

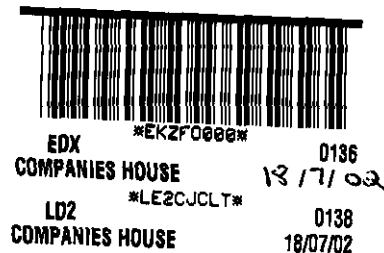
THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

RESOLUTIONS

-of-

CHELYS LIMITED



At an Extraordinary General Meeting of the Company held at One Silk Street, London, EC2Y 8HQ on 12 July 2002 the following resolutions were passed. Resolutions numbered 1, 2 and 3 were passed as Ordinary Resolutions and Resolution numbered 4 was passed as a Special Resolution.

RESOLUTIONS

- 1 THAT the authorised share capital of the Company be and is hereby increased from £100 to £150,017,333.33 by the creation of an additional 5,000,000 A1 Ordinary Shares of 0.01p each, 5,000,000 A2 Ordinary Shares of 0.01p each, 5,000,000 A3 Ordinary Shares of 0.01p each, 5,000,000 A4 Ordinary Shares of 0.01p each, 5,000,000 A5 Ordinary Shares of 0.01p each, 5,000,000 A6 Ordinary Shares of 0.01p each, 5,000,000 A7 Ordinary Shares of 0.01p each, 5,000,000 A8 Ordinary Shares of 0.01p each, 19,000,000 Ordinary Shares of 0.01p each, 150,000,000 A Preferred Shares of £1 each and 113,333,333 B Preferred Shares of 0.01p each.
- 2 THAT each of the one issued Ordinary Share of £1 and the existing unissued Ordinary Shares of £1 each in the capital of the Company be and is hereby subdivided into ten thousand Ordinary Shares of 0.01 pence each in the capital of the Company, having the rights and being subject to the restrictions set out in the Articles of Association of the Company to be adopted pursuant to sub-paragraph (4) of this Resolution.
- 3 THAT in accordance with section 80 of the Companies Act 1985, the Directors be and are hereby generally and unconditionally authorised to allot 5,000,000 A1 Ordinary Shares of 0.01p each, 5,000,000 A2 Ordinary Shares of 0.01p each, 5,000,000 A3 Ordinary Shares of 0.01p each, 5,000,000 A4 Ordinary Shares of 0.01p each, 5,000,000 A5 Ordinary Shares of 0.01p each, 5,000,000 A6 Ordinary Shares of 0.01p each, 5,000,000 A7 Ordinary Shares of 0.01p each, 5,000,000 A8

23.7.02
115

Ordinary Shares of 0.01p each, 19,990,000 Ordinary Shares of 0.01p each, 150,000,000 A Preferred Shares of £1 each and 113,333,333 B Preferred Shares of 0.01p each, up to an aggregate nominal value of £150,017,332.30 provided that this authority shall expire on the fifth anniversary of the date on which this Resolution is passed.

- 4 THAT the Regulations contained in the printed document submitted to this Meeting marked "A" and for the purposes 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 the existing Articles of Association of the Company.

A handwritten signature in black ink, appearing to be 'J. M. ...', written over a horizontal dotted line.

Chairman

THE COMPANIES ACT 1985 and 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

Chelys Limited (the "Company")

Registered Number: 4434524

Adopted by Special Resolution passed on 12th July 2002

1 Preliminary

- 1.1** The regulations contained in Table A as prescribed by the regulations made under the Act in force at the date of the adoption of these Articles of Association (hereinafter referred to as "**Table A**") shall apply to the Company in so far as these Articles do not exclude or modify Table A. A reference herein to any regulation is to that regulation as set out in Table A. The regulations contained in Table A in the First Schedule to the Companies Act 1948 shall not apply to the Company.

- 1.2** In these Articles the following words and expressions shall have the meanings set out below:

"**Act**" means the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force;

"**Adoption Date**" means the date on which these Articles are adopted as the articles of association of the Company;

"**A1' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"**A2' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"**A3' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"**A4' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"**A5' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"**A6' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"**A7' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"**A8' Ordinary Shares**" means the redeemable ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Articles 2.4 and 9;

"A' Ordinary Shares" means the 'A1' Ordinary Shares, 'A2' Ordinary Shares, 'A3' Ordinary Shares, 'A4' Ordinary Shares, 'A5' Ordinary Shares, 'A6' Ordinary Shares, 'A7' Ordinary Shares and/or 'A8' Ordinary Shares (as the context may require);

"A' Ordinary Share Class" means each of the 'A1' Ordinary Shares, 'A2' Ordinary Shares, 'A3' Ordinary Shares, 'A4' Ordinary Shares, 'A5' Ordinary Shares, 'A6' Ordinary Shares, 'A7' Ordinary Shares or 'A8' Ordinary Shares as a class;

"A' Ordinary Unit" means a unit comprising of 'A1' Ordinary Shares, 'A2' Ordinary Shares, 'A3' Ordinary Shares, 'A4' Ordinary Shares, 'A5' Ordinary Shares, 'A6' Ordinary Shares, 'A7' Ordinary Shares and 'A8' Ordinary Shares, except to the extent that Shares of any such class have been separately transferred to the Employee Benefit Trust in accordance with the provisions of Article 4.1(f) and/or redeemed in accordance with the provisions of Article 2.4(c);

"A' Preferred Shares" means the 'A' preference shares of £1 each in the capital of the Company having the rights set out in Article 2.2;

"Board" or **"Directors"** means the directors of the Company from time to time or a quorum of such directors present at a meeting of the directors;

"B' Preferred Shares" means the 'B' preference shares of 0.01 pence each in the capital of the Company having the rights set out in Article 2.3;

"Bad Leaver" means any Leaver who is summarily dismissed without notice in accordance with the terms of their contract of employment or consultancy agreement, other than by reason of death, ill-health or disability;

"Business Day" means any day other than a Saturday, Sunday or other day which is a public holiday in England and Wales;

"Cash Bonus Plan" means the cash bonus plan adopted by the Company by a Directors' resolution on or around the Adoption Date;

"Credit Event" means in relation to any 'A' Ordinary Share, a Repayment Event or Liquidation which gives rise to that Share being entitled to its maximum Redemption Value;

"Employee Benefit Trust" has the meaning ascribed to it in the Investment Agreement;

"Executives" has the meaning ascribed to it in the Investment Agreement;

"Exit Event" means the occurrence of a Liquidation, a Sale or a Listing;

"Family Trusts" means, as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual; and so that for this purpose a person and/or his Privileged Relations shall be considered to be beneficially interested in a Share if such Share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person and/or his Privileged Relations or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person and/or his Privileged Relations pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Good Leaver" means any Leaver other than a Bad Leaver;

"ICTA" has the meaning ascribed to it in the Investment Agreement;

"Incentive Amount" means (a) all amounts paid or payable under the terms of the Cash Bonus Plan and (b) the aggregate Redemption Value of the Shares in each 'A' Ordinary Share Class (whether or not such class has been redeemed);

"Investment Agreement" means the investment agreement relating to the Company made between the Investors, the Executives and the Company dated on or around the date of adoption of these Articles as amended, supplemented, adhered to or restated from time to time;

"Investors' Directors" has the meaning ascribed to it in the Investment Agreement;

"Investment Group" means, in respect of each holder of Preference Shares, such holder and its subsidiaries, its holding company and any subsidiary of its holding company;

"Investors' Majority" has the meaning ascribed to it in the Investment Agreement;

"Investors" means the financial institutions named as the Investors in the Investment Agreement and any person who is named as an Investor in a deed of adherence (as detailed therein) in each case whilst such persons remain a party to the Investment Agreement;

"IRR" has the meaning ascribed to it in the Investment Agreement;

"Leaver" means any person whose contract of employment with the Company or with any subsidiary of the Company terminates, for any reason, or any person whose consultancy agreement with the Company or any subsidiary of the Company terminates, for any reason, or, in the case of a person who is neither an employee of, nor a consultant to, the Company or any subsidiary of the Company, a person who ceases to be a director of the Company or any subsidiary of the Company. In this definition and in the definition of "Bad Leaver" any reference to the date of cessation of employment or termination of consultancy (or similar) shall be the date upon which the relevant person gives or is given notice of termination of his contract of employment or consultancy;

"LIBOR" the London Interbank Offer Rate for 6 month sterling deposits as published by the Financial Times on the first Business Day of each LIBOR Period or if the Financial Times is not published or does not quote a rate, as quoted by the British Bankers Association or, if that is not available, another reliable source selected by the Company;

"LIBOR Period" each successive 6 month period commencing on the date of adoption of these Articles;

"Liquidation" means the liquidation of the Company pursuant to the making of a winding-up order by the court or the passing of a resolution by the members that the Company be wound-up (save for a solvent winding-up for the purpose of reconstruction or amalgamation);

"Listing" means a successful application being made for all or any of the share capital of the Company (or any holding company of the Company for the time being) to be admitted to the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange plc's market for listed securities or a successful application being made to any other recognised investment exchange or overseas investment exchange (as such expressions are defined in the Financial Services and Markets Act 2000) for all or any of

the share capital of the Company (or any holding company of the Company for the time being) to be admitted to trading on such exchange;

"Majority" means, as regards members of a class or classes of Shares, a majority by reference to the number of Shares of such class or classes held and not by reference to the number of members holding Shares of such class or classes;

"a Member of the same Group" means, as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;

"New Facility Agreement" has the meaning ascribed to it in the Investment Agreement;

"New Money" has the meaning ascribed to it in the Investment Agreement;

"Ordinary Shares" means the ordinary shares of 0.01 pence each in the capital of the Company having the rights set out in Article 2.5;

"Permitted Transfer" means a transfer of Shares permitted in terms of Article 4;

"Permitted Transferee" means a person, firm, trust or unincorporated association to whom or which Shares have been transferred pursuant to a Permitted Transfer;

"PIK Interest" means interest which has accrued and is capitalised under the terms of the New Facility Agreement;

"Preference Shares" means together the 'A' Preferred Shares and the 'B' Preferred Shares;

"Privileged Relation" means, in relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants in direct line of such member and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant;

"Recovery Amount" means:

- (i) any repayment of principal and/or PIK Interest under the terms of the New Facility Agreement;
- (ii) all cash and non-cash consideration paid in respect of the 'A' Preferred Shares and the 'B' Preferred Shares on a Sale or Liquidation;
- (iii) the value at the placing price of all Shares sold or retained in connection with a Listing where such Shares arise (whether by way of conversion, capital reorganisation or otherwise) in respect of holdings of 'A' Preferred Shares and 'B' Preferred Shares;

and for these purposes:

- (1) a repayment of principal and PIK Interest under the terms of the New Facility Agreement shall, in connection with an Exit Event, include (i) all amounts paid on transfers, assignments, novations or other disposals of all or part of any rights or entitlements under the New Facility Agreement connected with such Exit Event and (ii) all amounts of principal and PIK Interest as are rolled-over or left outstanding on the occurrence of such Exit Event with such amount as is rolled-

over or left outstanding to be valued in accordance with Clause 12.9 of the Investment Agreement; and

- (2) any non-cash consideration referred to in sub-paragraph (ii) above shall be deemed for the purpose of calculating the Total Recovery Amount at any given time to have a fair market value as at the date of the Sale or Liquidation, as agreed or determined in accordance with the provisions of the Investment Agreement;

"Redemption Value" has the meaning set out in Article 9.3;

"Relevant Executive" means a director or employee of, or a consultant to, the Company or any subsidiary of the Company;

"Relevant Member" means a member who is a Relevant Executive, or a member who shall have acquired Shares directly or indirectly from a Relevant Executive pursuant to one or more Permitted Transfers under Article 4.1(b) or (c) (including where such Shares were subscribed by such member and that member would have been entitled to receive a Permitted Transfer from the Relevant Executive under Article 4.1(c));

"Relevant Shares" (so far as the same remain for the time being held by the trustees of any Family Trusts or by any Transferee Company) means the Shares originally acquired by such trustees or Transferee Company and any additional Shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred;

"Remuneration Committee" means the Remuneration Committee of the Board from time to time;

"Repayment Event" means any repayment of principal and/or PIK Interest under the terms of the New Facility Agreement prior to an Exit Event;

"Sale" means the sale in a single event or series of related events of 'B' Preferred Shares to any person on arms-length terms resulting in that person, together with any persons acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with such person, holding more than, or an interest in more than, 50% of the 'B' Preferred Shares in issue and for the purposes of these Articles, the persons who are holders of the 'B' Preferred Shares at the date of adoption of these Articles and any person(s) for the ultimate benefit of whom such holders are holding such 'B' Preferred Shares shall not be deemed to be acting in concert with each other as at the date of adoption of these Articles;

"Share Capital" or "Shares" means, collectively, the 'A' Ordinary Shares, the Ordinary Shares and the Preference Shares and (except as otherwise expressly provided) for the purposes of these Articles and otherwise, the 'A' Ordinary Shares, the Ordinary Shares, the 'A' Preferred Shares and the 'B' Preferred Shares shall be treated as separate classes;

"Subscription Price" means, in relation to any Share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such Share was issued whether or not such premium is applied for any purpose thereafter);

"Total Recovery Amount" means the aggregate of all Recovery Amounts and the Incentive Amounts at the relevant date (including, for the avoidance of doubt, the Recovery Amount and the Incentive Amount on the relevant Repayment Event or Exit Event, as applicable) (so that, for example, if the Recovery Amount equalled £674.5 million then,

assuming there have not been any other Recovery Amounts, the Total Recovery Amount would be £700 million, being the aggregate of £674.5 million and the amounts of £19.5 million payable under the terms of the Cash Bonus Plan and £6 million being the Redemption Value of the A1 Ordinary Shares under the terms of Article 9.3 in relation to such Total Recovery Amount at the relevant date);

"Transferee Company" means a company (other than the Employee Benefit Trust) for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers of Shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series);

"Transferor Company" means a company (other than a Transferee Company) which has transferred or proposes to transfer Shares to a Member of the same Group; and

"Transfer Notice" means a written notice in accordance with Article 5.2 that a member desires to transfer his Shares.

- 1.3 In these Articles, references to "repayments" under the terms of the New Facility Agreement include all prepayments under the New Facility Agreement.

2 Share Capital

2.1 Authorised Share Capital

The share capital of the Company at the date of adoption of these Articles is £150,017,333.33 divided into 5,000,000 'A1' Ordinary Shares, 5,000,000 'A2' Ordinary Shares, 5,000,000 'A3' Ordinary Shares, 5,000,000 'A4' Ordinary Shares, 5,000,000 'A5' Ordinary Shares, 5,000,000 'A6' Ordinary Shares, 5,000,000 'A7' Ordinary Shares, 5,000,000 'A8' Ordinary Shares, 150,000,000 'A' Preferred Shares, 113,333,333 'B' Preferred Shares and 20,000,000 Ordinary Shares.

2.2 'A' Preferred Shares shall entitle the holders thereof to the following rights:

(a) as regards capital:

on a return of assets on a liquidation, reduction of capital or otherwise, the holders of 'A' Preferred Shares shall be entitled in respect of their 'A' Preferred Shares (in proportion to the number of such shares held by each of them), to be paid out of the surplus assets of the Company remaining after payment of its liabilities such sum as is set out in Article 9 in the order of priority set out in that Article;

(b) as regards voting in general meetings

the holders of the 'A' Preferred Shares shall be entitled to receive notice of, and to attend at, general meetings of the Company but shall not in respect of their holdings of such shares be entitled to vote upon any resolution;

2.3 'B' Preferred shares shall entitle the holders thereof to the following rights:

(a) as regards capital:

on a return of assets on a liquidation, reduction of capital or otherwise, the holders of the 'B' Preferred Shares shall be entitled in respect of their 'B' Preferred Shares (in proportion to the number of such shares held by each of them), to be paid out of the surplus assets of the Company remaining after payment of its liabilities such sum as is set out in Article 9 in the order of priority as set out in that Article;

- (b) as regards voting in general meetings:

the holders of the 'B' Preferred Shares shall be entitled to receive notice of, to attend and to vote at, general meetings of the Company; every holder of 'B' Preferred Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll the holders of 'B' Preferred Shares so present shall have one vote for each 'B' Preferred Share held by him;

- (c) the holders of 'B' Preferred Shares acting by Investors' Majority, will be entitled, subject only to due and proper consultation concerning any such appointment in advance with the Chairman of the Company, from time to time by notice in writing delivered to the registered office of the Company, to appoint and maintain in office two persons (the "**Investor Directors**") as non-executive Directors of the Company; upon such notice being given as aforesaid, the Company shall also procure that the Investor Directors be appointed or, as the case may be, removed as a director of any subsidiary of the Company;
- (d) the Investor Directors shall be entitled to all notices and to exercise voting rights and in all other respects be treated as the other directors and shall be entitled to receive a fee, such fee to be determined and payable in accordance with the provisions of the Investment Agreement; and
- (e) at least one Investor Director shall be appointed to any committee of the Board.

2.4 'A' Ordinary Shares shall entitle the holders thereof to the following rights:

- (a) as regards capital:

on a return of assets on a liquidation, reduction of capital or otherwise, the holders of Shares in each 'A' Ordinary Share Class shall be entitled (in proportion to the number of Shares of that class held by each of them), to be paid out of the surplus assets of the Company remaining after payment of its liabilities such sum as is set out in Article 9 in respect of Shares in that class in the order of priority to other shareholders as set out in that Article;

- (b) as regards voting in general meetings:

the holders of the 'A' Ordinary Shares shall be entitled to receive notice of and to attend at general meetings of the Company but shall not in respect of their holdings of such Shares be entitled to vote upon any resolution; and

- (c) as regards redemption:

- (i) subject to the Act, the Company may redeem any 'A' Ordinary Share at any time after a Credit Event in respect of that 'A' Ordinary Share, for the Redemption Value provided that if the Company decides to redeem any 'A' Ordinary Share within any 'A' Ordinary Share Class it shall redeem all of the 'A' Ordinary Shares in such 'A' Ordinary Share Class;
- (ii) subject to the Act any notice of redemption served must specify the date fixed for redemption and on that date the holders of the relevant 'A' Ordinary Shares must present the certificate in respect of those Shares at the registered office of the Company in order that they can be cancelled.

Upon delivery, the Company will pay to those holders the amount due to them in respect of that redemption.

- (d) Other than in the circumstances specified in Article 4.1(f), holders of 'A' Ordinary Shares shall only be entitled to transfer 'A' Ordinary Units and shall not be entitled to separately transfer individual shares in any 'A' Ordinary Class.

2.5 The Ordinary Shares shall entitle the holders thereof to the following rights:

- (a) as regards capital:

on a return of assets as liquidation, reduction of capital or otherwise, the holders of the Ordinary Shares shall be entitled to be paid out of the surplus assets of the Company remaining after payment of its liabilities such sum as is set out in Article 9 in the order of priority as set out in that Article;

- (b) as regards voting in general meetings:

each holder of Ordinary Shares shall be entitled to receive notice of, and to attend and vote at general meetings of the Company; every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll the holders of the Ordinary Shares so present shall have one vote for each Ordinary Share held by him.

2.6 Subject to the Act, and provided it is a private company, the Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own Shares out of distributable profits of the Company or the proceeds of a fresh issue of Shares or otherwise.

2.7 The Company shall not propose or cause to be proposed and is not permitted to pay any dividend or any other distribution (as defined in sections 209, 418 and 419 of ICTA).

2.8 No variation shall be made to any of the rights attaching to any class of Shares unless such variation is approved by the holders of a majority of the issued 'B' Preferred Shares and the consent in writing of a majority of the 'A' Ordinary Shares is obtained.

3 Issue of Shares

3.1 Subject to the provisions of the Act and Article 16, all unissued Shares shall be at the disposal of the Directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper provided that:

3.1.1 no such allotment, grant of rights, options, warrants or disposal shall take effect without the prior written approval of the holders of the majority of 'B' Preferred Shares and the consent in writing of a majority of the 'A' Ordinary Shares; and

3.1.2 the Directors shall only allot, grant rights, options or warrants over or otherwise dispose of such 'A' Ordinary Shares in 'A' Ordinary Units.

3.2 Other than as set out in Article 3.3, Section 89(1) of the Act shall not apply to the allotment by the Company of equity securities.

3.3 Any unissued Ordinary Shares or equity securities relating to the Ordinary Shares or any rights to or in respect thereof, ("**New Ordinary Shares**") shall not be allotted or issued to

any person for cash unless the Company has, in the first instance, offered such New Ordinary Shares to all existing holders of Ordinary Shares on a pro rata basis on the terms that in case of competition the New Ordinary Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of Ordinary Shares. Such offer:

- (a) shall stipulate a time (being not less than 14 days) within which it must be accepted or in default will lapse; and
- (b) may stipulate that any members who desire to subscribe for a number of New Ordinary Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess New Ordinary Shares they wish to subscribe for and any shares not accepted by other members shall be used for satisfying the requests for excess New Ordinary Shares pro rata to the existing Ordinary Shares respectively held by such members making such requests and, thereafter, such New Ordinary Shares shall be offered to any other person at the same price and on the same terms as the offer to holders of Ordinary Shares.

4 Transfer of Shares

4.1 Subject to the provisions of Article 2.4(d) and Regulation 24, any Shares may at any time be transferred without any requirement to serve a Transfer Notice:

- (a) by any Investor to any other Investor or to any other financial institution provided that such financial institution shall have delivered a declaration addressed to the Directors at the registered office of the Company confirming that such Shares are held for its own account both legally and beneficially;
- (b) to any person in the event of a Sale;
- (c) by any individual member (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Privileged Relation of such member;
- (d) by any such individual member to trustees to be held upon Family Trusts related to such individual member;
- (e) by any member being a company (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Member of the same Group as the Transferor Company;
- (f) in respect of any Share in an 'A' Ordinary Share Class by any Relevant Member to an Employee Benefit Trust following a Credit Event in respect of that Share;
- (g) by the trustee(s) or nominees for the time being of an Employee Benefit Trust to any beneficiary of such Employee Benefit Trust (except to the extent that the Share to which the Transfer Notice relates was transferred to the Employee Benefit Trust in accordance with Clause 4.1(f));
- (h) to the trustee(s) or nominees for the time being of an Employee Benefit Trust whether on a change of trustees or otherwise; or
- (i) as required in accordance with the provisions of Article 8.

4.2 Where Shares have been issued to trustees of Family Trusts or transferred under Article 4.1(c), the trustees and their successors in office may (subject to the provisions of Article 4.1) transfer all or any of the Relevant Shares:

- (a) to the trustees for the time being of the Family Trust concerned on any change of trustees;
- (b) to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
- (c) to a Relevant Member or former member or any Privileged Relation of a Relevant Member or deceased or former member who has thereby become entitled to the Shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.

4.3 Subject to Article 8.3, if and whenever any of the Relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 4.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the Shares concerned.

4.4 Subject to Article 8.3, if a person to whom Shares have been transferred pursuant to Article 4.1(c) is a Privileged Relation and such person shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the shares concerned.

4.5 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 4.1(e)) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the Relevant Shares.

4.6 The Directors shall be required (subject only to Article 4.7 and to Regulation 24 of Table A) to register promptly any transfer of Shares made in accordance with the provisions of this Article 4 and Articles 5, 7 and 8, but shall not register any transfer of Shares not so made.

4.7 In addition to the circumstances set out in Regulation 24 of Table A in which the Directors may refuse to register the transfer of a Share, the Directors may also refuse to register the transfer of a Share to a bankrupt, a minor or a person of unsound mind.

5 Pre-emption on Transfer

5.1 Except in the case of a Permitted Transfer or a transfer pursuant to Article 7.4 or 8, the right to transfer Shares or any interest in Shares in the Company shall be subject to the following restrictions and provisions. References in this Article 5 to transferring Shares or

Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of Shares.

- 5.2 Any person (the "**Proposing Transferor**") proposing to transfer any Shares in the capital of the Company (the "**Sale Shares**") shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company (a "**Transfer Notice**") that he desires to transfer the Sale Shares and shall state in the Transfer Notice the number and class of Sale Shares in question and the identity of the person to whom the Proposing Transferor desires to transfer the beneficial interest in the Sale Shares. The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) at the Prescribed Price (as determined in accordance with Articles 5.3 and/or 5.4) during the Prescribed Period (as defined in Article 5.5) to any member or to any other person selected or approved by the Directors on the basis set out in the following provisions of these Articles and shall include such other details of the proposed transfer as the Directors may in their absolute discretion determine and shall not be revocable except with the consent of the Directors
- 5.3 The Prescribed Price (subject to the deduction therefrom where the Prescribed Price has been agreed with the Directors of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given (or deemed to have been given) (the "**Notice Date**")) shall be whichever is applicable of:
- (a) the price per Sale Share agreed not more than one month before the Notice Date between the Proposing Transferor and the Directors as representing the market value thereof; or
 - (b) if no such agreement has been reached by the Notice Date, the price contained in a bona fide offer received from a third party by the Proposing Transferor not more than one month before the Notice Date and which remains open for acceptance in respect of the Sale Shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 5 (but subject to the right of the Directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser or other arrangement or agreement and so open for acceptance).
- 5.4 If, prior to the Notice Date, the Prescribed Price shall not have been agreed or determined in accordance with Article 5.3 or if the Transfer Notice has been given (or deemed to have been given) because of a requirement to do so by virtue of any provision of these Articles other than this Article 5, upon the giving of the Transfer Notice the Directors shall refer the matter to an independent firm of accountants nominated by the Company (the "**Independent Accountants**") and the Independent Accountants shall determine and certify the sum per Sale Share considered in their opinion to be the market value thereof as at the Notice Date and the sum per share so determined and certified shall be the Prescribed Price on the basis that such market value shall be the price per Sale Share between a willing buyer and a willing seller with no discount being made or premium being added for the fact that any Sale Shares constitute or do not constitute a minority or majority holding of shares in the Company. The Independent Accountants shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in

connection therewith. The Directors and members of the Company (and each of them) shall (at their own cost and expense) be entitled to and shall be given a reasonable opportunity to give the Independent Accountants (subject to the Independent Accountants providing a confidentiality undertaking in a reasonable form) all information relating to the Company and its subsidiary companies which they reasonably consider fit for determining such a market value.

- 5.5 If the Prescribed Price was agreed as provided in Article 5.3, the Prescribed Period shall commence on the Notice Date and expire 12 weeks thereafter. If the Prescribed Price is to be determined in accordance with Article 5.4, the Prescribed Period shall commence on the Notice Date and shall expire two months after the date on which the Independent Accountants shall have notified the Directors of their determination of the Prescribed Price. Pending such determination the Directors shall defer the making of the offer mentioned in Article 5.6.
- 5.6 All Shares included in any Transfer Notice shall by notice in writing be offered by the Company forthwith on receipt (subject to Article 5.5) of the relative Transfer Notice to all members holding Shares of the same class as the Sale Shares ("class members") (other than the holder of the Sale Shares) for purchase at the Prescribed Price on the terms that in case of competition the Sale Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of Shares of the same class as the Sale Shares. Such offer:
- (a) shall stipulate a time not exceeding 28 days within which it must be accepted or in default will lapse; and
 - (b) may stipulate that any class members who desire to purchase a number of Sale Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess Sale Shares they wish to purchase and any Shares not accepted by other class members shall be used for satisfying the requests for excess Sale Shares pro rata to the existing shares of the same class as the Sale Shares respectively held by such class members making such requests.

If the Company shall not within the period ending on the date which is 28 days after the Notice Date or, if later, 28 days after the date of determination of the Prescribed Price (the "**Relevant Date**") find a class member or members willing to purchase all of the Sale Shares it shall offer any unsold Sale Shares to the holders of each of the other classes of Shares in the order stated in the table below. Each such offer shall be made in similar manner to the offer to the class members and the procedure of offer and acceptance for class members shall apply to the members of the other classes. The period during which the Company shall try to find prospective purchasers in each other class shall, in the case of those of the class marked "First" in the table below, be the period commencing 28 days after the Relevant Date and terminating 37 days after the Relevant Date and, in the case of those of the class (if any) marked "Second" in the table below, be the period commencing 38 days after the Relevant Date and ending 47 days thereafter and in the case of those of the class (if any) marked "Third" in the table below, be the period commencing 47 days after the Relevant Date and ending 56 days thereafter:

Shares Transferred	First	Second	Third
'A' Preferred	'B' Preferred	'A' Ordinary	Ordinary
'B' Preferred	'A' Preferred	'A' Ordinary	Ordinary
'A' Ordinary	'B' Preferred	'A' Preferred	Ordinary
Ordinary	'B' Preferred	'A' Preferred	'A' Ordinary

- 5.7 Any Shares not accepted by any of the members pursuant to the foregoing provisions of these Articles by the end of the last of the relevant periods under Article 5.6 may be offered by the Directors to such persons as they may think fit for purchase at the Prescribed Price, provided that no Shares in the Company may be sold to a person to whom Shares could not be sold by an Investor pursuant to Article 4.1(a).
- 5.8 If the Company shall within the Prescribed Period find members or such other persons as aforesaid (each such person being hereinafter called a "**Purchaser**") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment to him of the Prescribed Price, to transfer such Sale Shares to the respective Purchaser(s), provided that, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer some only of the Sale Shares (which he shall not be entitled to do if he is required by virtue of any provision of these Articles other than this Article 5 to give a Transfer Notice), this provision shall not apply unless the Company shall have found Purchasers for all of the Sale Shares. Every notice given by the Company under this Article 5.8 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than 10 days after the date of the notice.
- 5.9 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser(s) hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser(s) to be registered as the holder of such Sale Shares. The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see to the application thereof) and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company.
- 5.10 If the Company shall not within the Prescribed Period find Purchasers willing to purchase any or all of the Sale Shares and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no prospect of finding Purchasers, the Proposing Transferor at any time during a period of 45 days after the end of the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24 and any relevant restrictions in these Articles and in the Investment Agreement) to transfer those Sale Shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after

deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) provided that:

- (a) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares he shall only be entitled to transfer all the unsold Sale Shares under this Article; and
- (b) the Directors may require to be satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the Purchaser and if not so satisfied may refuse to register the instrument of transfer;

5.11 Notwithstanding the foregoing provisions of this Article 5, no person shall be entitled to transfer any A Preferred Shares or B Preferred Shares to anyone other than (i) an existing holder of A Preferred Shares or B Preferred Shares or (ii) a financial institution in accordance with the provisions of Article 4.1(a) other than:-

5.11.1 on a Sale; or

5.11.2 with the prior written consent of the holders of a majority of the A Ordinary Shares.

6 Bare Nominees

For the avoidance of doubt and without limitation, no Share (other than any Share so held on the date of adoption of these Articles) shall be held by any member as a bare nominee for, and no interest in any Share shall be sold to, any person unless a transfer of such Share to such person would rank as a Permitted Transfer. If the foregoing provision shall be infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof.

7 Compulsory Transfers - General

7.1 A person entitled to a Share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such Share and the price per Share shall be the lower of cost and market value as determined in accordance with Article 5.

7.2 If a Share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either to effect a transfer of such Shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Transfer Notice in respect of such Share.

7.3 If a member which is a company or a Permitted Transferee of such member either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall forthwith at the request of the Directors be required to give a Transfer Notice in respect of all of the Shares held by such member and/or such Permitted Transferee.

7.4

- 7.4.1 If, on or after the date of adoption of these Articles the holder(s) of 'B' Preferred Shares (for the purposes of this Article 7.4 (the "**Seller**")) intend(s) to sell such number of 'B' Preferred Shares (or any interest in such shares) (the shares to be sold by the Seller being referred to as "**Selling Shares**") to a proposed purchaser(s) (the "**Proposed Purchaser**") as would constitute a Sale, the Seller shall give to the Company not less than 28 days' advance notice before selling the Selling Shares. That notice (the "**Selling Notice**") will include details of the Selling Shares and the proposed price for each Selling Share and each other Share to be paid by the Proposed Purchaser (provided always that in the case of a Sale which is triggered by a series of related events the proposed price shall not be less than the average price per 'B' Preferred Share realised by the Proposed Purchaser in each series of related events), details of the Proposed Purchaser and the place, date and time of completion of the proposed purchase being a date not less than 28 days from the date of the Selling Notice ("**Completion**").
- 7.4.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing (a "**Sale Notice**") to each of the members (other than the Seller) (the "**Other Members**") giving the details contained in the Selling Notice. The Sale Notice will require each of the Other Members (a "**Compulsory Sale Notice**") to sell to the Proposed Purchaser at Completion their entire holdings of Shares on the terms contained in the Selling Notice. The proceeds of sale of all of the Shares (including of all 'B' Preferred Shares sold to the Proposed Purchaser and any persons acting in concert (within the meaning given in the City Code on Takeovers and Mergers) with the Proposed Purchaser in related transactions) will be allocated in accordance with Article 9.
- 7.4.3 If any of the member(s) (the "**Defaulting Member(s)**") fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each Defaulting Member for the sale of his Shares in accordance with the Compulsory Sale Notice (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such Shares. The receipt of the Company for the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member(s) until they shall, in respect of the Shares being the subject of the Compulsory Sale Notice, have delivered their share certificates or a suitable indemnity and the necessary transfers to the Company. No member shall be required to comply with a Compulsory Sale Notice unless the Seller shall sell the Selling Shares to the Proposed Purchaser on Completion, subject at all times to the Seller being able to withdraw the Selling Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Transfer Notice shall cease to have effect.

8 Compulsory Transfers - Good and Bad Leavers

8.1 Bad Leavers

In the case of a Relevant Member or the Relevant Executive in relation to a Relevant Member becoming a Leaver at any time in circumstances constituting such Relevant Member or Relevant Executive (as the case may be) a Bad Leaver then the Directors may serve notice on such Relevant Member, at any time within 12 months after such person becomes a Leaver, requiring such Relevant Member to sell all of the 'A' Ordinary Shares and Ordinary Shares held by such Relevant Member to any Relevant Executive(s) and/or to an Employee Benefit Trust specified in such notice for a price per Share equal to their cost. If the Directors have not served notice on such Relevant Member to that effect within 12 months of the relevant person becoming a Leaver, such Relevant Member shall be deemed to have given a Transfer Notice (as defined in Article 5) in respect of all of the 'A' Ordinary Shares and Ordinary Shares held by such Relevant Member for a price per Share equal to their cost.

8.2 Good Leavers

In the case of a Relevant Member or the Relevant Executive in relation to a Relevant Member becoming a Leaver at any time in circumstances constituting such Relevant Member or Relevant Executive (as the case may be) a Good Leaver, then the Directors may serve notice on such Relevant Member, at any time within 12 months after such person becomes a Leaver, requiring such Relevant Member to sell some or all of the 'A' Ordinary Shares and Ordinary Shares held by such Relevant Member to any Relevant Executive(s) and/or to an Employee Benefit Trust specified in such notice for a price per Share equal to their cost. If the Directors have not served notice on such Relevant Member to that effect within 12 months of the relevant person becoming a Leaver, such Relevant Member shall not be required to sell any of his 'A' Ordinary Shares or Ordinary Shares pursuant to the provisions of this Article 8.2.

8.3 Inland Revenue Approved Share Options

No Ordinary Shares issued on the exercise of options granted under an Inland Revenue approved share option scheme shall be subject to the provisions of Article 4.3, 4.4, 8.1, 8.2 or 8.5.

8.4 Remuneration Committee

Any decision of the Directors for the purposes of Article 8.1 or 8.2 shall be made at the absolute discretion of the Remuneration Committee, but not otherwise than on the recommendation of the Chairman and Chief Executive of the Company (save in the event that (i) the recommendation relates to the Chief Executive, in which case the recommendation shall be made by the Chairman or (ii) the recommendation relates to the Chairman, in which case there shall be no recommendation from either the Chairman or the Chief Executive.)

8.5 Retained Shares/Resignation

8.5.1 Notwithstanding any other provision herein contained if a Leaver retains 'A' Ordinary Shares and/or Ordinary Shares (the "**Retained Shares**") he shall have all the rights of and shall rank *pari passu* with the other holders of the class or classes of Retained Shares held by him save that he shall be deemed on a poll to vote at any general meeting of the Company or class meeting of the Company in the same manner as the Majority of the votes cast at the relevant meeting by holders of each relevant class of Shares and shall be deemed to grant any consent in respect of any matters to be consented to in respect of any such meeting where a majority of

the other shareholders in each relevant class of Shares have so consented and shall not otherwise be entitled to vote at any such meeting. The provisions of this Article shall apply to the Retained Shares and to any subsequent holder of Retained Shares as if such person were the Relevant Member.

8.5.2 Each Relevant Executive being a Leaver agrees to resign as a director of the board of directors of the Company and of the board of directors of each member of the Group upon becoming a Leaver and the Relevant Executive appoints each of the Investor Directors jointly and severally as his true and lawful attorney to execute all such deeds or documents in connection with such resignation.

8.6 The provisions of Articles 8.1, 8.2 and 8.5 shall cease to apply to Ordinary Shares and 'A' Ordinary Shares immediately prior to a Listing.

9 Exit Event Preference

9.1 Upon the occurrence of an Exit Event, the total of all and any cash or other non cash received, realised or available in respect of the Shares that are the subject of the Exit Event (which for these purposes includes all Shares sold in accordance with Article 7.4 in the event of a Sale) shall be allocated between the holders of Shares so as to ensure the following order of application of the aggregate proceeds as follows:

- (a) firstly, to the holders of each A Ordinary Share Class, the aggregate Redemption Value of such A Ordinary Share Class;
- (b) secondly, after satisfaction of the payments due to the A Ordinary Shareholders under Article 9.1(a), in paying to the holders of the 'A' Preferred Shares the Subscription Price on each of such shares together with a return equal to LIBOR plus 3.25 per cent. per annum, less the A Preferred Percentage of such sum as is payable to the holders of the A Ordinary Shares in accordance with Article 9.1(a); and
- (c) thirdly, after satisfaction of the payments due to the A Ordinary Shareholders under Article 9.1(a) and to the 'A' Preferred Shareholders under Article 9.1(b), in paying to the holders of the 'B' Preferred Shares the Subscription Price on each of the 'B' Preferred Shares together with such amount as would provide an IRR of 25 per cent. per annum from the Adoption Date on both such Subscription Price and the New Money (after deducting the payment by the Company of principal and interest on the New Money under the terms of the New Facility Agreement), less the B Preferred Percentage of such sum as is payable to the holders of the 'A' Ordinary Shares in accordance with Article 9.1(a); and
- (d) finally, after satisfaction of the payments due to the 'A' Preferred Shareholders, 'B' Preferred Shareholders and 'A' Ordinary Shareholders, in paying the balance to the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by each of them.

9.2 For the purposes of Article 9.1, the following expressions shall bear the following meanings:-

9.2.1 the "**A Preferred Percentage**" shall mean that percentage which the amount payable to the holders of A Preferred Shares pursuant to Article 9.1(b) bears to the aggregate amount payable to the holders of A Preferred Shares and B Preferred Shares pursuant to Articles 9.1(b) and 9.1(c); and

9.2.2 the "B Preferred Percentage" shall mean 100 per cent less the A Preferred Percentage.

9.3 For the purpose of Articles 2.4(c) and 9.1, "Redemption Value" means:

- 9.3.1 in respect of the 'A1' Ordinary Shares, 20 per cent of that part of the Total Recovery Amount which is between £670 and 700 million;
- 9.3.2 in respect of 'A2' Ordinary Shares, 20 per cent of that part of the Total Recovery Amount which is between £700 and 750 million;
- 9.3.3 in respect of 'A3' Ordinary Shares, 20 per cent of that part of the Total Recovery Amount which is between £750 and 800 million;
- 9.3.4 in respect of 'A4' Ordinary Shares, 20 per cent of that part of the Total Recovery Amount which is between £800 and 850 million;
- 9.3.5 in respect of 'A5' Ordinary Shares, 20 per cent of that part of the Total Recovery Amount which is between £850 and 900 million;
- 9.3.6 in respect of 'A6' Ordinary Shares, 20 per cent of that part of the Total Recovery Amount which is between £900 and 940 million;
- 9.3.7 in respect of 'A7' Ordinary Shares, 25 per cent of that part of the Total Recovery Amount which is between £940 and 1,000 million; and
- 9.3.8 in respect of 'A8' Ordinary Shares, 25 per cent of that part of the Total Recovery Amount which is between £1,000 million and the amount which is required on an Exit Event to satisfy all payments to the holders of the 'A' Preferred Shares and the 'B' Preferred Shares pursuant to Articles 9.1(b) and 9.1(c).

10 Information concerning shareholdings and transfers

- 10.1 For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 5 in respect of the Shares concerned.
- 10.2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any Shares and such Transfer Notice is not duly given within a period of one month, or such longer period as the Directors may allow for the purpose, such Transfer Notice shall (except and to the extent that a Permitted Transfer of any of such Shares shall have been made) be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the foregoing provisions of these Articles shall take effect accordingly.

- 10.3** From (and including) the date on which the Directors have duly required a Transfer Notice(s), all holders of Shares the subject of such Transfer Notice(s) shall not transfer or encumber any of their Shares or any interest in their Shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles.

11 Proceedings at General Meetings

- 11.1** A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 11.2** A resolution in writing executed or approved by telegram, telefax or telex by or on behalf of the holders of all the issued Share Capital shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly.
- 11.3** No business shall be transacted at any general meeting unless a quorum is present throughout the meeting. Any two members entitled to attend and vote at the meeting shall, provided that one is a holder of 'B' Preferred Shares, be a quorum for all purposes. Regulation 40 shall be modified accordingly.
- 11.4** Without prejudice to any greater majority required by the Act, the consent of an Investors' Majority will be required for certain corporate or share related transactions as detailed in Schedule 1.

12 Alternate Directors

- 12.1** Any Director (other than an alternate Director) may at any time by writing under his hand and served on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. The same person may be appointed as the alternate Director of more than one Director.
- 12.2** An alternate Director shall be entitled:
- (a) to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, save that it shall not be necessary to give notice of such meeting to an alternate Director who is absent from the United Kingdom;
 - (b) to attend, be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present; and
 - (c) generally at such meeting to perform all the functions of his appointor as a Director in his absence.
- 12.3** If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but,

if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

- 12.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 12.5 An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor.
- 12.6 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director.
- 12.7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 12.8 Regulations 65 to 69 shall not apply.

13 Directors

- 13.1 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly.
- 13.2 Without prejudice to the first sentence of Regulation 89, a meeting of the Directors or of a committee of the Directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles shall be construed accordingly.
- 13.3 A resolution in writing signed or approved by telegram, telefax or telex by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity. Regulation 93 shall not apply.
- 13.4 A Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Regulation 94 shall be modified accordingly, provided that he has disclosed to the Directors the nature and extent of any material interest or duty.

- 13.5** Save with regard to an Investor Director, the office of a Director shall be vacated if he shall be removed from office by notice in writing served upon him signed by a majority of his co-Directors but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.
- 13.6** The Chairman shall nominate and subject to the prior consent of one of the Investors' Directors (such consent not to be unreasonably withheld or delayed) appoint, from time to time, up to three persons to act as non-executive directors of the Company and to the extent any such person ceases to act as a non-executive director to nominate and appoint subject to the prior consent of one of the Investors' Directors (such consent not to be unreasonably withheld or delayed) another non-executive director in such directors place.
- 13.7** Save with the consent of each such Director, it shall be necessary to give each Director at least 7 days prior notice of any meetings of the Board, together with a written agenda specifying the business to be transacted at any such meeting and each Director shall be sent at least 5 days prior to such meeting, all papers to be circulated or presented to the meeting and Regulation 88 shall be modified accordingly.
- 13.8** The quorum necessary for the transaction of business of the Board or any committee thereof, shall be 2 provided that such quorum must include at least one Investor Director if the meeting is convened on less than 7 days notice.
- 13.9** Meetings of the Board will be held at approximately monthly intervals with at least 11 Board meetings to be held in each calendar year.

14 Notices

Notices shall be given to a member whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.

15 Indemnity

- 15.1** Without prejudice to any indemnity to which such officer may otherwise be entitled, every Director, Auditor, Secretary or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 11.8 shall not apply.
- 15.2** The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

16 Class Rights

- 16.1** In addition to any other approval required by law or these Articles those matters set out in the Schedule to these Articles shall require the consent of an Investors Majority save to the extent that consent has been given to the occurrence of a specific matter under the Investment Agreement in which event consent shall be deemed to have been given in accordance with Article 16.2 to the occurrence of such specific matter.
- 16.2** Any consent required by Article 16.1 shall be in writing and may consist of one document or several documents whether or not in like form. The Company shall seek such consent after the matter requiring such consent has been considered at a duly convened meeting of the Directors by giving to the Investor Directors written notice that a decision in respect of such matter is required. Such notice shall be accompanied by the recommendation of the Board with regard to the decision to be made.

SCHEDULE

Consent Matters

- 1 permit or cause to be proposed any alteration to its share capital (including any increase thereof) or the rights attaching to its Shares or waive any right to receive payment on any of its shares issued partly paid;
- 2 create, allot, issue, buy-in or redeem any share or loan capital or grant or agree to grant any options or warrants for the issue of any share or loan capital or issue any securities convertible into shares (apart from an issue of 'A' Ordinary Shares or Ordinary Shares, or a grant of options over 'A' Ordinary Shares or Ordinary Shares, approved by the Remuneration Committee pursuant to Clause 2.5 of the Investment Agreement);
- 3 permit or cause to be proposed any amendment to its memorandum of association or the New Articles;
- 4 pay any dividend or make any other distribution (as defined under sections 209, 418 and 419 of ICTA);
- 5 acquire (including by way of subscription) the whole or part of the share capital or undertaking of any other person or dispose of the whole or part of the undertaking of the Company (including the share capital of any subsidiary of the Company) or merge the Company or any part of its business with any other person or propose to do so where in the case of an acquisition the value of the transaction exceeds £10,000,000 and in the case of a disposal the value exceeds £15,000,000; and where the value of any such transaction is not stated as a single cash figure payable in pounds sterling, the value of the relevant transaction shall be determined by the auditors of the Company;
- 6 save in the ordinary course of business, enter into or give or permit or suffer to subsist any guarantee of or indemnity or contract of suretyship for or otherwise commit itself in respect of the due payment of money or the performance of any contract, engagement or obligation of any other person or body;
- 7 permit the disposal of Shares in the Company amounting to a Sale or Listing other than as required by the New Articles;
- 8 cease or propose to cease to carry on the business of the Company or for it to be wound up save where it is insolvent;
- 9 make any material change to the nature of the Business or the jurisdiction where it is managed and controlled;
- 10 do any act or thing outside the ordinary course of the business carried on by it;
- 11 make any change to:
 - (a) its auditors;
 - (b) its accounting reference date; or
 - (c) its accounting policies, bases or methods from those set out in the Accounts (other than as recommended by the auditors of the Company);
- 12 other than where expressly contemplated by this Agreement, or where authorised by the Remuneration Committee in accordance with Clause 2.5 of the Investment Agreement

enter into or vary any transaction or arrangement with, or for the benefit of any of its directors or shareholders or any other person who is a "connected person" with any of its directors or shareholders.

Table of Contents

Contents	Page
1 Preliminary.....	1
2 Share Capital	6
3 Issue of Shares.....	8
4 Transfer of Shares.....	89
5 Pre-emption on Transfer.....	104
6 Bare Nominees	14
7 Compulsory Transfers - General.....	14
8 Compulsory Transfers - Good and Bad Leavers	154
9 Exit Event Preference.....	17
10 Information concerning shareholdings and transfers.....	18
11 Proceedings at General Meetings.....	19
12 Alternate Directors	19
13 Directors	20
14 Notices.....	21
15 Indemnity	21
16 Class Rights.....	22

CONFORMED COPY

Dated 15 July 2002

**THE COMPANIES ACTS 1985 AND 1989
COMPANY LIMITED BY SHARES**

**NEW ARTICLES OF ASSOCIATION
OF
CHELYS LIMITED**

Registered Number: 4434524
(as adopted by Special Resolution passed on 15 July 2002)

Linklaters

One Silk Street
London EC2Y 8HQ

Telephone
Facsimile

Ref IWF/RICY