

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION of

PINCO 1485 LIMITED

Registered Number 4039976

(adopted by special resolution on 26<sup>th</sup> June 2008)

(amended by special resolution on 8<sup>th</sup> June 2012)

**Preliminary**

**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

- 2.1 words denoting the singular number shall include the plural number and vice-versa,
- 2.2 words denoting the masculine gender shall include the feminine and neuter genders and vice versa, and
- 2.3 references to persons shall include bodies corporate, unincorporated associations and partnerships

THURSDAY



### 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 Loan Stock"	means the 9% (increasing up to 11%) of £1,933,500 unsecured loan stock created by the "A" Loan Stock Instrument
"A Loan Stock Instrument"	means the instrument dated 19 February 2001 executed by the Company creating the "A" Loan Stock
"A Shareholders"	means the holders for the time being of "A" Ordinary Shares
"A Ordinary Shares"	means the "A" Ordinary Shares of £1 each in the capital of the Company
"Annual Review"	means a review, following which the relevant sum shall be adjusted by the amount (if any) agreed in writing between the Company and the holders of 75% of the "A" Ordinary Shares. Any adjustment will be effective from 1 July in the relevant year and will remain in effect until again adjusted
"Auditors"	means the auditors for the time being of the Company
"B Ordinary Shares"	means the "B" Ordinary Shares of £1 each in the capital of the Company

<b>"B Shareholders"</b>	means the holders for the time being of "B" Ordinary Shares
<b>"Benefits"</b>	means all salary, fees and bonuses including sums paid by way of expenses allowance (if taxable), pension contributions, sums paid under long term incentive schemes and the cash value of benefits in kind
<b>"Board"</b>	means the board of directors for the time being of the Company
<b>"Business Day"</b>	means a day, except a Saturday or Sunday, on which banks in the City of London are open for business generally
<b>"Connected Person"</b>	has the meaning attributed by section 839 Income and Corporation Taxes Act 1988
<b>"Controlling Interest"</b>	means an interest (within the meaning of Schedule 13 Part I and section 324 of the Act) in shares in the Company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in the Company
<b>"Collective Investment Scheme"</b>	as defined in section 75 Financial Services Act 1986
<b>"Deferred Shares"</b>	means the deferred shares of £1 each in the capital of the Company
<b>"Exit"</b>	means a Listing and a Sale achieving a sale of not less than 95% of Credit Agricole Indosuez's

holding of shares in the Company and repayment of A Loan Stock held by it

"Exit Value"

means the value of the Company on an Exit determined as follows –

- i) in the case of a Listing, the value shall be equal to the market capitalisation of the company at the price at which shares are offered in the Listing but ignoring any new ordinary shares which are being offered for cash subscription (or, if no shares are so offered, the price at which such shares commence trading),
- ii) in the case of a Sale, the value shall be equal to the cash and/or the value of the other consideration receivable by the members of the Company for the entire issued share capital of the Company and the value of any consideration other than cash shall be the value attributed to the said consideration in the applicable sale and purchase agreement and applying a discount of 3 % over LIBOR to any deferred, but unconditional, consideration,
- iii) in the case of a Winding-up, the

value shall be equal to the value of the net assets for distribution to the holders of Equity Shares after payment of all liabilities and costs

in all cases net of the amounts required to redeem the Preference Shares

**"Fair Value"**

means the fair value of a share computed in accordance with Article 1429

**"Family Trust"**

means in relation to any 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) 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 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

**"Group"**

means the Company and its subsidiaries from time

to time

**"Guaranteed Loan Stock"** means the 8% of £720,000 guaranteed vendor loan stock created by the Guaranteed Loan Stock Instrument

**"Guaranteed Loan Stock Instrument"** means the instrument dated 19 February 2001 executed by the Company creating the Guaranteed Loan Stock

**"Investment Agreement"** means the Agreement of even date with the date of adoption of these Articles between Credit Agricole Indosuez, the Company, and others

**"Investors"** means Credit Agricole Indosuez 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 whole or any part of the equity share capital of the Company on The London Stock Exchange ("The Stock Exchange") becoming effective, or

(b) the granting of an application by the Company for the dealing in any of the equity share capital of the Company on any other public securities market whereby such 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 Agreement"**

means the Agreement of an even date with the adoption of these Articles between the Company and Co-operative Bank Plc relating to the provision of various facilities to the Company

**"Loan Stock Interest"**

the interest payable on the "A" Loan Stock and the Guaranteed Loan Stock as set out in the "A" Loan Stock Instrument and the Guaranteed Loan Stock Instrument

**"Net Profit"**

means the profit on ordinary activities before taxation of the Company and its subsidiaries calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year (to the nearest £1) but adjusted by –

- (a) adding back the amount of any transfer of any sum to reserve and any amortisation of goodwill,
- (b) adding back any amount in excess of £340,000 (subject to Annual Review) in the aggregate charged in respect of Benefits payable to Relevant Directors,

	(c) adding back any amount charged in respect of Loan Stock Interest
"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
"Ordinary Shareholders"	means the holders for the time being of Ordinary Shares
"Ordinary Shares"	means the ordinary shares of £1 each in the capital of the Company
"Outside Purchaser"	means the Offeror referred to in Article 17
"Preference Shareholders"	means the holders for the time being of Preference Shares
"Preference Shares"	means the preference shares of £1 each in the capital of the Company
"Privileged Relation"	means the wife or husband or child or grandchild (including any adopted child or stepchild or step grandchild) of a member of the Company
"Relevant Directors"	means the directors and former directors of the Company and any subsidiary (but only if such directors or former directors or their Connected Persons are interested in shares in the Company) and their Connected Persons but excluding any Special Director
"Special Director"	means a director appointed pursuant to Article 26.1



<b>"Sale"</b>	means the sale of any interest in the shares of the Company to any person or group not holding shares in the Company on the date of adoption of these Articles (whether in one transaction or a series of related 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
<b>"Specified Date"</b>	means <ul style="list-style-type: none"> <li>a) the date of a Listing,</li> <li>b) the date upon which an agreement or</li> <li>c) agreements for a Sale is or are unconditional in all respects,</li> </ul>
<b>"Specified Majority"</b>	means the holders of 51% in nominal value of the "A" Ordinary Shares for the time being in issue
<b>"Target Exit Value"</b>	means, the following target exit value to be realised by an Exit taking place in the applicable periods shown below <ul style="list-style-type: none"> <li>• up to 30 June 2001 £5,400,000</li> <li>• 1 July 2001 to 30 June 2002 £5,400,000</li> <li>• 1 July 2002 to 30 June 2003 £5,700,000</li> <li>• 1 July 2003 to 30 June 2004 £6,200,000</li> <li>• 1 July 2004 to 30 June 2005 £6,400,000</li> </ul>

- 1 July 2005 to 30 June 2006 £7,000,000

"Transfer Notice" 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

4.1.1 630,700 Preference Shares of £1 each,

4.1.2 66,500 "A" Ordinary Shares of £1 each,

4.1.3 5,000 "B" Ordinary Shares of £1 each, and

4.1.4 33,500 Ordinary Shares of £1 each

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

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

#### 5. CLASSES OF SHARES

##### Income

5.1 The profits which are available for distribution (including retained distributable profits) shall be distributed as follows –

5.1.1 First, in paying to the holders of the Preference Shares a fixed cumulative preferential dividend (hereinafter in these Articles referred

to as "the Preference Dividend") of an amount equal to –

5.1.1.1 8% per annum in respect of the period up until 30 June 2002,

5.1.1.2 9% in respect of the accounting period up until 30 June 2003, and

5.1.1.3 10% in respect of the accounting period up until 30 June 2004 and thereafter

such rate being payable on the amounts paid up or credited as paid up on each Preference Share (including any premium) and being net of Advance Corporation Tax. Such dividend shall accrue on a daily basis from the date of the Investment Agreement and be payable yearly on 31 August, the first such payment to be made on 31 August 2002

5.1.2 Second, in paying to the holders of the "A" Ordinary Shares as a class in respect of each financial year of the Company following 30 June 2003 a cumulative preferential net cash dividend (hereinafter in these Articles referred to as "the Participating Dividend") of a sum equal to 15% of the Net Profit of the Company and its subsidiaries for the relevant financial year. The Participating Dividend (if any) shall be paid not later than 4 months after the end of each successive accounting reference period of the Company or not later than 14 days after the audit report on the accounts of the Company for such period is signed by the Auditors, whichever is earlier, and the first such payment of the Participating Dividend is to be made in relation to the financial year ending 30 June 2004

5.1.3 No dividend shall be declared or paid to the holders of Ordinary Shares or "B" Ordinary Shares in respect of any financial year of the Company unless and until –

- 5 1 3 1 the Preference Dividend and the Participating Dividend (if any) have been paid in full in respect of that financial year and in respect of all previous financial years of the Company, and
- 5 1.3.2 after redemption of all of the "A" Loan Stock and the Guaranteed Loan Stock in accordance with its terms
- 5 1 4 The holders of the Deferred Shares shall not be entitled to receive any dividend or participate in the profits of the Company
- 5 1 5 Every dividend shall unless otherwise provided accrue on a daily basis.
- 5.1.6 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act the Preference Dividend and the Participating Dividend shall (notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend provided that if due to delays in the preparation of the audited accounts of the Company the Participating Dividend cannot be calculated by the date it is due for payment then there shall be paid forthwith an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend payable The next and (if appropriate) any subsequent Participating Dividend shall be adjusted to take account of any overpayment or underpayment in respect of the said interim dividend which becomes apparent when the audited accounts are available.
- 5.1.7 The Company shall procure that each of its subsidiaries which

has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any redemption moneys due on the Preference Shares and the Preference Dividend and the Participating Dividend.

- 5 1 8      Thereafter, subject to Articles 5.1.1 to 5.1.7 being satisfied, any further distribution in addition to the Preference Dividend and the Participating Dividend which the Company may determine shall be distributed among the holders of Preference Shares, "A" Ordinary Shares, "B" Ordinary Shares and Ordinary Shares as if the same constituted one class of shares PROVIDED that no such distribution shall be payable without the consent of the Specified Majority

## Capital

- 5 2      As regard capital –

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

5 2 1 1      first, in paying to the holders of the Preference Shares £1 per share together with a sum equal to any arrears or accruals of the Preference Dividend calculated down to the date of the return of capital,

5.2.1.2      second, in paying to the holders of the "A" Ordinary Shares £1 per share together with a sum equal to any arrears or accruals of the dividends on the "A" Ordinary Shares calculated down to the date of the return of capital,

5 2 1 3      third, in paying to the holders of Ordinary Shares and/or "B" Ordinary Shares £1 per share,

5.2 1 4 fourth, in paying to the holders of the Deferred Shares £1 per share, and

5.2 1 5 the balance of such assets shall be distributed amongst the holders of the "A" Ordinary Shares, "B" Ordinary Shares and Ordinary Shares (pari passu as if the same constituted one class of share)

5 2.2 Notwithstanding anything else in these Articles, the payment of dividends on all classes of the shares and (if applicable) the redemption or purchase of any class of shares, shall be made only if and to the extent permitted by the Loan Agreement. If the payment of all or any part of such dividend cannot be paid by virtue of the Loan Agreement, then no such payment shall be made but the unpaid portion shall remain a debt due from the Company to the relevant shareholder and the non-payment shall be without prejudice to any provisions of these Articles specifying the consequences of any such non payment.

## Voting

5 3 As regards voting 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 holder of Ordinary Shares who is present in person shall have one vote for every share of which he is a holder, every holder of "A" Ordinary Shares who is present in person shall have one vote for every share of which he is a holder and every holder of "B" Ordinary Shares who is present in person shall have one vote for every shares of which he is a holder and on a poll every holder of Ordinary Shares who is present in person or by proxy shall have one vote for every share of which he is the holder, every holder of "A" Ordinary Shares who is present in person or by proxy shall have one vote for every share of which he is the holder and every holder of "B" Ordinary Shares who is present in

person or by proxy shall have one vote for every share of which he is a the holder For the avoidance of doubt the holder of Preference Shares or Deferred Shares shall not be entitled to any votes, either on a show of hands or by poll, for any Preference Share or Deferred Share of which he is the holder

5.4 If any of the following events or matters occurs then each "A" Ordinary Share shall at a general meeting of the Company (and in respect of any consents required to hold such meeting) carry 10 (ten) votes per share until such time as such event or matters are remedied and whereupon the enhanced voting rights granted to the holders of "A" Ordinary Shares by this Article 5 4 shall automatically cease

5 4.1 at the date of the meeting more than 1 (one) month shall have elapsed since the due date for payment of any instalment of interest under the "A" Loan Stock without payment having been made in full of such instalment, or

5 4 2 at the date of the meeting the Company shall have failed or been unable to redeem the "A" Loan Notes within 1 (one) month after the due date or dates for redemption, or

5 4 3 at the date of the meeting the Participating Dividend is in arrears by more than 1 (one) month, or

5 4.4 arrangement with the creditors of any member of the Group or a resolution for the winding-up of any member of the Group or the presentation of a petition for the making of an administration order in respect of any member of the Group or a resolution for a reduction of the capital of any member of the Group, or

5 4 5 the business of the meeting includes the consideration of a voluntary

5 4 6 at the date of the meeting the Company is in breach of any of the

provisions of Article 6.2 and the consent or sanction of the "A" ordinary Shareholders has not been given thereto in accordance with Article 6.2, or

5.4.7 at the date of the meeting there shall have occurred any act, omission or event which constitutes or may constitute (with the passage of time or the giving of notice) an Event of Default (as such terms are defined in the Loan Agreement)

in each case until such time as such event or matters are remedied to the satisfaction of the Investors

#### **Redemption of Preference Shares**

5.5 The Preference Shares shall be redeemed by the Company for cash and at par value in accordance with the following provisions of Article 5.

5.6 The Preference Shares shall be redeemed by the Company within 10 Business Days of a Listing or Sale (if and to the extent the Preference Shares are not comprised within a Sale).

5.7 The Preference Shares shall be redeemed upon the holder thereof giving to the Company not less than 3 (three) months notice or upon the Company giving to the holder not less than 1 (one) month's notice at any time after 30 June 2002 provided that "A" Loan Stock, the Guaranteed Loan Stock and the term loan provided under the Loan Agreement shall at the date of issue of such notice have been repaid in full with all interest and other payments due under these instruments and provided that the Preference Shares shall in any event be redeemed not later than 31 December 2016.

5.8 The date upon which the Preference Shares are due to be redeemed in accordance with the preceding provisions of this Article 5 is henceforth referred to as the "Redemption Date".

5.9 Upon a Redemption Date the paid up nominal capital on the Preference



Shares to be redeemed together with,

5 9.1 the amount of the Preference Dividend accrued to the Redemption Date, and

5 9 2 any arrears of Preference Dividend

shall become a debt due and payable by the Company to the holders of the Preference Shares to be redeemed. The redemption monies shall be paid subject to receipt of the relevant share certificates (or an indemnity in a form reasonably satisfactory to the Company).

5 10 In the case of a redemption of part of the Preference Shares included in the certificate the Company shall, without charge, issue a fresh certificate for the balance of the Preference Shares.

5.11 As from the relevant Redemption Date the Preference Dividend shall cease to accrue on any shares due to be redeemed on that date but if on the presentation of the certificate (or indemnity) relating to those shares the Company fails to pay the full amount payable on redemption the amount not paid shall bear interest at the rate of the Preference Dividend.

5.12 On an Exit –

5 12 1 first of all, the Preference Shares shall be redeemed in accordance with the provisions of Article 5 5,

5 12 2 thereafter, either (a) if immediately prior to the Exit, the Exit Value is equal to or less than either £5,400,000 for the year ending 30 June 2001 or thereafter the Target Exit Value of the year preceding the relevant year in which the Exit occurs or (b) there has been any subsequent issue of shares or loan notes by the Company following the date of adoption of these Articles (other than the 10,000 Ordinary Shares anticipated as at the date of adoption of these Articles to be issued following the date of such adoption) or (c) an Exit has not

been achieved by 30 June 2006, then the Exit Value shall be apportioned between the holders of the "A" Ordinary Shares, the "B" Ordinary Shares and the Ordinary Shares pro rata to their respective holdings as if the same all constituted the same class,

5 12 3 subject to Article 5.12 2 not applying if immediately prior to an Exit, the Exit Value is in excess of either £5,400,000 for the year ending 30 June 2001 or thereafter the Target Exit Value of the year preceding the relevant year in which the Exit occurs then the Exit Value shall be apportioned between the holders of the "A" Ordinary Shares, the "B" Ordinary Shares and the Ordinary Shares by adjusting each class of Shares percentage entitlement to the Exit Value (as calculated between the holders of the "A" Ordinary Shares, the "B" Ordinary Shares and the Ordinary Shares pro rata to their respective holdings as if the same all constituted the same class) as follows and the provisions of Article 5 13 shall then apply –

pro rata % to which "A" Ordinary Shares entitled shall be reduced by the <i>A Percentage</i>	pro rata % to which Ordinary Shares entitled shall be increased by reason of the A Percentage reduction and 0 Percentage reduction	pro rata % to which Ordinary Shares entitled shall be reduced by the <i>0 Percentage</i>
the A Percentage is calculated by  A multiplied by X  where A is the sum of total number of A Ordinary Shares in	the 0 Percentage is calculated by 0 multiplied by X where 0 is the sum of the total number of Ordinary Shares in issue at the date immediately prior to the date of Exit divided by the aggregate of all "K Ordinary Shares, "B" Ordinary Shares and Ordinary Shares at that	

immediately prior to date  
 the date of Exit divided by the X is calculated as under the A Percentage  
 aggregate of all A Ordinary Shares,  
 B Ordinary Shares and Ordinary  
 Shares in issue at that date  

$$X = \frac{\text{Exit Value}}{\text{Aggregate of all A Ordinary Shares, B Ordinary Shares and Ordinary Shares in issue at that date}}$$
 X is 5% multiplied by the sum of  
 the Exit Value divided by the  
 relevant Target Exit  
 Value Provided that X will  
 never exceed 5%

5.13 In order to implement the provisions in Article 5.12 immediately prior to and  
 conditional upon an Exit, such number of "A" Ordinary Shares and  
 Ordinary Shares shall automatically convert into such number of Deferred  
 Shares as will result in the holders of the "A" Ordinary Shares, "B" Ordinary  
 Shares and Ordinary Shares respectively receiving their adjusted percentage  
 entitlement to the Exit Value referred to in Article 5.12.

5.14 If the number of shares to be converted is agreed between the holders of not  
 less than 75% in nominal value of the "A" Ordinary Shares on the one hand and  
 the holders of not less than 75% in nominal value of the Ordinary Shares on  
 the other hand then their agreement shall be final and binding on all of the  
 holders of equity shares. In default of such agreement, the matter shall  
 immediately be referred to an independent chartered accountant (the "Expert")  
 for determination and certification. 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 75% in nominal value of the "A"  
 Ordinary Shares and the holders of 75% in nominal value of the Ordinary Shares,  
 or failing such nomination within 14 days of an Exit, 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 any holder of shares or the directors of the Company. Upon being nominated the Expert shall determine and certify the number of shares to be converted in accordance with the Articles and the written certificate of the Expert (acting as expert and not as arbitrator) as to the number of shares to be transferred shall (save in the case of manifest error) be conclusive and binding on the Company and its members. The costs of the Expert shall be borne by the Company.

- 5.15 If on an Exit all or part of the consideration receivable is conditional, and upon satisfaction of the relevant condition(s), any further sums are received whether in cash, shares, loan stock or a combination thereof, or in any form which could reasonably be said to be consideration receivable on the Exit ("Conditional Consideration"), on receipt of such Conditional Consideration, the Target Exit Value and the Exit Amount as at the date such additional Conditional Consideration is received shall be recalculated by reference to the aggregate amount of consideration received pursuant to the Exit, including the Conditional Consideration, and such Conditional Consideration shall be apportioned amongst the holders of the "A" Ordinary Shares, "B" Ordinary Shares and Ordinary Shares pursuant to Articles 5.12 to 5.13 inclusive as if the Conditional Consideration had been included in the Exit Value immediately prior to the Exit

## **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 at least 75% of the issued shares of that class. 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 Preference Shares, the "B" Ordinary Shares or the "A" Ordinary Shares shall be deemed to be varied

6 2.1 by any alteration to the Memorandum or Articles of Association of the Company, or

6.2 2 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

6 2 3 by the creation of any shares other than the Preference Shares, the "A" Ordinary Shares and the Ordinary Shares, or

6 2 4 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

6 2 5 by the sale or transfer or other disposal (other than from one

wholly owned subsidiary to another or from or to the Company to or from a wholly owned subsidiary) of the whole undertaking, assets or property of the Company or of any of its subsidiaries or any substantial part thereof, or

6.2.6 by any change in the accounting reference date or the auditors for the time being of the Company, or

6 2 7 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

6 2.8 by any material alteration to the structure of the business of the Company or of any of its subsidiaries or its cessation to a material extent, or

6 2 9 by the purchase or other acquisition by the Company of any share capital of the Company (but not including redemption of shares in accordance with these Articles), or

6.2 10 by the passing of a resolution for the winding-up of the Company or any of its subsidiaries unless such subsidiaries are on the date of adoption of these Articles dormant, or

6 2 11 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 the terms of the 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 and subject to Articles 7.5 and 7.6 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 Subject to the foregoing no "A" Ordinary Shares shall be offered for allotment unless at the same time a pro rata number of "B" Ordinary Shares and Ordinary Shares is offered for allotment in order to enable the holders of the "B" Ordinary Shares and the Ordinary Shares to maintain the same percentage of share capital of the Company as is held by them as at the date of the adoption of these Articles.
- 7.6 Subject to the aforesaid, any un-issued shares shall before they are issued first be offered to Members holding shares of such class in proportion as nearly as may be to the number of existing shares held by them. The offer shall be made by notice specifying the number of shares offered and limiting a period (not less than 14 (fourteen) days) within which the offer, if not accepted will be deemed to be delivered. After the expiration of that period those shares so deemed to be declined shall be offered *in* the proportion aforesaid to the persons (being holders of the same class) who have, within the said period, accepted all the shares offered to them. Such further offer shall be made in like terms in the

same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer shall be withdrawn and not offered elsewhere except as the Company may by Special Resolution otherwise direct and subject always to the consent of the Specified Majority

## 8. SHARE CAPITAL

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. REDEMPTION

9.1 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

9.1.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned,

9.1.2 purchase its own shares (including any redeemable shares),

9.1.3 make payment in respect of the redemption or purchase under ss 159 and 160 or (as the case may be) s 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 ss 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

## 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

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

13.4.1 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,

13.4.2 it is in respect of only one class of share, and 13.4.3 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 to the transfer of any Preference Shares, "B" Ordinary Shares or Ordinary Shares

14.2.1 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.

14.2.2 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

14.2.3 On receipt by the Company of a Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Special Director, to allocate the Shares for Sale at the Fair Value

14.2.3.1 to a person or persons (whose identity need not at the date of determination be known) 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

14.2.3.2 to a trust for the benefit of employees or directors, or

14.2.3.3 a suitable nominee company (pending nomination of a person pursuant to Article 14.2.3(a))

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 14.2.3(a), 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 six month period, as the case may be, is herein referred to as the "Relevant Date".

14.2.4 Within seven days of the Relevant Date the Company shall offer to the Preference Shareholders and/or the "B" Shareholders and/or the Ordinary Shareholders on the register (and for the avoidance of doubt excluding the Vendor) at the Relevant Date, such Shares for Sale as constitute the same class of shares held by such Preference

Shareholders and/or "B" Shareholders and/or Ordinary Shareholders respectively. The offer will invite them to apply for such number of the Shares for Sale of the same class of shares held by them 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 Preference Shareholder, "B" Shareholder and 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 the Shares for sale to a limited number of Preference Shareholders, "B" Shareholders and Ordinary Shareholders selected by such method as the Board shall in its discretion think fit.

- 14.2.5 Each Preference Shareholder, "B" Shareholder and Ordinary Shareholder shall be entitled to shares as nearly as may be in proportion to the number of the existing issued Preference Shares, "B" Ordinary Shares or 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 Preference Shareholder, "B" Shareholder or 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 or such longer period (not exceeding 45 days) as the Board may determine. Every form of application completed by a purchasing Preference

Shareholder, "B" Shareholder or Ordinary Shareholder pursuant to any such offer shall state whether, in respect of all (but not some) of the shares applied for, the Preference Shareholder, "B" Shareholder or Ordinary Shareholder is prepared to accept the Sale Price or requires the Fair Value to be determined in accordance with Article 14 2 9

14 2.6 At the expiration of such 21 days, the directors shall allocate the Shares for Sale, in the following manner

14 2 6 1 if a determination has been made, in accordance with Article 14 2 3,

14 2 6 2 subject to Article 14 2 6(a), to each purchasing Preference Shareholder, "B" Shareholder or Ordinary Shareholder there shall be allocated his Proportionate Entitlement or such lesser number of the Shares for Sale for which he may have applied,

14.2 6 3 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,

14 2 6.4 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

14.2 7 If there remains a balance of Shares for Sale which are unsold after

the above procedure has been followed, the directors shall offer these remaining shares to the "A" Ordinary Shareholders and the procedure set out in Article 14.2.4 and 14.2.5 shall be followed with the necessary modification

14.2.8 Within seven days of the determination under Article 14.2.3 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.

14.2.9 In the case of a determination under Article 14.2.3 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 instruct the Auditors to state in writing the sum which in their opinion represents 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 willing buyer with no account being taken of minority interest and all shares being treated as one class for the purpose of valuation), 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 Investors (such satisfaction to be notified to the Company in writing by the Investors), the existence of such an offer, when such price shall instead be deemed to be the Fair Value. If by reason of the valuation the Fair Value is determined to be –

14.2.9.1 in excess of the Sale Price proposed by the Vendor then the costs of the valuation shall be borne by the Company, or

14.2.9.2 less than or equal to the Sale Price proposed by the Vendor then the costs of the valuation shall be borne by the Vendor

In stating the Fair Value the Auditors shall act as experts and not as arbitrators and accordingly any provisions of law or statute relating to arbitration shall not apply

14.2.10 Within seven days of the statement of the Auditors being received by the Company, the Company shall send a copy thereof to the Vendor and to all purchasing members

14.2.11 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 14.2.3 or to a purchasing member who has required a fair value to be fixed pursuant to Article 14.2.9 shall be at the fair value so fixed

14.2.12 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 14.2.3 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

14 2.13 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 statement of the Auditors under Article 14 2 10 of this Article, transfer all of the Shares for Sale which have not been accepted to any person or persons approved by the Special Director (such approval not to be unreasonably withheld) 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 transfer of "A" Ordinary Shares The transfer of "A" Ordinary Shares shall be carried out following the



same procedure as in Article 14 2 1 to 14 2 4 inclusive

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 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 21 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 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

14 5 1 the Specified Majority require a Transfer Notice to be given in respect of any shares, or

14 5 2 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 undischarged bankrupt or person of unsound mind

- 14 7 The provisions of this Article 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

- 15 1 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.

### Permitted Transfers of "A" Ordinary Shares

- 15.1.1 Any transfer by a trustee or nominee for the holder of "A" Ordinary Shares to another trustee or nominee for the holder of "A" Ordinary Shares or to the holder of "A" Ordinary Shares itself
- 15.1.2 Any transfer by the holder of any "A" Ordinary Shares ("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
- 15.1 2 1 forthwith notify the directors in writing that such event has occurred, and
- 15.1 2 2 be bound to give a Transfer Notice in respect of such shares
- 15.1 3 Where "A" Ordinary Shares are held as a nominee or on trust for one or more beneficial owners any transfer between that holder

and any other nominee or trustee or the beneficial owner for the time being who becomes a holder of "A" Ordinary Shares

- 15.1.4 Where "A" Ordinary Shares are held as a nominee or on trust, whether directly or indirectly, for an approved scheme or schemes as defined in s 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
- 15.1.5 Any transfer to a collective investment scheme (or its nominee) managed by a holder of "A" Ordinary Shares or any other person who becomes a manager or trustee of such a collective investment scheme
- 15.1.6 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
- 15.1.7 Any transfer to a nominee formed for the purposes of administering a co-investment scheme of a holder of "A" Ordinary Shares
- 15.1.8 Any transfer to a Qualifying Institution.

#### **Permitted Transfers of "B" Ordinary Shares and Ordinary Shares**

- 15.2 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

15.3 Any transfer pursuant to Article 14.2.3

15.4 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

15.4.1 no such transfer shall be made except with the prior consent of the Specified Majority and where such consent is requested such consent shall be given when the holders are satisfied

15.4.1.1 with the terms of the trust instrument relating to such Family Trust and in particular with the powers of the trustees pursuant to such instrument,

15.4.1.1.1 with the identity of the proposed trustees,

15.4.1.1.2 that the proposed transfer will not result in less than 50% of the transferor's interest in the Company's equity share capital on the date of adoption of these Articles or date of first transfer if later being held by trustees of that and any other Family Trust, and

15.4.1.1.3 that no costs incurred in connection with the setting up or administration of the relevant Family Trust are to be paid by the Company,

15.4.1.2 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

#### Permitted Transfers by All Shareholders

15.5 Any transfer permitted by Article 17 (Change of control) and 18 ( Drag-along)

#### 16. COMPULSORY TRANSFERS

16.1.1 If an employee or director of the Company or any of its subsidiaries ceases for whatever reason 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 16.5) shall be deemed to have given a Transfer Notice at the date of such cessation in respect of all the 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

16.1.2 If at any time 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") and at any time thereafter he or a Related Person becomes the holder of any shares in the Company 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 16.1.1

16.2 The Sale Price for the shares of a Leaving Shareholder and Former Employee and any related person of either shall be

16.2.1 if the date on which the Transfer Notice is required to be given

arises prior to 18 (eighteen)] months after the date of his becoming an owner of the shares the cost of acquisition of the Shares by the Leaving Shareholder or Former Employee,

16.2.2 if the Leaving Shareholder or Former Employee has ceased to be an employee at any time after 18 (eighteen) months after the date of his becoming an owner of the shares the higher of cost of acquisition of the Shares by the employee or director and the Fair Value, or

16.2.3 if the Leaving Shareholder or Former Employee has ceased to be an employee for any reason other than one set out in Article 16.3 the lower of cost of acquisition of the Shares by the Former Employee and the Fair Value

16.3 The reasons referred to in Article 16.2 are

16.3.1 his retirement on reaching retirement age in accordance with his terms of employment,

16.3.2 his death,

16.3.3 his ill health or permanent disability,

16.3.4 his redundancy

16.3.5 his dismissal where such dismissal is found by a tribunal or court of competent jurisdiction to have been unfair or wrongful

16.3.6 because he is employed by a subsidiary or business of the Company which is sold or otherwise disposed of,

PROVIDED that if the Leaving Shareholder or Former Employee resigned (other than as a result of retirement, ill-health or permanent disability) that shall not constitute a reason within this Article 16.3

16.4 In determining the Fair Value of the Shares to be offered pursuant to

Article 16.1 1, the Company may propose to the Leaving Shareholder or Former Employee a price which if accepted by the Leaving Shareholder or Former Employee shall be deemed to be the Fair Value. In the absence of agreement Fair Value shall be determined in accordance with Article 14.2.9

16.5 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

## 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 (other than a sale or transfer envisaged by Clause 13 of the Investment Agreement) 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 (a) the previous consent of the Specified Majority has been granted to such sale and (b) the proposed transferee or his nominee (the "Offeror") makes an offer to purchase all the equity shares at not less than a price and otherwise on terms accepted by the Specified Majority and on the following terms

17.1.1 it is a bona fide offer on arms length terms with security as to the performance of the obligations of the proposed transferee which is satisfactory to the Specified Majority,

17.1.2 save as provided in Article 17.1.3 below, the Offer must be conditional only upon the Offeror having received acceptances in respect of the Shares which, together with the equity shares held by the Offeror, will result in the Offeror holding more than 50%

by nominal value of the equity shares,

17.1.3 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 Monopolies and Merger Commission,

17.1.4 the Offer must be open for acceptances for a period of not less than 14 days and not more than 60 days, and

17.1.5 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 renouncee 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. DRAG-ALONG 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 "A" Ordinary Shares then such proposed transferee or his nominee shall extend such offers on the terms set out in Article 18.2 (save that a transferee of shares in accordance with Clause 13 of the Investment Agreement shall not be so obliged)

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

18.2.1 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

18.2.2 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 waivers 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

19.1.1 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.

19.1.2 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

19.1.2 1 in the circumstances set out in Article 16, and/or

19 1 2 2 at any time, if and when called to do so in writing by the Specified Majority

## 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. Regulation 64 in Table A shall not apply to the Company. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

- 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 Specified Majority shall be entitled by notice in writing addressed to the Company from time to time to appoint as a director of the Company any one person (the "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" Ordinary 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

26 6 For so long as any Investor is entitled to appoint a Special Director but has not exercised such right such Investor shall be entitled from time to time to appoint any person (an "Observer") to attend meetings of the board of directors of the Company, including committees thereof and meetings of the boards of directors of subsidiaries of the Company and committees of such boards. An Observer shall be given (at the same time as the directors) notice of all such meetings of the directors and all agendas, minutes and other papers relating to such meetings. Observers shall be entitled to speak at such meetings and to require that business be upon the agenda for any such meeting but shall not in any circumstances be entitled to vote. The Company shall reimburse all expenses of the Observer properly incurred in performance of his functions whether such functions are performed in respect of the Company or one of its subsidiaries but shall not pay such Observer any fees unless agreed by the Board

## 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

28 1 1 he becomes of unsound mind,

28 1 2 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

29 1 In addition and without prejudice to the provisions of s 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 Board 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 directors shall approve.

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

32.1 Subject to the Investment Agreement, the directors may

32.1.1 establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any noncontributory 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,

32.1.2 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 wellbeing of the Company, or of any such other company as aforesaid or of any such persons as aforesaid,

- 32 1.3 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,
- 32 1 4 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
- 32 1 5 do any of the above things either alone or in conjunction with any such other company as aforesaid
- 32 1.6 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 two one of whom must be the Special Director (if appointed) 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
  - 34 2 1 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,

34.2.2 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

34 2 3 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. DIRECTORS' RESOLUTIONS

35.1 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

35 1 1 if it consists of an instrument executed by or on behalf of each such director or committee member, or

35.1 2 if it consists of several instruments in the like form each either

35 1.2.1 executed by or on behalf of one or more of such directors or committee members, or

35.1.2.2 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. DIRECTORS' INTERESTS

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. MISCELLANEOUS DIRECTORS' APPOINTMENT AND QUORUM

37 1 In regulation 97 in Table A

37 1.1 there shall be inserted after the words "the appointment" the following words, namely "or the terms of appointment", and

37 1 2 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

38 1 1 of all appointments of officers and alternate directors made by the directors, and

38 1 2 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 5

### 40. THE SEAL

The Company is authorised pursuant to s 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 s 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 s 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