

The provisions of regulations 32, 33, 34 and 36 of Table A shall take effect subject to the provisions of Article 6.

## **21. GENERAL MEETINGS**

- 21.1 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which

any member is entitled to receive shall be sent to the directors for the time being of the Company and the Auditors.

- 21.2 A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

**22. VOTES OF MEMBERS**

The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile copy of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the Company.

**23. PROXIES**

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the registered office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent 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 handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

**24. WRITTEN RESOLUTION**

Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a general meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.

25. **DIRECTORS**

- 25.1 Unless and until otherwise determined by special resolution of the Company the number of directors shall not be less than two nor more than ten. Regulation 64 in Table A shall not apply to the Company.
- 25.2 A director shall not require a share qualification but shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the capital of the Company.

26. **SPECIAL DIRECTOR**

- 26.1 The holders of 51% in nominal value of the issued "A" Ordinary Shares shall be entitled, by notice in writing addressed to the Company from time to time to appoint as a director of the Company any two people (each, a "**Special Director**") and may remove from office any person so appointed and to appoint another person in his place by such written notice.
- 26.2 Any Special Director appointed pursuant to Article 26.1 above, shall be entitled to all notices and voting rights and in all other respects be treated as the other directors of the Company, save that the remuneration of the Special Director shall be at a such fee as is agreed between the persons appointing him and the directors.
- 26.3 On any resolution pursuant to section 303 of the Act or Article 29 hereof for the removal of a Special Director the "A" Shareholders present at such meeting shall together have twice as many votes as all other Shareholders voting on such resolution.
- 26.4 If so required by his appointor, a Special Director shall be appointed a director of any or all the subsidiaries of the Company and the provisions of these Articles relating to the conduct of the business of the Company and the holding of meetings of the board of directors of the Company shall be deemed to apply mutatis mutandis to such subsidiaries to which a Special Director is appointed and the Company shall procure such appointment and observance of this Article 26.4.
- 26.5 Any Special Director shall be entitled to report back to his appointors upon the affairs of the Company and its subsidiaries and to disclose such information as he shall reasonably consider appropriate to them.

27. **BORROWING POWERS**

Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled

capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

**28. QUALIFICATION OF DIRECTORS**

28.1 In addition to the provisions of Regulation 81, the office of a director shall also be vacated if:

- (a) he becomes of unsound mind;
- (b) he is removed under Article 26, being a Special Director.

28.2 Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of 70 years or any other age.

**29. REMOVAL OF DIRECTORS**

In addition and without prejudice to the provisions of section 303 of the Act, the Company may by extraordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his stead.

**30. ALTERNATE DIRECTORS**

A director may at any time appoint any other person (whether a director or member of the Company or not) to act as alternate director at any meeting of the directors at which the director is not present, and may at any time revoke such appointment. The appointment of any person who is not already a director as an alternate shall require the prior approval of the Board, except the case of an alternate for a Special Director. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to directors. An alternate director shall be entitled to receive notice of all meetings of the directors and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the director by whom he was appointed. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director. Where a director who has been appointed to be an alternate director is present at a meeting of the directors in the absence of his appointor such alternate director shall have one vote in addition to his vote as director. Every appointment and revocation of an alternate director shall be made by instrument in writing

under the hand of the director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

**31. REMUNERATION OF DIRECTORS**

The directors shall be entitled to the remuneration which the Remuneration Committee shall approve. Any director who serves on any committee, or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Board are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the Company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Remuneration Committee shall approve.

**32. DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS**

32.1 Subject to the Investment Agreement, the directors may:

- (a) establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Company, or of any company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;
- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company, or of any such other company as aforesaid or of any such persons as aforesaid;
- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance of or in respect of any such persons (including insurance against their negligence) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general, or useful object; and

- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

32.2 Subject always if the Act shall so require to particulars with respect to the proposed payment being disclosed to the members of the Company and to the payment being approved by the Company in general meeting, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

### 33. PROCEEDINGS OF DIRECTORS

In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences namely: "All directors shall be given notice of every meeting of the directors. Any director or alternate director may by notice to the Company waive his right to receive notice of the meeting and the presence of any director or alternate director at the commencement of a meeting shall constitute such waiver by him".

### 34. QUORUM

34.1 The quorum for meetings of the directors shall be three, one of whom must be the Special Director ((if appointed) or his alternate), one of whom must be the Chairman (or his alternate) and one of whom must be the CEO (or his alternate).

34.2 For the purpose of determining whether a quorum exists for the transaction of the business of the board of directors:

- (a) in the case of a resolution agreed by directors in telephonic or audio-visual communication with one another, all such directors shall be counted in the quorum and any resolution so agreed shall be as valid and effective as if passed at a meeting of the board of directors duly convened and held;
- (b) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director in telephonic or audio-visual communication with such meeting shall be counted in the quorum and entitled to vote; and
- (c) any person attending a meeting of the board, or in telephonic or audio-visual communication with such a meeting, who is acting as an alternate director for one or more directors shall be counted as one for each of the directors for whom he is so acting and, if he is a director, shall also be counted as a director, but not less than two individuals, whether both present at the meeting or in telephonic or audio-visual communication with each other, can be a quorum.



35. A resolution in writing of all the directors or all the members of a committee of directors shall be as 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 either:

- (a) if it consists of an instrument executed by or on behalf of each such director or committee member; or
- (b) if it consists of several instruments in the like form each either:
  - (i) executed by or on behalf of one or more of such directors or committee members; or
  - (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary,

and any such instrument executed or sent by or on behalf of an alternate director shall be deemed to have been duly executed or sent (as the case may be) by or on behalf of his appointor.

36. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him, a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulations 94 and 95 in Table A shall be construed subject to this provision.

37. In Regulation 97 in Table A:

- (a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment"; and
- (b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment".

### 38. MINUTES

38.1 The directors shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers and alternate directors 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 of the directors, and of committees of directors, including the names of the persons present at each such meeting.

**39. DIVIDENDS**

Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 0.

**40. THE SEAL**

The Company is authorised pursuant to section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district or place elsewhere than in the United Kingdom.

**41. INDEMNITY**

- 41.1 Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation 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 in connection with any application under section 727 of the Act in which relief is granted to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.
- 41.2 Without prejudice to the provisions of Article 41.1 the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise

in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

**42. RELATIONSHIP TO FACILITIES AGREEMENT**

42.1 The provisions of these articles are subject to the following provisions of this Article 42.

42.2 Notwithstanding any other provisions of these Articles but save with the prior written consent of the Agent (as defined in the Facilities Agreement) no payment shall be declared or made by the Company by way of dividend or other distribution, purchase, redemption, reduction or return of shares or capital or by addition to or repayment of any dividend reserve if and to the extent that such payment is prohibited or restricted by the terms of the Facilities Agreement or the Intercreditor Agreement. No dividends or other distributions payable in respect of Shares, whether pursuant to the provisions of these Articles or otherwise, shall constitute a debt enforceable against the Company unless permitted to be paid in accordance with the Facilities Agreement or the Intercreditor Agreement (but without prejudice to the accrual of interest for late payment in accordance with the terms of these Articles).

42.3 Where any dividend payment is not made because of the provision of the above Article 42.2 such dividend shall be paid upon the necessary consent being obtained or the prohibition thereon ceasing to apply.