

Registered No. 4560770



The Companies Act 1985 (as Amended)

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

Resolution Life Group Limited

1. The company's name is "RESOLUTION LIFE GROUP LIMITED".¹
2. The company's registered office is to be situated in England and Wales.
3. The objects for which the company is established are:-
 - 3.1 To carry on business as a general commercial company and to carry on any trade or business whatsoever.
 - 3.2 To acquire any estate or interest in and to take options over, construct, develop or exploit any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person and to act as a holding company.
 - 3.3 To provide services of all descriptions.
 - 3.4 To lend money, and grant or provide credit and financial accommodation to any person and to deposit money with any person.
 - 3.5 To invest money of the company in any investments and to hold, sell or otherwise deal with investments or currencies or other financial assets.
 - 3.6 To enter into any arrangements with any government or authority or person and to obtain from any government or authority or person any legislation, orders, rights, privileges, franchises and concessions.

¹ The Company changed its name from "Cowdery Holdings Limited" by Special Resolution on 24 May 2004. The Company was incorporated as "Trushelfco (No. 2927) Limited" and changed its name to "Cowdery Holdings Limited" by Special Resolution on 5 February 2003.

- 3.7 To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by the creation and issue of securities.
- 3.8 To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is at the relevant time a subsidiary or a holding company of the company or another subsidiary of a holding company of the company or otherwise associated with the company.
- 3.9 To amalgamate or enter into partnership or any profit-sharing arrangement with, or to co-operate or participate in any way with, or to take over or assume any obligation of, or to assist or subsidise any person.
- 3.10 To sell, exchange, mortgage, charge, let, grant licences, easements, options and other rights over, and in any other manner deal with, or dispose of, all or any part of the undertaking, property and assets (present and future) of the company for any or for no consideration and in particular (without prejudice to the generality of the foregoing) for any securities or for a share of profit or a royalty or other periodical or deferred payment.
- 3.11 To issue and allot securities of the company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the company or any services rendered to the company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose, and to give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of, any securities of the company or in or about the formation of the company or the conduct or course of its business.
- 3.12 To establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite, purchase or otherwise acquire securities of any company, fund or trust and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustee of any kind and to undertake and execute any trust and any trust business (including the business of acting as trustee under wills and settlements and as executor and administrator).
- 3.13 To pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of the company, and to procure the

registration or incorporation of the company in or under the laws of any place outside England.

- 3.14 To the extent permitted by law, to give financial assistance for the purpose of the acquisition of shares of the company or any company which is at the relevant time the company's holding company or subsidiary or another subsidiary of any such holding company or for the purpose of reducing or discharging a liability incurred for the purpose of such an acquisition.
- 3.15 To grant or procure the grant of donations, gratuities, pensions, annuities, allowances or other benefits, including benefits on death, to, or purchase and maintain any type of insurance for or for the benefit of, any directors, officers or employees or former directors, officers or employees of the company or any company which at any time is or was a subsidiary or a holding company of the company or another subsidiary of a holding company of the company or otherwise associated with the company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the company or whom the board of directors of the company considers have any moral claim on the company or to their relations, connections or dependants, and to establish or support any funds, trusts, insurances or schemes or any associations, institutions, clubs or schools, or to do any other thing likely to benefit any such persons or otherwise to advance the interests of such persons or the company or its members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of such persons or the company or its members or for any national, charitable, benevolent, educational, social, public, political, general or useful object.
- 3.16 To cease carrying on or to wind up any business or activity of the company, and to cancel any registration of and to wind up or procure the dissolution of the company in any state or territory.
- 3.17 To distribute any of the property of the company among its creditors and members or any class of either in cash, specie or kind.
- 3.18 To do all or any of the above things or matters in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- 3.19 To carry on any other activity and do anything of any nature which in the opinion of the board of directors of the company is or may be capable of being conveniently carried on or done in connection with the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the company's undertaking property or assets or otherwise to advance the interests of the company or of its members.
- 3.20 To do any other thing which in the opinion of the board of directors of the company is or may be incidental or conducive to the attainment of the above objects or any of them.

3.21 In this clause "company", except where used in reference to this company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, "securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation, "and" and "or" shall mean "and/or" where the context so permits, "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible, and the objects specified in the different paragraphs of this clause shall not, except where the context expressly requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company or the nature of any trade or business carried on by the company, or by the fact that at any time the company is not carrying on any trade or business but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of those paragraphs defined the objects of a separate distinct and independent company.

4. The liability of the members is limited.

5. The company's share capital is £100, divided into 100 shares of £1 each, and the company shall have the power from time to time to divide the original or any increased capital into classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.*

***Notes:**

- (1) By ordinary resolution dated 8 April 2004 the authorised share capital of the company was increased from £100 to £101 divided into 101 ordinary shares of £1 each.
- (2) By special resolution dated 24 May 2004 the authorised share capital of the company was increased, sub-divided and re-designated from £101 to £10,002 divided into 2,000 ordinary shares of 0.1p each and 10,000 founder shares of £1 each.
- (3) By written resolution dated 29 September 2004 the authorised share capital of the Company was increased and re-designated from £10,002 to £201,010,000 divided into 10,000 founder shares of £1 each, 910,000,000 "A" ordinary shares of 0.1p each, 90,000,000 "B" ordinary shares of 0.1p each, 100,000,000 cash preference shares of £1 each and 100,000,000 PIK preference shares of £1 each.
- (4) By written resolution dated 13 December 2005:
 - (i) 528,225,000 of the issued ordinary shares of the Company were consolidated into 528,225 ordinary shares of £1 each and the remaining 744 ordinary shares of 0.1p each were converted into Deferred Shares of 0.1p;
 - (ii) 481,774,000 of the unissued 0.1p shares of the Company were consolidated into 481,774 ordinary shares of £1 each and the remaining 256 unissued ordinary shares were converted into Deferred Shares of 0.1p each; and

- (iii) the authorised share capital of the Company was increased to £659,202,695 which is divided into 459,202,694 ordinary shares of £1 each in nominal value in the capital of the company, 100,000,000 Cash Preference Shares of £1 each, 100,000,000 PIK Preference Shares of £1 each and 1000 deferred shares of 0.1p each in nominal value in the capital of the company.

We, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum, and we agree to take the number of shares shown opposite our respective names.

Names and addresses of subscribers	Number of shares taken by each subscriber
1. For and on behalf of TRUCIDATOR NOMINEES LIMITED, 2 Lambs Passage, London EC1Y 8BB	One
E J Zuercher Authorised Signatory	
2. For and on behalf of TREXCO LIMITED, 2 Lambs Passage, London EC1Y 8BB	One
L J Stoker Authorised Signatory	
Total shares taken	Two

Dated 16 September 2002

Witness to the above signatures:-

R.H SMITH

2 Lambs Passage,
London EC1Y 8BB

Registered Number 4560770

THE COMPANIES ACT 1985 (AS AMENDED)
A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

RESOLUTION LIFE GROUP LIMITED

(adopted on 29 September, 2004
and as amended on 5 May 2005 and 13 December 2005)

incorporated in England and Wales on
11th October, 2002

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(JCXT)

CA053440001

CONTENTS

	<u>Page</u>
1. Exclusion of Table A	1
2. Interpretation	1
3. Authorised Share Capital	16
4. Redeemable Shares	16
5. Purchase of Own Shares	17
6. Rights Attached to Shares	17
7. Founder Share Rights	18
8. Consequences of Liquidity Event	21
9. Following a Listing	24
10. Acquisition Preference Shares	26
11. Unissued Shares	43
12. Payment of Commission	43
13. Share Certificates	43
14. Lien	44
15. Calls	44
16. Forfeiture of Shares	45
17. Permitted transfers and lock-up	46
18. Share issues and pre-emption	47
19. Share transfers and pre-emption	50
20. Drag along	52
21. Tag along	54
22. Market value	57

23.	Transfer of Shares	58
24.	Transmission of Shares	59
25.	Alteration of Share Capital	60
26.	General Meetings	60
27.	Notice of General Meetings	61
28.	Proceedings at General Meetings	61
29.	Votes of Members	63
30.	Proxies	65
31.	Number of Directors	66
32.	Alternate Directors	66
33.	Powers of Directors	67
34.	Borrowing Powers	67
35.	Delegation of Directors' Powers	67
36.	Power to Provide for Employees	68
37.	Appointment and Removal of Directors by Majority Shareholders	68
38.	Appointment of Directors by board	68
39.	No Age Limit or Share Qualification	68
40.	Disqualification and Removal of Directors	68
41.	Executive Directors	69
42.	Fees, Remuneration and Expenses	70
43.	Directors' Gratuities and Pensions	70
44.	Board Meetings	70
45.	Notice of board Meetings	71

46.	Participation in board Meetings by Telephone	71
47.	Resolution in Writing	72
48.	Directors' Interests	72
49.	Secretary	73
50.	Official Seal	73
51.	Dividends and Other Payments	73
52.	Power to Capitalise Reserves and Funds	77
53.	Record Dates	78
54.	Accounting Records and Summary Financial Statements	78
55.	Service of Notices and Documents	78
56.	Destruction of Documents	80
57.	Winding Up	80
58.	Indemnity of Officers	81

ARTICLES OF ASSOCIATION

of

RESOLUTION LIFE GROUP LIMITED¹

1. Exclusion of Table A

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the company.

2. Interpretation

2.1 In these articles unless the context otherwise requires:

"A' Shares" has the meaning given in article 3;

"Acquisition" means the acquisition of by a member of the Group:

(A) all of the share capital of (i) a company whose principal business is long-term insurance business (a **"Long-Term Insurer"**) or (ii) of any direct or indirect holding company (as defined in the Companies Acts) of a Long-Term Insurer whose principal business is as a holding company of one or more Long-Term Insurers; or

(B) all or part of the long-term insurance business of a Long-Term Insurer by means of an insurance business transfer scheme under the Financial Services and Markets Act 2000 or otherwise;

"Acquisition Founder Relations" means in relation to the Founder, the spouse or widow of the Founder and brothers, sisters, children and grandchildren (including step and adopted children and their issue and step and adopted children) of the Founder and any person living in the same household

¹ The company changed its name from "Cowdery Holdings Limited" to "Resolution Life Group Limited" on 24th May, 2004. The company was incorporated as "Trushelfco (No.2927) Limited" and changed its name to "Cowdery Holdings Limited" by special resolution on 5th February 2003.

	as the Founder, as the common law spouse, life partner, spouse equivalent or similar of the Founder;
"Acquisition Preference Shares"	means the Cash Preference Shares and the PIK Preference Shares (having the rights and restrictions set out in <u>article 10</u>);
"Acting in Concert"	has the meaning given to that expression in the City Code on Takeovers and Mergers but taking into account the notes to the City Code and the practice of the Panel on Takeovers and Mergers in interpreting the provisions of the City Code;
"Adoption Authority"	the authority granted by the company by special resolution adopting these articles together with the class consent of the holders of the Founder Shares approving such adoption;
"these articles"	means these articles of association as altered from time to time and the expression "this article" shall be construed accordingly;
"Affiliate"	in relation to a person means any other person that is, directly or indirectly, Controlling, Controlled by or under common Control with that person;
"Annual Period"	means the annual period from the Subscription Date until its anniversary date and each annual period thereafter until the next anniversary date;
"Asset Value"	has the meaning given in <u>article 22</u> ;
the "auditors"	means the auditors from time to time of the company;
"B' Shares"	has the meaning given in <u>article 3</u> ;
the "board"	means the board of directors from time to time of the company (or a duly authorised committee thereof) or the directors present at a meeting of the directors at which a quorum is present;
"Business Day"	means a day (other than a Saturday or Sunday) on which banks are open for business (other than solely for trading and settlement in euro) in London;

"Cash Equivalent"	means the sum determined by the auditors, acting as experts and not as arbitrators, as being in their opinion (to the extent that consideration shall be payable otherwise than in cash or on deferred, unquantifiable or contingent terms) the current value of that consideration and, where appropriate, the right to receive that consideration;
"Cash Preference Shares"	means the 50,000,000 first series preference shares of £1 each in the company, any further series of cash preference shares subsequently issued, any further such shares of any series issued pursuant to the terms of such shares and any Cash Preference Shares arising on conversion of any PIK Preference Shares;
"Charity"	means any institution whether corporate or not (including any trust or undertaking) which is established for purposes which are exclusively charitable according to the laws of England;
"clear days"	in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;
the "Companies Acts"	means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the company;
"Company Value"	means the cash amount or the Cash Equivalent which the company receives or is due to receive in an Asset Sale or, in the case when the calculation is being determined in the circumstances of a Winding-up, the cash amount which the company would receive in an all cash sale of all of its assets and businesses (including the assumption of all liabilities, financial and otherwise, of the businesses) as a going concern in an arm's length transaction with an unaffiliated third party between a willing seller and a willing buyer completed on the day immediately preceding the date on which the event occurred which necessitated the determination of the Fair Value;
"Consideration Preference"	means shares in the capital of the company (not being

Shares"

Equity Securities) issued as consideration for or in connection with an Acquisition having preferential rights to the rights of the Ordinary Shares, including the Acquisition Preference Shares;

"Control"

means, in relation to any undertaking:

- (a) the ownership or control (directly or indirectly) of shares or other interests in that undertaking carrying more than fifty per cent. (50%) of the votes exercisable at general meetings of (or in such other forum or arrangement for the exercise of votes by Interest holders in) that undertaking on all, or substantially all, matters; or
- (b) the right to appoint or remove directors (or equivalent officers) of that undertaking having a majority of the voting rights exercisable at meetings of the board of directors (or equivalent officers) of that undertaking on all, or substantially all matters; or
- (c) the ability of a person to ensure that the activities, business and affairs of that undertaking are conducted in accordance with the wishes of that person to the exclusion of any other person whether as a result of a delegation of authority, contractual arrangement or otherwise and whether or not such Control is or may be exercised on behalf of some other person(s),

and any derivative term or reference to **"Controlling"** shall be construed accordingly;

"Controlling Interest"

means an Interest in such a number of Shares as would confer Control of the company upon the holder of such Shares;

"Convertible Bond"	means the convertible bond issued on the Subscription Date by the company to Rose Nominees Limited (a/c 20423);
"Cumulative Distributions"	means the aggregate amounts paid to Investors by way of any dividend, distribution, interest or other income or return of capital (and for these purposes there shall be included the amount of any cash dividend which is satisfied by the issue of Shares) resulting from their holding the Initial Investments during the period from the Subscription Date until the third anniversary of such date;
"Cumulative Distributions Target"	shall be a target rate of dividend or distribution determined by the Remuneration Committee of the board of directors within 90 days following the Subscription Date expressed as the percentage that the Cumulative Distributions are intended to represent of the Investors' Investments, (such determination to be made in good faith in the interests of the company and at a level anticipated to be one at which the directors would be able to approve payments in compliance with applicable law and contractual obligations under financing documents in relation to moneys borrowed by the Group) and thereafter such other rate as shall be determined from time to time by such committee;
"Deferred Shares"	has the meaning given to it in article 3.1;
"Dilutive Subscription Rights"	has the meaning given to it in <u>article 7.9</u> ;
"directors"	means the directors of the company from time to time and "director" shall be construed accordingly;
"Dispose"	means, in relation to any asset (including, where applicable, any share) or any Interest in any asset: <ul style="list-style-type: none"> (A) to sell, assign, transfer or otherwise dispose of that asset or any Interest in that asset; (B) to pledge, charge, mortgage or otherwise create or permit to subsist any lien, security Interest or encumbrance over that asset or any

Interest in that asset;

- (C) to create any trust or confer any Interest over that asset;
- (D) to enter into any agreement, arrangement or understanding in respect of votes or the right to receive dividends with respect to that share;
- (E) to renounce or assign any right to receive that asset or any Interest in that asset; or
- (F) to agree, whether or not subject to any condition precedent (other than a condition precedent in relation to the observance of any pre-emption or other procedures required by these articles) or subsequent, to do any of the foregoing,

and any derivative term, as well as any reference to a "**Disposal**", shall be construed accordingly, provided that any arrangement in the nature of security between the Founder and any bona fide provider of finance which would otherwise constitute a Disposal of an Interest in Shares shall not constitute a Disposal unless it is a Transfer;

"Equity Securities"

means (i) the Ordinary Shares and (ii) any other equity securities (as defined in Section 94(2) of the Act) issued by the Company which confer rights to convert or exchange into or subscribe for Ordinary Shares (including, for the avoidance of doubt, Options);

"Fair Value"

means the amount derived by calculating the cash distributions which would be made to the holders of the Ordinary Shares in accordance with these articles if the company received the Company Value in cash and then distributed the same to the holders of Ordinary Shares and assuming that all of the liabilities, debt and obligations, if any, of the company not assumed by the transferee or deemed transferee were discharged or repaid. For these purposes, the amount of such cash distribution shall be deemed to be distributable regardless of whether such cash constitutes profits available for distribution for the purposes of the

Companies Acts;

"Family Trust"

in relation to the Founder, means a trust which (i) does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of:

- (A) the Founder, and/or a Founder Relation of the Founder; or
- (B) any Charity or Charities as default beneficiaries (meaning that such Charity or Charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other Founder Relations or Family Trusts who are beneficiaries from time to time except another such Charity or Charities)

and (ii) does not cede power of control over the voting powers conferred by any shares the subject of the trust to any person other than the trustees (or their agents) of any Family Trust or the Founder or his Founder Relations;

"Founder"

means Mr. Clive Cowdery;

"Founder's Interest"

means the percentage interest (expressed to three decimal points) in the company's voting, capital and income rights represented by the Founder Rights from time to time, which at the date of adoption of these articles is five per cent. (5.000%) and which percentage falls to be adjusted as set out in these articles;

"Founder's Ordinary Share Entitlement"

means the product of the Founder's Interest and the issued Ordinary Share capital of the company as at the effective date of a Liquidity Event (including, for the avoidance of doubt, any Ordinary Shares to be issued conditional upon the Liquidity Event becoming effective by reason of the exercise or operation of any exchange, conversion or subscription rights other than Dilutive Subscription Rights, but excluding for these purposes, if the Liquidity Event is a Listing, any new

	Ordinary Shares to be issued to new subscribers in the Listing);
"Founder Rights"	means the Founder Voting Rights, the Founder Dividend Rights, the Founder Capital Rights and the Founder Listing Rights as adjusted from time to time under these articles;
"Founder Shareholders"	means members of the company who hold Founder Shares from time to time;
"Founder Shares"	has the meaning given to it in <u>article 3</u> ;
"Founder Transferee"	has the meaning given to it in <u>article 17.4</u> ;
"Fully Diluted Ordinary Share Capital"	means the number of Ordinary Shares in issue from time to time on the assumption that (a) any securities or rights exchangeable or convertible into or to subscribe for Ordinary Shares (including, for the avoidance of doubt, under the Convertible Bond and the Dilutive Subscription Rights) have been so exchanged, converted or exercised at the exchange or conversion rate or subscription price prevailing at the relevant date of calculation; and (b) that the Founder Shares have become Ordinary Shares in accordance with these articles;
"Group"	means the company, any other subsidiary or Affiliate of the company and any Affiliate of any such subsidiary from time to time provided that for this purpose the expression Affiliate shall exclude any person who is an Affiliate solely by virtue of Controlling the company or being under common Control with (but not controlled by) the company;
the "holder"	in relation to any shares means the member whose name is entered in the register as the holder of those shares and, in the case of <u>article 9</u> , any redesignation of 'B' Shares as Ordinary Shares shall be ignored;
"Initial Equity"	means the aggregate of (i) the Ordinary Shares issued at or prior to the Subscription Date; (ii) the Ordinary Shares that would be in issue if there have been exercised in full all rights of any person (whether or not yet exercisable) to call for the allotment or issue of

such Ordinary Shares pursuant to the Dilutive Subscription Rights and any convertible securities issued to any person at or about the Subscription Date); and (iii) the Ordinary Shares to which the holders of the Founder Shares would be entitled on a Listing;

“Initial Investments”	means the Ordinary Shares subscribed by Investors on or prior to the Subscription Date together with any Ordinary Shares deriving therefrom after the Subscription Date as a result of their issue in satisfaction of or in lieu of a dividend;
“Interest”	means an interest of any kind whatsoever in or to acquire any Share or any right to control the voting or other rights attributable to any Share, disregarding any conditions or restriction to which the right attributable to such interest is subject;
“Investors”	means those persons subscribing ‘A’ Shares on or prior to the Subscription Date together with their Affiliates;
“Investor Shareholders”	means members of the company who hold ‘A’ Shares from time to time;
“Investors’ Investments”	means the amount paid to the company by the Investors in respect of the Initial Investments;
“Investors’ Share of Total Capitalisation”	means, in connection with the calculations being made, that amount of the Total Capitalisation as is attributable to the Initial Investments;
“Investors’ Total Return”	means the payments made to or by the Investors in respect of the Initial Investments gross of any deductions, withholdings, or any other charge or effect of any tax: and shall include the following payments as a negative: (i) the payments made by the Investors in respect of the Investors’ Investments at or prior to the Subscription Date;

and the following receipts as a positive (provided that each receipt may only be counted once):

- (A) dividend, distribution, interest or other income or return of capital (and for these purposes there shall be excluded the amount of any cash dividend which is satisfied by the issue of any Shares) paid by the company in respect of the *Initial Investments*;
- (B) amounts paid by the company on the redemption, repayment or repurchase of any of the *Initial Investments*; and
- (C) the Investors' Share of the Total Capitalisation;

"IRR"

means, in respect of the *Initial Investments*, the average annualised rate of return (expressed as a percentage and calculated using a methodology agreed between the Investors and the Founder) which when applied as a discount to the cash flows comprising the Investors' Total Return gives a net present value of zero;

"IRR Target"

25 per cent.;

"Liquidity Event"

means:

- (A) a Listing;
- (B) the completion of an agreement by any person or persons (who in relation to each other are Acting in Concert) of any Interests in any Shares which, after taking into account all Interest in Shares held by such person or persons and their Affiliates, would give such person(s) a Controlling Interest in the Company (a "**Sale**");
- (C) the completion of a sale of Selling Shares (as defined in article 20.2) pursuant to article 20 (a "**Drag Sale**");
- (D) the sale of all or substantially all of the assets

of the Group (an "**Asset Sale**"); or

- (E) the commencement of a solvent winding-up of the Company (a "**Winding-up**");

"Listing"

means the admission of all or part of the share capital of the company to, or the grant of permission for the same to be traded on, any recognised investment exchange, or such other public share or stock exchange expected to provide suitable liquidity for the Shares to be listed as the board shall determine, and such admission or permission becoming effective.

"Listing Price"

means the new issue price of any new Ordinary Shares to be issued in or, if there is not such an issue, the highest price at which any such shares are or are to be placed or offered for sale for the purposes of, the Listing;

"Market Value"

has the meaning given to it in article 22;

"member"

means a member of the company;

the "office"

means the registered office from time to time of the company;

"Ordinary Shares"

means the 'A' Shares and the 'B' Shares and, where the context requires, shall mean the 'A' Shares and the 'B' Shares as redesignated as Ordinary Shares (having a nominal value of 0.1 pence each) in the circumstances described in these articles;

"paid up"

means paid up or credited as paid up;

"Permitted Transferee"

means in relation to an Investor:

- (A) any entity which is an Affiliate of such Investor;
- (B) if the Investor is a nominee or trustee, to another nominee or trustee of the same beneficiary or to such beneficiary itself or to a person who would be a Permitted Transferee of such beneficiary;
- (C) in the case of any Investor which is, is Controlled by, or which holds shares by or on behalf of, a

fund or funds managed professionally for investment purposes or which holds shares in its capacity as a person managing or advising such fund or funds or as a nominee or custodian of such fund or funds:

- (i) any person managing or advising in respect of the investment of such fund or funds or which is an Affiliate to any person managing or advising such fund or funds or to a nominee or trustee for any such person;
 - (ii) a nominee or trustee of such fund or funds;
 - (iii) (where the Investor is a manager, adviser, nominee or custodian) such fund or funds and any other such fund Controlled, managed or advised by the same manager or adviser or by an Affiliate of its manager or adviser (or any other person which would be a Permitted Transferee of such fund were it an Investor); and
 - (iv) any entity which is an investment plan operated wholly or partly for the benefit of employees of or partners in any person managing or advising such fund or any nominee, trustee or custodian of such plan; and
- (D) any other person agreed between the relevant Investor and the Company to be treated as such;

“PIK Preference Shares”

means the 50,000,000 first series preference shares of £1 each in the company, any further series of PIK preference shares subsequently issued and any further such shares issued pursuant to article 10.2;

“PIK Preference Shares Calculation Date”	means 31 st December, 2009 or any 30th June or 31st December prior to 31st December, 2009 as may be agreed by Resolution Life Limited and Royal & Sun Alliance Insurance Group plc pursuant to the Rhine SPA or (if so demanded by the Financial Services Authority) determined by Resolution Life Limited;
“recognised investment exchange”	has the meaning provided in the Financial Services and Markets Act 2000 but shall also include the Alternative Investment Market of the London Stock Exchange plc;
“Redemption Shares”	has the meaning given in <u>article 8.6</u> ;
the “register”	means the register of members of the company;
“Relevant Percentage”	<p>means, at any time, with respect to an Investor Shareholder or the Founder, the percentage which:</p> <p>(A) in the case of an Investor Shareholder, the amount of Ordinary Shares held by that Investor Shareholder at that time and, in the case of the Founder (for the purposes of <u>article 19</u>), the amount of Ordinary Shares the Founder would hold if a Listing occurred at the relevant time;</p> <p>is of</p> <p>(B) the amount of Ordinary Shares in issue at that time, together with, in the case of <u>article 19</u>, the amount of Ordinary Shares the Founder would hold if a Listing occurred at that time,</p> <p>provided that, for the purposes of <u>article 19</u>, <u>there shall be excluded from (B)</u> the number of Ordinary Shares held by the proposing transferor;</p>
“Remuneration Committee”	means the committee established by the directors pursuant to a resolution passed pursuant to <u>article 35</u> having the powers and authorities determined by the directors and the powers and authorities referred to in these articles;

"Rhine SPA"	means the Sale and Purchase Agreement dated 30 July, 2004 between Royal & Sun Alliance Insurance Group plc, the company and Resolution Life Limited relating to the sale and purchase of the Royal & Sun Alliance life group of companies;
"seal"	means any common or official seal that the company may be permitted to have under the Companies Acts;
the "secretary"	means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary;
"Security"	means any Share and any right or entitlement (in whatever form) to acquire any Share whether by subscription, conversion, exchange or otherwise;
"Share Option Scheme"	means the unapproved share option scheme of the Company entitled "The Resolution Life Group 2004 Share Option Scheme" established on 30 September, 2004 as varied or amended from time to time;
"shares" or "Shares"	means shares in the capital of the company, being at the date of adoption of these articles, the Founder Shares, the 'A' Shares, the Cash Preference Shares and the PIK Preference Shares;
"Specified Price"	has the meaning given to it in <u>article 19.3</u> ;
"Subscription Date"	<i>means the date of adoption of these articles (being the date of completion of the first Acquisition);</i>
"Subscription Price"	means £1 per 'A' Share;
"Total Capitalisation"	means: <ul style="list-style-type: none"> (i) in the case of a Listing, the market value of the Fully Diluted Ordinary Share Capital in issue or which fall to be issued conditionally upon the Listing becoming effective determined by reference to the Listing Price (but excluding for these purposes any new Ordinary Shares to

be issued to new subscribers in the Listing);

- (ii) in the case of a Sale or Drag Sale, the aggregate cash consideration payable upon the Sale attributable to the Fully Diluted Ordinary Share Capital and, to the extent that consideration shall be so payable otherwise than in cash, or shall be so payable on *deferred, unquantifiable or contingent terms*, the Cash Equivalent of that consideration and, in each case, an amount equal to the value of the Fully Diluted Ordinary Share Capital which is not the subject of the Sale calculated using the same per share amount of cash or Cash Equivalent; and
- (iii) in the case of an Asset Sale or a Winding-up, the Fair Value of the Fully Diluted Ordinary Share Capital;

"Transfer"

means, in relation to any Share, to transfer the entire legal and beneficial interest in that Share free from all claims, liens, charges, encumbrances and equities and together with all rights attached or accruing to the Share and any derivative term, and any reference to a **"Transfer"**, shall be construed accordingly;

"Transferee"

means any person to whom Shares are Transferred;

"Transferor"

means any Shareholder who Transfers some or all of their Shares; and

"United Kingdom"

means Great Britain and Northern Ireland.

2.2 In construing these articles, unless otherwise specified:

- (i) references to a document being executed include references to its being executed *under hand or under seal or by any other method*;
- (ii) references to a person shall be construed as to include any individual, firm, company or other body corporate, government, state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);

- (iii) references to writing include references to any method of representing or reproducing words in a legible and non-transitory form;
- (iv) words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear (if not inconsistent with the subject matter or context) the same meaning in these articles or that part (as the case may be) save that the word company shall include any body corporate;
- (v) references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person; and
- (vi) use of any gender includes the other genders and reference to the singular includes the plural and vice versa.

2.3 A member represented at a general meeting by a duly authorised corporate representative shall be deemed to be present in person.

2.4 If, and for so long as, the company has only one member, these articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company.

2.5 Headings are included only for convenience and shall not affect meaning.

3. Authorised Share Capital

3.1 The authorised share capital of the company as at the date of the adoption of this article is £659,202,695 which is divided into 459,202,694 ordinary shares of £1 each in nominal value in the capital of the company (the "**Ordinary Shares**"), 100,000,000 Cash Preference Shares of £1 each, 100,000,000 PIK Preference Shares of £1 each and 1000 deferred shares of 0.1p each in nominal value in the capital of the company (the "**Deferred Shares**").

3.2 The 'A' Shares and the 'B' Shares shall in all respects rank pari passu save that the 'B' Shares shall be subject to the operation of article 9. The 'A' Shares and the 'B' Shares shall be designated upon a Liquidity Event becoming effective as ordinary shares in the capital of the company of equal nominal value and shall thereafter rank pari passu in all respects with all other Ordinary Shares.

4. Redeemable Shares

Subject to the provisions of the Companies Acts and to any rights attached to existing shares, any share may be issued which is to be redeemed, or is liable to be redeemed, at the option of the company or the holder.

5. Purchase of Own Shares

Subject to the provisions of the Companies Acts and to any rights attached to existing shares, the company may purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares. Neither the company nor the board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

6. Rights Attached to Shares

6.1 Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the directors may decide.

6.2 Subject to the provisions of the Companies Act, all or any of the rights attached to any class of shares may from time to time be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the company shall, with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum), that every holder of shares of the class present in person or by proxy shall be entitled on a poll to one vote for every share of the class held by him (subject to any rights or restrictions attached to any class of shares) and that any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions of this article shall apply to the variation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

6.3 The Deferred Shares will have a right:

- (i) on a winding-up or any other return of capital, to a return of the amount paid up or credited as paid up on such shares at that time but only if the surplus available after returning amounts paid up or credited as being paid up on all other classes of shares in the company exceeds £100 billion; and
- (ii) a dividend of 0.1 per cent. per annum of the amount paid up or credited as being paid up on such shares in the event that in any financial year the profits of the company available for distribution exceed £10 billion.

6.4 The Deferred Shares shall not confer on the holders thereof any right in that capacity to vote at any general meeting of the Company.

6.5 The Deferred Shares shall not confer on the holders thereof any right other than those set out in article 6.3 above.

7. Founder Share Rights

7.1 Subject to these articles, the holders of the Founder Shares shall at all times be entitled to exercise votes at any general meeting of the company equivalent to the Founder's Interest of the total votes exercisable at that meeting but excluding for these purposes the votes exercisable at that meeting attaching to any 'B' Shares issued upon any exercise of any Dilutive Subscription Rights (the "**Founder Voting Rights**"). Each Founder Share shall bear with it a right to a number of such voting rights equal to the result of the Founder Voting Rights multiplied by a fraction, the numerator of which is one and the denominator of which is the total number of Founder Shares then in issue.

7.2 Subject to these articles, the holders of the Founder Shares shall be entitled to the Founder's Interest of any dividend declared by, or other distribution made by, the company to holders of Shares (other than holders of Consideration Preference Shares) from time to time but excluding for these purposes any dividend or distribution made by the company attaching to any 'B' Shares issued upon exercise of any Dilutive Subscription Rights (the "**Founder Dividend Rights**"). Each Founder Share shall bear with it a right to an amount of the dividend or distribution equal to the result of the Founder Dividend Rights multiplied by a fraction, the numerator of which is one and the denominator of which is the total number of Founder Shares then in issue.

7.3 Subject to these articles, in a winding up of, or other return of capital by, the company, the holders of the Founder Shares shall be entitled to the Founder's Interest of any such return to holders of all classes of Shares (other than holders of Consideration Preference Shares) from time to time but excluding for these purposes the entitlement attaching to any 'B' Shares issued upon exercise of any Dilutive Subscription Rights (the "**Founder Capital Rights**"). Each Founder Share shall bear with it a right to an amount of the return equal to the result of the Founder Capital Rights multiplied by a fraction, the numerator of which is one and the denominator of which is the total number of Founder Shares then in issue.

7.4 Subject to these articles, if a Listing occurs, the holders of Founder Shares shall be entitled immediately prior to the Listing (or, if the directors of the company so determine for the purposes of the efficient implementation of the Listing, conditionally upon the Listing becoming effective), in substitution for the Founder Shares, to:

- (a) a number of Ordinary Shares equal to the Founder's Interest (or, if this is not a whole number, such number rounded up to the nearest whole number) of the Fully Diluted Ordinary Share Capital (excluding for these purposes (i) any 'B' Shares issued upon

exercise of any Dilutive Subscription Rights and (ii) any Ordinary Shares which are to be issued to subscribers in the Listing); and

- (b) a number of Ordinary Shares, calculated on the basis of the Listing Price, equal to the Founder's Interest (or if this is not a whole number, such number rounded up to the nearest whole number) of the product of the aggregate number of Shares of any other class (other than Consideration Preference Shares) multiplied by the Market Value of each Share of that class,

(together the "**relevant Listing Capital**") (the "**Founder Listing Rights**").

- 7.5 Pursuant to the Adoption Authority, the directors of the company are hereby authorised to and shall satisfy the entitlement of the holders of the Founder Shares under article 7.4 in the manner specified in article 8 or, if they so determine, in such other manner as they shall determine to be most expedient to achieve the purpose.
- 7.6 If a Listing is undertaken but is in relation to a class of share of the company other than the Ordinary Share capital, the entitlement of the Founder Shares under article 7.4 shall be in respect of such other class of shares and the provisions of articles 7.4 and 7.5 shall be interpreted accordingly.
- 7.7 Without prejudice to any other right or interest attaching to the Founder Shares, any allotment or issue of any shares in the company which have preferential rights to, or in any way rank above, the Founder Shares and any variation or modification to articles 7, 8 and 9 shall constitute a variation of the class rights of the Founder Shares requiring approval by the holders of the Founder Shares pursuant to article 6.2. This article 7.7 shall not apply to the issue of Consideration Preference Shares.
- 7.8 The Founder Shares shall carry no further right to participate in the profits or assets of the company in addition to those set out above.
- 7.9 The Founder's Interest shall be adjusted (prior to the operation of article 8):
 - (i) upon exercise of any rights or options to subscribe Shares granted by the company pursuant to the Share Option Scheme (together the "**Dilutive Subscription Rights**") but not by the issue of any other Shares. Any adjustment to the Founder's Interest to take account of the exercise of Dilutive Subscription Rights shall be calculated after any adjustment to the Dilutive Subscription Rights by reference to the Cumulative Distributions Target and/or the IRR Target specified in the rules of the Share Option Scheme; and
 - (ii) following the declaration of any dividend on the Ordinary Shares to take account of any election made by the holders of Founder Shares to receive payment in respect of the Founder Dividend Rights in cash and elections made by any other members to take shares in substitution or in lieu of any entitlement to a cash dividend

so that the adjusted Founder's Interest reflects the dilutive effects of the new issue of Shares so that, for example, in the case of a further issue of Ordinary Shares pursuant to (i) or (ii) the adjusted Founder's Interest would be equal to AFI calculated as follows:

$$AFI = \frac{FI + OSC}{FI + OSC + NS} \times Y$$

where

Y is the Founder's Interest prior to adjustment under this article

FI is the number of Ordinary Shares into which the Founders Shares would convert immediately prior to the new issue of Ordinary Shares pursuant to (i) or (ii) above

OSC is the number of Ordinary Shares in issue immediately prior to the new issue of Ordinary Shares pursuant to (i) or (ii) above and

NS is the number of new Ordinary Shares to be issued pursuant to (i) or (ii) above.

- 7.10 The Founder's Interest shall be adjusted (and accordingly the Founder Rights shall be adjusted commensurately) immediately prior to, but conditional on, a Liquidity Event becoming effective in the manner provided in article 8.
- 7.11 Following any adjustment made pursuant to article 7.10, but conditional on the Liquidity Event giving rise to the adjustment becoming effective, the Founder Shares shall convert into the number of 'B' Shares and the number of Redemption Shares as determined in accordance with article 8.
- 7.12 Subject to the Companies Acts, the Founder Shares shall be redeemed by the company in the circumstances specified in article 8.
- 7.13 Subject to article 7.14, for so long as a Liquidity Event has not occurred and either the Founder or the Founder together with his Family Trusts and Founder Relations hold more than 50 per cent. of the Founder Shares (the "**Appointing Holders**"), the Appointing Holders shall be entitled to appoint to the board one person to act as a director. On any vote to approve the appointment of such person as a director or to remove such person as a director, the Appointing Holders (provided that at that time they continue to hold more than 50 per cent. of the Founder Shares) shall be entitled to exercise 50 per cent. of the votes exercisable at the meeting plus one additional vote.
- 7.14 If more than fifty per cent. of the Founder Shares are Transferred or Disposed of to one or more Founder Transferees:
- (A) the rights of the holders of the Founder Shares under article 7.13 shall irrevocably cease to apply immediately thereafter;

- (B) the Founders Voting Rights shall be determined as if the reference in article 7.1 to “the total voting rights exercisable at that meeting but excluding for these purposes any ‘B’ Shares issuable upon exercise of any Dilutive Subscription Rights” were a reference only to the votes exercisable at that meeting which are attributable to such Shares in issue at the time of such Transfer or Disposal and disregarding the votes attributable to Shares issued thereafter (including, for the avoidance of doubt, Shares issued pursuant to the Share Option Scheme or issued pursuant to an election to take shares in substitution or in lieu of any entitlement to a cash dividend) and article 7.1 shall be deemed amended accordingly;
- (C) the Founder Dividend Rights and the Founder Capital Rights shall be determined as if the references to dividends and capital entitlements for the holders of Shares (other than Consideration Preference Shares) (excluding for these purposes any ‘B’ Shares issuable upon exercise of any Dilutive Subscription Rights) were only to the holders of such Shares as were in issue at the time of such Transfer or Disposal and excluding any Shares issued at any time and from time to time thereafter (including, for the avoidance of doubt, Shares issued pursuant to the Share Option Scheme or issued pursuant to an election to take shares in substitution or in lieu of any entitlement to a cash dividend) and articles 7.2 and 7.3 shall respectively be deemed amended accordingly; and
- (D) the Founder Listing Rights shall be determined as if the reference to the relevant Listing Capital were only to the number of Ordinary Shares as the holders of Founder Shares would be entitled to receive under article 7.4 if calculated by reference to the share capital of the company in issue at the time of such Transfer or Disposal (excluding for these purposes any ‘B’ Shares issued upon exercise of any Dilutive Subscription Rights) and excluding any Shares issued or falling to be issued at any time and from time to time thereafter (including, for the avoidance of doubt, Shares issued pursuant to the Share Option Scheme or issued pursuant to an election to take shares in substitution or in lieu of any entitlement to a cash dividend) and article 7.4 shall be deemed amended accordingly;
- (E) article 7.9 shall no longer apply to the Founder’s Interest; and
- (F) article 8 shall continue to apply to the Founder’s Interest.

8. Consequences of Liquidity Event

8.1 If:

- (i) a Liquidity Event occurs within three years after the Subscription Date, the Founder’s Interest shall be adjusted by reference to the IRR Target; or

- (ii) a Liquidity Event occurs three years or more after the Subscription Date, the Founder's Interest shall be adjusted by reference to both the IRR Target and the Cumulative Distributions Target.

- 8.2 Subject to articles 8.4 and 8.5, if an adjustment by reference to the IRR Target falls to be made, the Founder's Interest shall be adjusted as follows:

$$A_1 = B/C \times F$$

Where:

A_1 = the Founder's Interest following adjustment under this article 8.2

F = Founder's Interest prior to adjustment under this article 8.2 (taking into account any adjustments made pursuant to article 7.9)

B = IRR

C = 25%

provided that where B is greater than or equal to C , there shall be no adjustment to the Founder's Interest.

- 8.3 If an adjustment by reference to the Cumulative Distributions Target falls to be made, the Founder's Interest shall be adjusted as follows:

$$A_2 = A_1 \times [1 - 0.2 \times (1 - D/E)]$$

Where

A_2 = the Founder's Interest following adjustment under this article 8.3

A_1 = the Founder's Interest following any adjustment calculated pursuant to article 8.2)

D = Cumulative Distributions, expressed as a percentage; and
Investors' Investments

E = Cumulative Distributions Target

provided that if D is greater than or equal to E , there shall be no adjustment to the Founder's Interest.

- 8.4 If a Liquidity Event occurs within two years after the Subscription Date and the holder of the Founder Shares has exercised his vote as a director of the company (i) against a resolution of

the board to approve the relevant steps necessary to be taken by the company in connection with the Liquidity Event or (ii) against the Liquidity Event, the calculations provided for in articles 8.2 and 8.3 shall not be capable of reducing the Founder's Interest to below four per cent.

- 8.5 The board shall at least 14 days prior to the proposed date on which the Liquidity Event is to occur:
- (i) procure the calculations provided for in articles 8.2 and 8.3 are made;
 - (ii) procure that the Cash Equivalent (if required) is determined; and
 - (iii) notify the holders of the Founder Shares of the results of such calculations. The holders of Founder Shares and the board shall use all reasonable endeavours to reach agreement as to the accuracy of such calculations in such period, to record that agreement in writing signed by or on behalf of the holders of at least one half in aggregate of the Founder Shares and, if they fail to do so within a period of seven days, to procure the determination thereof by the auditors. Any such written agreement and or any such determination shall, in the absence of manifest error, be final and binding on the holders of the Founder Shares and the company, each of whom shall be sent a copy as soon as practicable following its issue.

If the Liquidity Event does not occur by the proposed date referred to above or the terms of the Liquidity Event on the basis of which the said calculations were made have altered, the procedures set out in this sub-article shall be repeated (if the Liquidity Event is still likely to occur) by reference to the next date on which the company estimates the Liquidity Event is likely to occur and/or by reference to the revised terms, as appropriate.

- 8.6 Following determination of the adjusted Founder's Interest pursuant to this article 8 (but conditional upon the Liquidity Event occurring as described above), and pursuant to the Adoption Authority, the Founder Shares shall be subdivided into such whole number of 'B' Shares (rounding up to the nearest whole number) as equals the Founder's Ordinary Share Entitlement with any remaining part of the paid up capital attributable to the Founder Shares being redesignated as redeemable shares of 0.1 pence nominal value each (the "**Redemption Shares**"). If there is more than one holder of the Founder Shares then the 'B' Shares and Redemption Shares shall be allocated amongst them rateably to their respective holdings. The register shall be written up to reflect such subdivision and allocation.
- 8.7 If the aggregate paid up capital attributable to the Founder Shares is insufficient to pay up the number of 'B' Shares represented by the Founder's Ordinary Share Entitlement, then pursuant to the Adoption Authority, the board shall exercise its powers under article 52 to capitalise reserves and to apply the amount so capitalised in paying up a sufficient number of additional 'B' Shares which shall then be allotted rateably to the holders of the Founder Shares. The register shall be written up to reflect such capitalisation and allotment.

- 8.8 The Redemption Shares shall be redeemed immediately before such Liquidity Event occurs (but conditional upon such Liquidity Event occurring). The company shall pay for each Redemption Share the sum of 0.1 pence (rounding down to the nearest whole number of pence) and shall contemporaneously pay any arrears or accruals of the dividends payable on the Founder Shares calculated to the date of redemption.
- 8.9 The amount payable on redemption of the Redemption Shares (and any accrued dividends) shall not be payable by the company until the Liquidity Event has become effective and shall be paid within five days thereafter to the persons entitled thereto.
- 8.10 If redemption under this article is unlawful by reason of the company having insufficient distributable reserves then instead of being redeemed the Redemption Shares in question shall be converted into deferred shares of 0.1 pence each in nominal value. Such deferred shares shall have no right to receive notice of or to attend or vote at general meetings and shall have no rights to any dividend or (save as hereinafter mentioned) to capital. The deferred shares shall be redeemed forthwith at 0.1 pence per share as soon as it may be lawful for the company to do so in priority to payment of any dividend on any Shares.
- 8.11 Promptly following the events provided for in this article 8 and the Liquidity Event becoming effective, the company shall issue certificates in relation to Ordinary Shares or deferred shares (if appropriate) to those persons previously entitled to 'B' Shares.
- 8.12 If after the events that are provided for in articles 8.6 and 8.7 to take place conditional upon the Liquidity Event becoming effective have occurred, the Liquidity Event does not become effective within a reasonable period the board may, and at the request of any holder (or former holder) of Founder Shares shall, pursuant to the Adoption Authority, take such steps as are available and appropriate to reverse the effect of these events (including, without limitation, by effecting a consolidation of share capital).

9. Following a Listing

- 9.1 With effect from a Listing, members who were holders of or who became entitled to 'B' Shares shall be subject to the provisions of this article which shall form a term of issue of such 'B' Shares so as to apply following a Listing notwithstanding any change to these articles (unless the consent of the holders of 'B' Shares to the disapplication of this article 9 is obtained pursuant to article 6).
- 9.2 The number of Ordinary Shares held by each such person shall be subject to adjustment by reference to the post-Listing market price per Ordinary Share. Following the date falling 91 trading days after the Listing:
- (A) in the case of a holder of Ordinary Shares who holds such Shares following their re-designation from 'B' Shares which were in turn converted from Founder Shares, the provisions of article 8.2 and 8.3 shall be re-applied to the Founder's Interest; and

- (B) in the case of a holder of Ordinary Shares who holds such Shares following the exercise of an option granted under the rules of the Share Option Scheme, the provisions of rules 3.3(1) to 3.3(3) of such rules shall be re-applied to the 'B' Shares held by such member prior to their re-designation as Ordinary Shares,

except that, in each case, the Total Capitalisation on a Listing shall not be calculated by reference to the Listing Price but by reference to the average mid-market closing price per Ordinary Share for the 90 trading days following commencement of official trading pursuant to the Listing and by reference to the date of the Listing and not any later date and the number of 'B' Shares which would result from (as applicable) (i) such revised Founders' Interest pursuant to article 8 or (ii) the revised operation of rules 3.3(1) to 3.3(3) of the Share Option Scheme shall be determined (such number of 'B' Shares being for the purposes of this article the "**Revised Interest**").

- 9.3 If the Revised Interest of a member is greater than the number of 'B' Shares which such member held on Listing and which resulted from the Founder's Interest (following the application of articles 8) or the operation of rules 3.3(1) to 3.3(3) of the Share Option Scheme (the "**Original Interest**"), the board shall, pursuant to the Adoption Authority, in relation to each such member, exercise its powers under article 52 to capitalise sufficient of the reserves of the company and apply such sum in paying up in full the nominal amount of such number of unissued Ordinary Shares as is equal to the difference between the Revised Interest and the Original Interest of such member and allot such shares credited as fully paid to the relevant member.
- 9.4 If the Revised Interest is less than the Original Interest, the board shall, pursuant to the Adoption Authority if still valid for this purpose, or otherwise, if authorised in general meeting of the company by ordinary or special resolution passed for the purposes of Section 166 of the Companies Act, be entitled to acquire from the relevant member the number of Ordinary Shares as is equal to the difference between the Original Interest and the Revised Interest for a consideration equal to the aggregate nominal value of such Ordinary Shares or the aggregate amount paid for such Ordinary Shares on subscription if higher.
- 9.5 The calculation provided for in article 9.2 shall itself be adjusted in a manner determined by the auditors, at the request of the Remuneration Committee, to be equitable to take account of any dividend payment in respect of which the record date falls in the 90 trading day period following the effective date of the Listing or of any other similar occurrence which but for an adjustment would mean that such calculation provides an inappropriate result.
- 9.6 The company shall notify the members identified in article 9.2 of the calculations and the effect on their holdings of 'B' Shares as soon as possible and shall provide to such holders a confirmation from the auditors that such calculations have been performed in the manner required by this article (which notice and confirmation shall, in the absence of manifest error, be final and binding).

9.7 Where article 9.3 applies, the company shall, within 10 days following despatch of the final and binding notice pursuant to article 9.6, issue to the persons entitled thereto a share certificate in respect of the number of Ordinary Shares issued to.

9.8 Where article 9.4 applies, the relevant holder shall, within 10 days following receipt of the final and binding notice, submit to the company a share certificate (or a form of indemnity reasonably satisfactory to the company) relating to a number of Ordinary Shares at least equal to the number of Ordinary Shares that the company is entitled to purchase from it. The company shall promptly following receipt pay to such holder the amount due in relation to the Ordinary Shares (rounding down to the nearest whole number of pence) and issue, if appropriate, a new certificate in relation to any Ordinary Shares comprised in the certificate so submitted which have not been purchased.

10. Acquisition Preference Shares

10.1 Description of the Cash Preference Shares

10.1.1 Denomination, status and form

The Cash Preference Shares will rank as regards participation in profits and assets equally amongst themselves and with any other class of shares which is expressed to rank equally with the Cash Preference Shares as regards participation in profits or assets. Save as otherwise set out below, the Cash Preference Shares will as regards participation in profits and assets rank in priority to the Ordinary Shares, the PIK Preference Shares and any other class of shares in the capital of the company.

10.1.2 Dividends

The rights attaching to the Cash Preference Shares as regards participation in the profits of the company will be as follows:

10.1.2.1 holders of the Cash Preference Shares will be entitled (subject as described below) to receive a non-cumulative preferential dividend (the "**Preference Dividend**") payable at a fixed rate of 8.75 per cent. per annum (the "**Dividend Rate**"), such dividend to be in respect of each year ending on 31 December, payable in equal yearly instalments in arrear on the date falling 120 days after that date or, if any such date is not a Business Day, on the next succeeding Business Day (and without any interest or other payment in respect of such delay) (each a "**Dividend Payment Date**"). The first payment of the Preference Dividend is expected to be made on 30 April 2006 in respect of the period from the date of issue of the Cash Preference Shares until 31 December 2005. The Preference Dividend will be paid to those holders of Cash Preference Shares named on the register of Cash Preference Shares on the date falling 10 Business Days prior to the relevant Dividend Payment Date;

- 10.1.2.2 save as set out below, the Cash Preference Shares will rank as regards participation in profits and assets equally amongst themselves and with any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in profits and assets, and in priority to the Ordinary Shares, the PIK Preference Shares and any other share capital in the company;
- 10.1.2.3 if the directors are of the opinion that the distributable profits of the company are sufficient to cover the payment in full of the Preference Dividend on a Dividend Payment Date and also the payment in full of all other dividends payable on such date on any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in profits, then, subject to article 10.1.2.6, each Preference Dividend will be declared and paid in full;
- 10.1.2.4 if the directors are of the opinion that the distributable profits of the company are insufficient to cover the payment in full of the Preference Dividend on a Dividend Payment Date and also the payment in full of all other dividends payable on such date on any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in profits, then, subject to article 10.1.2.6, dividends will be declared by the directors pro rata for the Cash Preference Shares and any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in profits to the extent of the available distributable profits (if any), to the intent and effect that the amount of dividend declared per share on each Cash Preference Share and each share of any other class issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in profits will bear to each other the same ratio as the dividends accrued per share on each Cash Preference Share and each share of any other class issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in profits bear to each other;
- 10.1.2.5 if it subsequently appears that any Preference Dividend which has been paid should not have been paid because there were insufficient distributable profits of the company, then, provided the directors have acted in good faith, they will not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made
- 10.1.2.6 (i) if, in the opinion of the directors, the declaration or payment of any Preference Dividend would breach or cause a breach of the Financial Services Authority's capital adequacy requirements applicable to the company or any other member of the Group or would be in breach of any applicable law, then only that portion (if any) of that Preference Dividend that would not cause a breach will be declared or paid (unless, in the case of breach of the Financial Services Authority's capital adequacy requirements, the Financial Services Authority otherwise agrees); and
- (ii) notwithstanding any contrary provision in these articles, the Company (acting by a resolution of the board) shall in any event have the right not to declare or pay a

Preference Dividend whether by means of cash payment, the issue of additional Cash Preference Shares or otherwise;

- 10.1.2.7 subject to article 10.1.2.10, holders of the Cash Preference Shares will have no further right to participate in the profits of the company and, if and to the extent that any Preference Dividend (or any part of a Preference Dividend) is not paid on any occasion for the reasons described in articles 10.1.2.4 or 10.1.2.6 above, the company shall have no liability to the holders of Cash Preference Shares in respect of such non-payment;
- 10.1.2.8 the amount of Preference Dividend (if any) payable on the Cash Preference Shares in respect of any period shorter or longer than a full dividend period will be calculated on the basis of a 365 day year and the actual number of days elapsed in such period;
- 10.1.2.9 any Preference Dividend unclaimed after a period of 12 years from the date when it was declared will be forfeited and will revert to the company and the payment by the directors of any unclaimed Preference Dividend or other sum payable on or in respect of a Cash Preference Share into a separate account will not constitute the company as trustee in respect of it; and
- 10.1.2.10 if any Preference Dividend is not paid in full on any Cash Preference Shares for the reasons described in articles 10.1.2.4 or 10.1.2.6 (other than by reason of article 10.1.2.6(ii)), the directors of the company will on the Dividend Payment Date on which the Preference Dividend payable pursuant to article 10.1.2.1 would have been payable and if the company has sufficient distributable profits and/or sufficient reserves in any share premium account, capital redemption reserve or any reserve or fund representing unrealised profits and subject to the Companies Acts, allot and issue to each holder of Cash Preference Shares an additional number of Cash Preference Shares (disregarding any fractional entitlement) credited as fully paid, so far as the directors determine that the allotment and issue of such Cash Preference Shares would not cause a breach of the Financial Services Authority's capital adequacy requirements applicable to the company or any other member of the Group. The total nominal value of such additional Cash Preference Shares will be equal to the unpaid amount of the Preference Dividend (rounded down to the nearest £1) which would have been payable pursuant to article 10.1.2.1. Where the Cash Preference Shares have been the subject of a Listing, application will be made, prior to their issue, to list such additional Cash Preference Shares and to admit them to trading on the same exchange on which the Cash Preference Shares have previously been admitted to trading. Additional Cash Preference Shares allotted and issued pursuant to this article 10.1.2.10 shall be deemed to accrue dividend rights with effect from the Dividend Payment Date on which they have been allotted and issued.
- 10.1.2.11 The additional Cash Preference Shares so allotted pursuant to article 10.1.2.10 shall confer the same rights and be subject to the same limitations as, and shall rank *pari passu* and pro rata in all respects with, the relevant Cash Preference Shares. If any additional Cash Preference Shares falling to be allotted pursuant to article 10.1.2.10 cannot be

allotted by reason of any insufficiency in the company's authorised share capital or in the amount of relevant securities which the directors are authorised to allot in accordance with section 80 of the Companies Act 1985, the directors shall convene a general meeting, to be held as soon as practicable, for the purpose of considering a resolution or resolutions effecting an appropriate increase in the authorised share capital and granting the directors appropriate authority to allot relevant securities and the directors may undertake and do such acts and things as they may consider necessary or expedient for the purpose of giving effect to the provisions of article 10.1.2.10.

10.1.3 Capital

- 10.1.3.1 On a return of capital or distribution of assets on a winding up or liquidation or any other transaction having substantially the same economic effect as a liquidation, holders of the Cash Preference Shares will be entitled to receive in sterling out of the surplus assets of the company remaining after payment of the company's liabilities:
- (i) equally with the holders of any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in assets and in priority to the holders of Ordinary Shares, the PIK Preference Shares and any other share capital in the company, a sum equal to:
 - (1) the amount of any Preference Dividend (if declared) which is due for payment after the date of commencement of the winding up or liquidation or other transaction referred to above but which is payable in respect of a period ending on or before such date; and
 - (2) the proportion of the Preference Dividend (if declared) that would otherwise be payable and is not otherwise paid in cash in respect of any period that begins before, but ends after, the date of commencement of the winding up or liquidation or other transaction referred to above which is attributable to the part of the period that ends on such date; and
 - (ii) subject thereto, equally with the holders of any other class of shares issued by the company and which is entitled to participate in such return of capital or distribution of assets, a sum equal to the amount paid up or credited as paid up (in respect of the nominal value and any premium) on the Cash Preference Shares.
- 10.1.3.2 On a return of capital or distribution of assets other than in circumstances falling within article 10.1.3.1 and:
- (a) other than as a result of the application of articles 7, 8, or 9; and
 - (b) other than a redemption or purchase by the company of any of its share capital (unless the company proposes to effect such redemption or purchase in relation to

in excess of, in any three year period, 15 per cent. of the highest number of Ordinary Shares in issue in that three year period),

holders of the Cash Preference Shares will be entitled to receive in sterling out of the surplus assets of the company remaining after payment of the company's liabilities:

(i) equally with the holders of the Ordinary Shares and of any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in assets and in priority to the holders of the PIK Preference Shares and any other share capital in the company, a sum equal to:

- (1) the amount of any Preference Dividend (if declared) which is due for payment after the date of the return of capital or distribution of assets for which is payable in respect of a period ending on or before such date; and
- (2) the proportion of the Preference Dividend (if declared) that would otherwise be payable and is not otherwise paid in cash in respect of any period that begins before, but ends after, the date of the return of capital or other distribution of assets and which is attributable to the part of the period that ends on such date; and
- (3) subject thereto, equally with the holders of Ordinary Shares and of any other class of shares issued by the company and which is entitled to participate in such a return of capital or distribution of assets, a sum equal to the amount paid up or credited as paid up (in respect of the nominal value and any premium) on the Cash Preference Shares.

For the purposes of article 10.1.3.2, a reference to a return of capital or distribution of assets shall include a dividend in an aggregate amount in excess of, in any three year period, 15 per cent. of the amount paid up or credited as paid up on the highest number of Ordinary Shares in issue in that three year period.

- 10.1.3.3 If, upon any return of capital or distribution of assets, the amounts available for payment are insufficient to cover the amounts payable in full on the Cash Preference Shares according to article 10.1.3.1 or, as the case may be, article 10.1.3.2 and (where article 10.1.3.2 applies) the Ordinary Shares and any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in assets, the holders of the Cash Preference Shares and (where article 10.1.3.2 applies) the Ordinary Shares and any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in assets will share rateably in the distribution of surplus assets (if any) of the company in proportion to the full respective preferential amounts to which they are entitled.
- 10.1.3.4 No Cash Preference Share will confer any rights to participate in the surplus assets of the company other than those set out in articles 10.1.3.1, 10.1.3.2 and 10.1.3.3.

10.1.4 Redemption

- 10.1.4.1 Subject to article 10.1.4.8 and to the provisions of the Companies Act and all other laws and regulations applicable to the company, the company may, at its option, at any time falling more than five years after their date of issue redeem all or any of the Cash Preference Shares. If fewer than all of the outstanding Cash Preference Shares are to be redeemed, the Cash Preference Shares to be redeemed will be selected by the company by lot in the presence of its auditors on such basis as the directors consider appropriate at the time.
- 10.1.4.2 The amount payable on redemption of any Cash Preference Share in accordance with article 10.1.4.1 (the "**Redemption Price**") will be the amount of the par value of the Cash Preference Share to be redeemed and an amount equal to the accrued but unpaid Preference Dividend on that Cash Preference Share, in respect of the period from the Dividend Payment Date last preceding the date fixed for its redemption (the "**Redemption Date**") to (but excluding) the Redemption Date.
- 10.1.4.3 If Cash Preference Shares are to be redeemed, a notice of redemption (a "**Redemption Notice**") will be mailed to each holder of Cash Preference Shares to be redeemed not less than 30 days nor more than 60 days prior to the Redemption Date. Each Redemption Notice will specify (i) the Redemption Date, (ii) the number of Cash Preference Shares to be redeemed, (iii) the Redemption Price (specifying the amount of the accrued but unpaid Preference Dividend to be included in the Redemption Price) and (iv) the place or places where holders may surrender share certificates in respect of such Cash Preference Shares and obtain payment of the Redemption Price. No defect in the Redemption Notice or in its mailing will affect the validity of the redemption proceedings.
- 10.1.4.4 Payments in respect of the amount due on redemption of a Cash Preference Share will be made by sterling cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for that purpose in the Redemption Notice by transfer to a sterling account maintained by the payee with a bank in London or such other method as the directors may specify in the Redemption Notice. Such payment will be made against presentation and surrender of the relative certificate at the place or one of the places specified in the Redemption Notice. If any share certificate so surrendered includes any Cash Preference Shares not to be redeemed on the Redemption Date, the company will issue to the holder (or the first-named of joint holders), free of charge, a fresh certificate in respect of such Cash Preference Shares within 14 days of redemption. All payments in respect of the redemption amount will in all respects be subject to any applicable fiscal or other laws.
- 10.1.4.5 As from the Redemption Date, the Preference Dividend will cease to accrue on the redeemed Cash Preference Shares except on any Cash Preference Share in respect of which payment of the Redemption Price due on the Redemption Date is improperly withheld or refused, in which case the Preference Dividend will be deemed to have continued, and will accordingly continue, to accrue at the Dividend Rate from the

Redemption Date to the date of payment of such redemption amount. Such Cash Preference Share will not be treated as having been redeemed until the Redemption Price, together with the accrued Preference Dividend, has been paid.

- 10.1.4.6 If the due date for payment of the Redemption Price is not a Business Day, payment of such amount will be made on the next succeeding day which is a Business Day (without any interest or other payment in respect of such delay).
- 10.1.4.7 A receipt given by the holder for the time being of any Cash Preference Share (or in the case of joint holders by the first-named joint holder) in respect of the amount payable on redemption of such Cash Preference Share will constitute an absolute discharge to the company.
- 10.1.4.8 No redemption of any Cash Preference Shares may be made by the company unless the company has obtained any required prior consent of the Financial Services Authority to such redemption and complies with such conditions as the Financial Services Authority may impose at the time of such consent.

10.1.5 Voting

- 10.1.5.1 Subject to article 10.1.5.2, holders of the Cash Preference Shares will only be entitled to receive notice of and to attend any general meeting of shareholders of the company and to speak to or vote upon any resolution proposed at such meeting if a resolution is proposed either varying or abrogating any of the special rights attached to the Cash Preference Shares or for, or in relation to, the winding up of the company (and then in each such case only to speak to and vote upon any such resolution).
- 10.1.5.2 If the Preference Dividend has not been declared and paid in full on the Dividend Payment Date immediately preceding the date of a notice of any general meeting of the company and additional Cash Preference Shares have not been allotted and issued in accordance with article 10.1.2.10, holders of the Cash Preference Shares will be entitled to speak to or vote upon all resolutions proposed at such general meeting and, in these circumstances only, the special rights of the holders of the Cash Preference Shares so to vote will continue until the company has resumed the declaration and payment in full of the Preference Dividend or has allotted additional Cash Preference Shares in accordance with article 10.1.2.10.
- 10.1.5.3 On a show of hands, every holder of Cash Preference Shares who is entitled to vote or any proxy (other than the chairman of the meeting in his capacity as proxy) or any corporate representative for that holder, in each case who is present in person, will have one vote. On a poll, each holder of Cash Preference Shares who is entitled to vote and who is present in person by proxy or by corporate representative will have one vote for every Cash Preference Share of which he is the holder.

10.1.6 No withholding

All payments of Preference Dividends shall be made without withholding of, or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by the United Kingdom or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

10.1.7 Non-payment of Preference Dividend

- 10.1.7.1 If the Preference Dividend has not been paid in full (whether pursuant to article 10.1.2.1 or article 10.1.2.10) on the most recent Dividend Payment Date, no dividend may be declared on any other class of shares issued by the company (including Ordinary Shares) which is expressed to rank equally with or after the Cash Preference Shares as regards participation in profits and no sum may be set aside for its payment.
- 10.1.7.2 If the Preference Dividend has not been paid in full (whether pursuant to article 10.1.2.1 or article 10.1.2.10) on the most recent Dividend Payment Date, the company may not (other than as contemplated in articles 7, 8 or 9) redeem, reduce, purchase or otherwise acquire in any other way any other class of shares issued by the company (including Ordinary Shares but excluding the PIK Preference Shares) which is expressed to rank equally with or behind the Cash Preference Shares as regards participation in assets and may not set aside any sum nor establish any sinking fund for such redemption, reduction, purchase or other such acquisition.
- 10.1.7.3 The company shall have the right to attach similar rights to those described in articles 10.1.7.1 and 10.1.7.2 to any other class of shares issued by the company which is expressed to rank equally with the Cash Preference Shares as regards participation in profits or assets.
- 10.1.7.4 Subject to the provisions of the Companies Acts, all other laws and regulations applying to the company and the rights conferred on any other class of shares of the company and with any required prior consent of the Financial Services Authority, the company may at any time and from time to time (subject to the payment in full of a Preference Dividend on the immediately preceding Dividend Payment Date) purchase any Cash Preference Shares in issue in the open market or by tender (which will be available to all holders of Cash Preference Shares alike) or (if there is a single holder of the Cash Preference Shares, prior to a Listing of the Cash Preference Shares by agreement with the holder) upon such terms and conditions as the directors of the company may determine.

10.1.8 Conversion

- 10.1.8.1 If the Ordinary Shares are the subject of a Listing and the company has not, within 12 months of the date of such Listing effected a Listing of the Cash Preference Shares, the holders of the Cash Preference Shares will be entitled to elect to convert up to a maximum of 50 per cent. of their respective holdings of Cash Preference Shares into Ordinary Shares, provided that no Cash Preference Share which is already the subject of a

Redemption Notice shall be eligible for conversion. The Cash Preference Shares which are the subject of the conversion shall be converted, at the average closing middle market price on the relevant stock exchange of one Ordinary Share for the five Business Days preceding the last Business Day prior to conversion, into such number of Ordinary Shares (disregarding fractions) as is equal to the aggregate nominal value of the Cash Preference Shares which are the subject of the conversion. Conversion shall be effected by the company redeeming at par the relevant Cash Preference Shares and by the issue to the holders of the relevant Cash Preference Shares of the appropriate number of Ordinary Shares at such premium, if any, which represents the amount by which the redemption moneys in respect of the relevant Cash Preference Shares exceeds the nominal value of the Ordinary Shares to which the holder of the relevant Cash Preference Shares is entitled. Conversion will take place on the date on which the Ordinary Shares into which the Cash Preference Shares are to be converted are issued to the holders of such Cash Preference Shares and are the subject of a Listing (the "**Conversion Date**").

- 10.1.8.2 The Preference Dividend will cease to accrue in respect of the shares which are the subject of the conversion with effect from the Conversion Date.

10.1.9 Variation of rights and further issues

- 10.1.9.1 Subject to article 10.1.9.4, the special rights attached to the Cash Preference Shares may not be varied or abrogated except with the written consent of the holders of three-quarters in nominal value of, or with the sanction of an extraordinary resolution passed at a separate meeting of holders of, the Cash Preference Shares.
- 10.1.9.2 The special rights attached to the Cash Preference Shares will be deemed to be varied or abrogated if:
- (i) the directors seek to authorise, create or increase the amount of any shares or any class of any security convertible into shares of any class ranking as regards rights to participate in the profits or assets of the company (other than on redemption or purchase by the company of such shares) in priority to the Cash Preference Shares;
 - (ii) any other class of shares of the company, which is expressed to rank as regards participation in the profits or assets of the company in some or all respects equally with the Cash Preference Shares or any securities convertible into any such shares (together "**New Securities**") are created or issued and the Preference Dividend payable in respect of the Dividend Payment Date immediately preceding such creation or issue has not been paid in full; or
 - (iii) any resolution is passed for the reduction of the amount of capital paid up on the Cash Preference Shares.
- 10.1.9.3 Subject to article 10.1.9.2(ii), the special rights attached to the Cash Preference Shares will not be deemed to be varied or abrogated by the creation or issue of any New

Securities. Any New Securities may, without their creation or issue being deemed to vary the special rights attached to the Cash Preference Shares then in issue, either carry rights identical in all respects to the Cash Preference Shares or rights differing from them in any respect (but in no circumstances rights which rank in priority to those attached to the Cash Preference Shares), including, but not limited to, rights as to dividends, premium on a return of capital, redemption, conversion, denomination and currency of issue.

- 10.1.9.4 If a matter arises which would amount to a variation or abrogation of the special rights attached to the Cash Preference Shares and the rights attached to one or more other series of preference shares, the rights attached to the Cash Preference Shares and the rights attached to the preference shares of that or those other series (together "**Relevant Shares**") may be varied or abrogated by the agreement in writing of the holders of at least three-quarters in nominal value of all the Relevant Shares or with the approval of an extraordinary resolution passed at a separate meeting of the holders of the Relevant Shares, if the effect of that variation or abrogation on all the Relevant Shares is, in the opinion of the directors, substantially the same.

10.1.10 Distributable reserves

The company undertakes that it will use its best endeavours to exercise such powers as are available to it with a view to ensuring that distributions are made to the company by its subsidiaries to the extent lawful. Provided that nothing in this sub-paragraph shall require the company or any subsidiary to do anything to the extent that it is unlawful or to the extent that it is inconsistent with the fiduciary duties of the directors of the subsidiaries to their respective companies or to the extent that, in their reasonable opinion, the action in question would breach any applicable law or regulation or cause a material adverse fiscal consequence.

10.1.11 Notices and other documents

Holders of the Cash Preference Shares with a registered address or address for notices in the United Kingdom will have the right to be sent a copy of the company's Annual Report and Accounts (or summary financial statement) and, to the extent that they are sent to the holders of Ordinary Shares, interim financial statements, together with notice of any general meeting of shareholders of the company at which such holder is entitled to attend and vote.

10.2 Description of the PIK Preference Shares

10.2.1 Denomination, status and form

The PIK Preference Shares will rank as regards participation in profits and assets equally amongst themselves and with any other class of shares which is expressed to rank equally with the PIK Preference Shares as regards participation in profits or assets. Save as otherwise set out below the PIK Preference Shares will as regards participation in profits and assets rank behind the Cash Preference Shares and in priority to the Ordinary Shares.

10.2.2 Dividends

The rights attaching to the PIK Preference Shares will as regards participation in profits of the company be as follows:

- 10.2.2.1 holders of the PIK Preference Shares will be entitled (subject as described below) to receive a non-cumulative preferential dividend payable at a fixed rate of 8.75 per cent. per annum (the "**PIK Dividend Rate**"). The PIK Dividend shall be payable in kind (the "**PIK Dividend**") and satisfied by the allotment and issue at the PIK Dividend Rate to each holder of PIK Preference Shares at par of an additional number of PIK Preference shares credited as fully paid, save that the PIK Dividend shall accrue but no payment shall be made in respect of any period falling after the PIK Preference Shares Calculation Date. The PIK Dividend shall be in respect of each year ending on 31 December, payable yearly in arrear on the date falling 120 days after that date or, if any such date is not a Business Day, on the next succeeding Business Day (and without any interest or other payment in respect of such delay) (each a "**Dividend Date**"). The first PIK Dividend is expected to be made on 30 April 2006 in respect of the period from the date of issue of the PIK Preference Shares until 31 December 2005. The PIK Dividend will be made to those holders of PIK Preference Shares named on the register of PIK Preference Shares on the date falling 10 Business Days prior to the relevant Dividend Date. Additional PIK Preference Shares allotted and issued pursuant to this article 10.2.2.1 shall be deemed to accrue dividend rights with effect from the Dividend Date on which they have been allotted and issued;
- 10.2.2.2 the PIK Preference Shares will rank as regards participation in profits equally amongst themselves and with any other class of shares issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in profits and, save to the extent otherwise expressly provided in these articles, behind the Cash Preference Shares and in priority to the Ordinary Shares in the capital of the company;
- 10.2.2.3 if, the directors are of the opinion that the distributable profits of the company are sufficient to cover the making in full of the PIK Dividend on a Dividend Date and also the payment in full of all other dividends payable on such date on the Cash Preference Shares and any other class of shares issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in profits, then, subject to article 10.2.2.6, each PIK Dividend will be declared and made in full;
- 10.2.2.4 if, the directors are of the opinion that the distributable profits of the company are insufficient to cover the making in full of the PIK Dividend on a Dividend Date and also the payment in full of all other dividends payable on such date on the Cash Preference Shares and any other class of shares issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in profits, then, subject to article 10.2.2.6 and only if any dividend payable on the Cash Preference Shares has been paid in full, dividends will be declared by the directors pro rata for the PIK Preference Shares and any other class of shares issued by the company which is expressed to rank equally with

the PIK Preference Shares as regards participation in profits to the extent of the available distributable profits (if any), to the intent and effect that the amount of dividend declared per share on each PIK Preference Share and each share of any other class issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in profits will bear to each other the same ratio as the dividends accrued per share on each PIK Preference Share and each share of any other class issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in profits bear to each other;

- 10.2.2.5 if it subsequently appears that any PIK Dividend which has been paid should not have been paid because there were insufficient distributable profits of the company, then, provided the directors have acted in good faith, they will not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- 10.2.2.6 (i) if, in the opinion of the directors, the declaration or payment of any PIK Dividend would breach or cause a breach of the Financial Services Authority's capital adequacy requirements applicable to the company or any other member of the Group or would be in breach of any applicable law, then only that portion (if any) of that PIK Dividend that would not cause a breach will be declared or paid (unless in the case of breach of the Financial Services Authority's capital adequacy requirements, the Financial Services Authority otherwise agrees); and
- (ii) notwithstanding any contrary provision in these articles, the Company (acting by a resolution of the board) shall in any event have the right not to declare or pay a PIK Dividend whether by means of the issue of additional PIK Preference Shares or otherwise;
- 10.2.2.7 holders of the PIK Preference Shares will have no further right to participate in the profits of the company and if and to the extent that any PIK Dividend (or any part of a PIK Dividend) is not paid on any occasion for the reasons described in articles 10.2.2.4 or 10.2.2.6 above, the company shall have no liability to the holders of PIK Preference Shares in respect of such non-payment;
- 10.2.2.8 the amount of PIK Dividend (if any) payable on the PIK Preference Shares in respect of any period shorter or longer than a full dividend period will be calculated on the basis of a 365 day year and the actual number of days elapsed in such period; and
- 10.2.2.9 any PIK Dividend unclaimed after a period of 12 years from the date when it was declared will be forfeited and will revert to the company and the payment by the directors of any unclaimed PIK Dividend or other sum payable on or in respect of a PIK Preference Share into a separate account will not constitute the company as trustee in respect of it.

10.2.3 Capital

- 10.2.3.1 On a return of capital or distribution of assets pursuant to a winding up holders of the PIK Preference Shares will be entitled to receive in sterling out of the surplus assets of the company remaining after payment of the company's liabilities and after any distribution due to the Cash Preference Shares has been made in full:
- (i) equally with the holders of any other class of shares issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in assets and in priority to the holders of Ordinary Shares, a sum equal to:
 - (1) the amount of any PIK Dividend (if declared) which is due for payment after the date of commencement of the winding up or liquidation or other return of capital but which is payable in respect of a period ending on or before such date; and
 - (2) the proportion of the PIK Dividend (if declared) that would otherwise be payable and is not otherwise paid in respect of any period that begins before, but ends after, the date of commencement of the winding up or liquidation or other return of capital and which is attributable to the part of the period that ends on such date; and
 - (ii) subject thereto, equally with the holders of any other class of shares issued by the company, a sum equal to the amount paid up or credited as paid up (in respect of the nominal value and any premium) on the PIK Preference Shares.
- 10.2.3.2 If, upon any return of capital or distribution of assets, following the payment in full of any amount payable in respect of any Cash Preference Shares, the amounts available for payment are insufficient to cover the amounts payable in full on the PIK Preference Shares according to article 10.2.3.1 and any other class of shares issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in assets, the holders of the PIK Preference Shares and any other class of shares issued by the company which is expressed to rank equally with the PIK Preference Shares as regards participation in assets will share rateably in the distribution of surplus assets (if any) of the company in proportion to the full respective preferential amounts to which they are entitled.
- 10.2.3.3 No PIK Preference Share will confer any rights to participate in the surplus assets of the company other than those set out in articles 10.2.3.1 and 10.2.3.2.

10.2.4 Redemption and Conversion

- 10.2.4.1 Subject to article 10.2.4.8 and to the provisions of the Companies Acts and all other laws and regulations applicable to the company, the company may, at its option, redeem all or any of the PIK Preference Shares in the circumstances and manner contemplated by paragraphs 3.2 and 3.3 of Schedule 11 to the Rhine SPA and in no other circumstances

and (subject as aforesaid) the company shall redeem the PIK Preference Shares in those circumstances.

- 10.2.4.2 The amount payable on redemption of any PIK Preference Share in accordance with article 10.2.4.1 (the "**Redemption Price**") will be the amount of the par value of the PIK Preference Share to be redeemed and an amount equal to the accrued but unpaid PIK Dividend on that PIK Preference Share, in respect of the period from the Dividend Date last preceding the date fixed for its redemption (the "**Redemption Date**") to (but excluding) the Redemption Date.
- 10.2.4.3 If PIK Preference Shares are to be redeemed, a notice of redemption (a "**Redemption Notice**") will be mailed to the holder of PIK Preference Shares to be redeemed prior to the Redemption Date. Each Redemption Notice will specify (i) the Redemption Date, (ii) the number of PIK Preference Shares to be redeemed, (iii) the Redemption Price (specifying the amount of the accrued but unpaid PIK Dividend to be included in the Redemption Price) and (iv) the place or places where holders may surrender share certificates in respect of such Cash Preference Shares and obtain payment of the Redemption Price. No defect in the Redemption Notice or in its mailing will affect the validity of the redemption proceedings.
- 10.2.4.4 Payments in respect of the amount due on redemption of a PIK Preference Share will be made by sterling cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for that purpose in the Redemption Notice by transfer to a sterling account maintained by the payee with a bank in London or such other method as the directors may specify in the Redemption Notice. Such payment will be made against presentation and surrender of the relative certificate at the place or one of the places specified in the Redemption Notice. If any share certificate so surrendered includes any PIK Preference Shares not to be redeemed on the Redemption Date, the company will issue to the holder (or the first-named of joint holders), free of charge, a fresh certificate in respect of such PIK Preference Shares within 14 days of redemption. All payments in respect of the redemption amount will in all respects be subject to any applicable fiscal or other laws.
- 10.2.4.5 As from the Redemption Date, the PIK Dividend will cease to accrue on the redeemed PIK Preference Shares except on any PIK Preference Share in respect of which payment of the Redemption Price due on the Redemption Date is improperly withheld or refused, in which case the PIK Dividend will be deemed to have continued, and will accordingly continue, to accrue at the PIK Dividend Rate from the Redemption Date to the date of payment of such redemption amount. Such PIK Preference Share will not be treated as having been redeemed until the Redemption Price, together with the accrued PIK Dividend, has been paid.
- 10.2.4.6 If the due date for payment of the Redemption Price is not a Business Day, payment of such amount will be made on the next succeeding day which is a Business Day (without any interest or other payment in respect of such delay).

- 10.2.4.7 A receipt given by the holder for the time being of any PIK Preference Share (or in the case of joint holders by the first-named joint holder) in respect of the amount payable on redemption of such Cash Preference Share will constitute an absolute discharge to the company.
- 10.2.4.8 No redemption of any PIK Preference Shares may be made by the company unless the company has obtained any required prior consent of the Financial Services Authority to such redemption and complies with such conditions as the Financial Services Authority may impose at the time of such consent.
- 10.2.4.9 If the provisions of paragraph 3.4 of Schedule 11 to the Rhine SPA apply so that the company is not in a position to effect the redemption of the PIK Preference Shares in full at the relevant date specified in the Rhine SPA following the PIK Preference Shares Calculation Date, the company shall convert a number of PIK Preference Shares with a nominal value and accrued PIK Dividend equal to that part of the Excess Payment not applied in such redemption into Cash Preference Shares on a share for share basis (the **"Newly Converted Cash Preference Shares"**).
- 10.2.4.10 Any PIK Preference Shares which are not redeemed as contemplated by article 10.2.4.1 or converted pursuant to article 10.2.4.9 following the PIK Preference Shares Calculation Date shall on the relevant date specified in the Rhine SPA be converted into Cash Preference Shares on a share for share basis, provided that no PIK Preference Share which is the subject of a Redemption Notice shall be eligible for conversion pursuant to this article 10.2.4.10 unless the redemption does not proceed.
- 10.2.4.11 If the company determines that it will be unable to redeem all of the PIK Preference Shares in the circumstances contemplated by paragraph 3.2 of Schedule 11 to the Rhine SPA, it shall promptly give notice of such fact to each holder and shall consult with the holder or holders in good faith (and shall provide such information as is reasonably requested by any holder) in relation to the question of how the company might procure that it does have sufficient distributable profits to make such redemption.

10.2.5 No withholding

All payments of PIK Dividends shall be made without withholding of, or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by the United Kingdom or any political sub-division thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law.

10.2.6 Non-payment of Preference Dividend

- 10.2.6.1 If the PIK Dividend has not been made in full on the most recent Dividend Date, no dividend may be declared on any other class of shares issued by the company (including

Ordinary Shares) which is expressed to rank equally with or behind the PIK Preference Shares as regards participation in profits and no sum may be set aside for its payment.

- 10.2.6.2 If the PIK Dividend has not been made in full on the most recent Dividend Date, the company may not (other than as contemplated by articles 7, 8 or 9) redeem, reduce, purchase or otherwise acquire in any other way any other class of shares issued by the company (including Ordinary Shares) which is expressed to rank equally with or behind the PIK Preference Shares as regards participation in assets and may not set aside any sum nor establish any sinking fund for such redemption, reduction, purchase or other such acquisition.
- 10.2.6.3 The company shall have the right to attach similar rights to those described in articles 10.2.6.1 and 10.2.6.2 to any other class of shares issued by the company which is expressed to rank in priority to or equally with the PIK Preference Shares as regards participation in profits or assets.
- 10.2.6.4 Subject to the provisions of the Companies Act, all other laws and regulations applying to the company and the rights conferred on any other class of shares of the company and with any required prior consent of the Financial Services Authority, the company may at any time and from time to time (subject to the payment in full of a PIK Dividend on the immediately preceding Dividend Date), if there is a single holder of PIK Preference Shares, purchase any PIK Preference Shares in issue by agreement with the holder and upon such terms and conditions as the directors of the company may determine.

10.2.7 Variation of rights and further issues

- 10.2.7.1 Subject to article 10.2.7.4, the special rights attached to the PIK Preference Shares may not be varied or abrogated except with the written consent of the holders of three-quarters in nominal value of, or with the sanction of an extraordinary resolution passed at a separate meeting of holders of, the PIK Preference Shares.
- 10.2.7.2 The special rights attached to the PIK Preference Shares will be deemed to be varied or abrogated if:
- (i) any other class of shares of the company, which is expressed to rank as regards participation in the profits or assets of the company in some or all respects equally with the PIK Preference Shares or any securities convertible into any such shares (together "**New Securities**") are created or issued and the PIK Dividend payable in respect of the Dividend Date immediately preceding such creation or issue has not been paid in full; or
 - (ii) any resolution is passed for the reduction of the amount of capital paid up on the PIK Preference Shares.

- 10.2.7.3 Subject to article 10.2.7.2(i), the special rights attached to the PIK Preference Shares will not be deemed to be varied or abrogated by the creation or issue of any New Securities. Any New Securities may, without their creation or issue being deemed to vary the special rights attached to the PIK Preference Shares then in issue, either carry rights identical in all respects to the PIK Preference Shares or rights differing from them in any respect, including, but not limited to, rights as to dividends, premium on a return of capital, redemption, conversion, denomination and currency of issue.
- 10.2.7.4 If a matter arises which would amount to a variation or abrogation of the special rights attached to the PIK Preference Shares and the rights attached to one or more other series of preference shares, the rights attached to the PIK Preference Shares and the rights attached to the preference shares of that or those other series (together "**Relevant Shares**") may be varied or abrogated by the agreement in writing of the holders of at least three-quarters in nominal value of all the Relevant Shares or with the approval of an extraordinary resolution passed at a separate meeting of the holders of the Relevant Shares, if the effect of that variation or abrogation on all the Relevant Shares is, in the opinion of the directors, substantially the same.

10.2.8 Voting

- 10.2.8.1 Holders of the PIK Preference Shares will only be entitled to receive notice of and to attend any general meeting of shareholders of the company and to speak to or vote upon any resolution proposed at such meeting if a resolution is proposed either varying or abrogating any of the special rights attached to the PIK Preference Shares or for, or in relation to, the winding up of the company (and then in each such case only to speak to and vote upon any such resolution).
- 10.2.8.2 On a show of hands, every holder of PIK Preference Shares who is entitled to vote or any proxy (other than the chairman of the meeting in his capacity as proxy) or any corporate representative for that holder, in each case who is present in person, will have one vote. On a poll, each holder of PIK Preference Shares who is entitled to vote and who is present in person by proxy or by corporate representative will have one vote for every PIK Preference Share of which he is the holder.

10.2.9 Notices and other documents

Any notice or other document required to be given by the company to holders of the PIK Preference Shares will be sufficiently given if posted to the holders of the PIK Preference Shares in accordance with the Articles of Association. Holders who do not have a registered address or an address for notices in the United Kingdom will not be entitled to receive any notices or other documents from the company.

Holders of the PIK Preference Shares with a registered address or address for notices in the United Kingdom will have the right to be sent a copy of the company's Annual Report and Accounts (or summary financial statement) and, to the extent that they are sent to the holders

of Ordinary Shares, interim financial statements, together with notice of any general meeting of shareholders of the company at which such holder is entitled to attend and vote.

11. Unissued Shares

Subject to the provisions of the Companies Acts and to these articles and to any resolution passed by the company and without prejudice to any rights attached to existing shares, any unissued shares of the company (whether forming part of the original or any increased capital) shall be at the disposal of the directors who may offer, allot, grant options over or otherwise dispose of them to such persons at such times and for such consideration and upon such terms and conditions as they may determine.

12. Payment of Commission

The company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

13. Share Certificates

- 13.1 Subject to the provisions of these articles, every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be executed under the seal or in such other manner as the board may authorise and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be signed by any person. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 13.2 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

14. Lien

- 14.1 The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this article. The company's lien on a share shall extend to any amount payable in respect of it.
- 14.2 The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 14.3 To give effect to a sale, the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 14.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

15. Calls

- 15.1 Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
- 15.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 15.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

- 15.4 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at such rate, not exceeding 15 per cent. per annum, as the directors may determine but the directors may waive payment of the interest wholly or in part.
- 15.5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these articles shall apply as if that amount had become due and payable by virtue of a call.
- 15.6 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
- 15.7 The directors may, if they think fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and on all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as the directors may decide.

16. Forfeiture of Shares

- 16.1 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by the company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
- 16.2 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 16.3 Subject to the provisions of the Companies Acts, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 16.4 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the shares forfeited

but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest thereon from the date of forfeiture until payment in the same manner in all respects as if the shares had not been forfeited but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

- 16.5 A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

17. Permitted transfers and lock-up

- 17.1 Investor Shareholders may Dispose of any Share or any Interest in a Share to a Permitted Transferee. Founder Shareholders may Dispose of any Share or Interest in a Share to a Family Trust or a Founder Relation. Disposals will also be permitted from a Family Trust to a person or Founder Relation of a person who has a beneficial interest in such Family Trust. Such Disposals shall not be subject to article 19 (save as provided for in article 17.5).
- 17.2 Subject to article 17.1, each Investor Shareholder shall not Dispose of any Share or any Interest in a Share prior to the second anniversary of the Subscription Date other than pursuant to articles 20 and 21, unless a majority of the directors consents to such a Disposal (such consent not to be unreasonably withheld or delayed). Such Disposal shall be subject to article 19 if it relates to Equity Securities.
- 17.3 Subject to article 17.1 and save as provided for in article 17.4, each Founder Shareholder shall not Dispose of any Share or any Interest in a Share prior to the earlier of:
- (A) the third anniversary of the Subscription Date; and
 - (B) the date falling six months after the Founder has ceased to be employed by the company in an executive capacity, by reason of termination by the Company,
- other than pursuant to articles 20 and 21 unless a majority of the directors consents to such a Disposal. Such Disposal shall be subject to article 19 if it relates to Equity Securities or Founder Shares.
- 17.4 If the Founder Disposes of any Share or any Interest in a Share pursuant to article 17.3 (and accordingly the holder of the Shares following such Disposal shall not be to a person to whom the Founder is permitted to effect a Disposal under article 17.1) (a "Founder Transferee"), the

holder of the Shares (or the relevant Interest) following such Disposal shall not Dispose of any Share or any Interest therein until the second anniversary of the Subscription Date.

- 17.5 If any person to whom Shares are Transferred pursuant to article 17.1 ceases to be within the required relationship with the Transferor of such Shares, such Shares shall be transferred back to the original Transferor (or to any other person falling within the required relationship with the original Transferor) forthwith upon such relationship ceasing and, if the holder of such Shares fails to make such Transfer, the holder shall be deemed to have served a separate Transfer Notice in respect of all of such Shares then held by him and the provisions of article 19 shall apply (save that the Specified Price shall be deemed to be the Market Value).
- 17.6 If the City Code on Takeovers and Mergers applies to the company, this article 17 shall not prohibit any Investor from accepting a general offer made to all holders of issued and allotted Ordinary Shares or other Equity Securities (other than Ordinary Shares or Equity Securities held or contracted to be acquired by the offeror or its associates within the meaning of section 430E of the Companies Act 1985) made in accordance with the City Code on Takeovers and Mergers on terms which treat all such holders alike, or from executing and delivering an irrevocable commitment or undertaking to accept such a general offer. A Disposal pursuant to such a general offer whilst it remains subject to conditions and a Transfer once such general offer has become unconditional shall not be subject to article 19.
- 17.7 A Disposal of a Share or any Interest in a Share made in connection with a Listing shall not be subject to this article 17 or article 19.

18. Share issues and pre-emption

18.1 Non-Acquisition Ordinary Share Issues

- (A) This article shall apply if there is to be an issue of Equity Securities or securities which fall within Section 94(2) of the Companies Acts but which are not Equity Securities or which do not fall within Section 94(2) of the Companies Acts but which carry voting rights ("**Pre-emption Securities**") other than:
- (i) with the prior written consent of Investor Shareholders holding 75 per cent or more in nominal value of the 'A' Shares;
 - (ii) in connection with an Acquisition (to which article 18.2 applies); and
 - (iii) an issue of 'A' Shares when the number of such 'A' Shares (when aggregated with any other issue of 'A' Shares not falling within this article undertaken in the same Annual Period) does not exceed five per cent of the issued Ordinary Share capital of the company and (when aggregated with any other issue of 'A' Shares undertaken in the same and the two preceding Annual Periods) does not exceed 7.5 per cent. of the issued Ordinary Share capital (which for these purposes shall include the Founder Shares as constituting an additional

number of 'A' Shares equal to the Founder's Interest of the number of 'A' Shares so issued from time to time).

- (B) Each Investor Shareholder shall have the pre-emptive right to subscribe for their pro rata portion of any new Pre-emption Securities to be issued by the company determined on the basis of the Relevant Percentage of each such Investor. The company shall give reasonable written notice to each Investor Shareholder of its intention to issue any such Pre-emption Securities.
- (C) Upon receipt of the notice referred to in article 18.1(B), each Investor Shareholder shall have 20 Business Days in which to exercise its subscription right for a number of Equity Securities pro rata to its Relevant Percentage by sending an acceptance notice to the company. Such acceptance notice may also indicate that such Investor is prepared to acquire an additional amount of the Pre-emption Securities (such Investor Shareholder being for the purposes of this article an "**Over Allocation Subscriber**") if and to the extent other Investor Shareholders do not exercise their rights under article 18.1(B).
- (D) To the extent any Investor Shareholder does not elect to subscribe for its allocation of the proposed new issue of Pre-emption Securities within the time provided, the unsubscribed for allocation shall be allotted:
 - (i) firstly to the Over Allocation Subscribers, in each case up to the additional amount of the Pre-emption Securities they have indicated they are prepared to acquire which shall, if necessary, be allocated between them pro rata to their Relevant Percentage; and
 - (ii) secondly, if the proposed new issue of Pre-emption Securities is not fully subscribed for pursuant to articles 18.1(B) to (D)(i), to such person(s) as the board shall decide (provided that the Board is satisfied that the terms of subscription are no better in any material respect than those previously offered to the then current Investor Shareholders).
- (E) Following the allocation of the Pre-emption Securities pursuant to articles 18.1(B) and (D):
 - (i) each subscriber shall pay by means of telegraphic transfer for same day value on the relevant payment date the relevant subscription price for its Pre-emption Securities to such bank account as the company shall have notified to the subscribers; and
 - (ii) the company shall allot the relevant Pre-emption Securities to each subscriber and shall procure that the subscriber (or its nominee) is entered into the share register of the company and the company shall issue share certificates to each

subscriber (or their nominees) in respect of the relevant Pre-emption Securities so allotted.

- (F) The provisions of articles 18.1(B) to (E) shall not apply to and no Investor Shareholder shall have any pre-emptive right in connection with the allotment or issue of Pre-emption Securities (i) on the exercise of options under the Share Option Scheme or under any employees' share scheme established by the company (including the Options) or (ii) on exercise of the Convertible Bond.

18.2 Acquisition Issues

- (A) Investor Shareholders shall not have any pre-emptive rights in circumstances agreed with the Company in relation to the issue of Securities (i) to the vendor (or a member of the same group of companies as the vendor) of the assets or shares which are the subject of an Acquisition, or (ii) placees or underwriters taking such Securities in connection with a placing to raise cash for such vendor (or a member of the same group of companies as the vendor), where in either case the issue of Securities is on terms considered by the board to represent fair value (a "**Vendor Acquisition Issue**").
- (B) If the company is proposing to raise capital through the issue of Equity Securities for the purposes of an Acquisition other than pursuant to a Vendor Acquisition Issue, it shall serve notice on each of the Investor Shareholders. Such notice shall, to the extent reasonably practicable and subject to any confidentiality obligations which the company is subject to in relation to the relevant proposed Acquisition, set out the details of the proposed Acquisition and the capital raising.
- (C) Upon receipt of the notice referred to in article 18.2(B), each Investor Shareholder shall have 15 Business Days in which to indicate whether it intends to subscribe for the Equity Securities by sending an acceptance notice to the company. Such right to subscribe for the Equity Securities shall be pro rata to its Relevant Percentage.
- (D) Such acceptance notice may also indicate that such Investor Shareholder is prepared to acquire an additional amount of the Equity Securities (such Investor Shareholder being for the purposes of this article an "**Over Allocation Subscriber**") if and to the extent other Investor Shareholders do not exercise their rights under article 18.2(C).
- (E) If and to the extent the Investor Shareholders do not exercise their rights under article 18.2(C), the portion of the Equity Securities proposed to be issued which has not been subscribed for shall be offered:
- (i) firstly to the Over Allocation Subscribers, in each case up to the additional number of the Equity Securities they have indicated they are prepared to acquire which shall be allocated between them pro rata to their Relevant Percentage; and

- (ii) secondly, if the proposed issue of Equity Security is not fully subscribed for pursuant to articles 18.2(B) to (E)(i), to such person(s) as the company shall decide (provided that the subscription by such persons is on terms which are not more favourable in any material respect to the subscribers than those provided for in the notice referred to in article 18.2(B)).
- (F) Following the operation of article 18.2(D), the company shall as soon as reasonably practicable update the notice referred to in article 18.2(B) so that it contains definitive details of the proposed Acquisition and issue of Equity Securities. Within five Business Days of the receipt of such updated notice, each of the Investors shall enter into legally binding commitments with the company to subscribe for its portion of the issue of Equity Securities (including in its capacity as an Over Allocation Subscriber, if applicable).
- (G) The company, acting through the board, shall have the ability to amend the process set out in this article to the extent necessary to accommodate the process in relation to the Acquisition; provided that such changes reflect as closely as reasonably possible the principles of this article.

19. Share transfers and pre-emption

- 19.1 Save as provided by article 17, no Investor Shareholder or Founder Shareholder shall Dispose of or agree to Dispose of any Equity Securities or any Securities of a type described in article 18.1(A) ("**Transfer Securities**") or Founder Shares to any transferee without first offering the same for transfer to the other Investor Shareholders and Founder Shareholders.
- 19.2 Such offer may be in respect of all or part only of the Transfer Securities or Founder Shares held by the proposing transferor (for the purposes of this article, the "**Sale Shares**") and shall be made by the proposing transferor by the giving in writing of a notice (a "**Transfer Notice**"). If the Transfer Notice states that the proposing transferor is not willing to transfer part only of the Sale Shares offered, no allocation shall be made pursuant to the remaining provisions of this article unless all the Sale Shares are so allocated.
- 19.3 Each Transfer Notice shall specify the number of Sale Shares and the price at which the Sale Shares are offered (the "**Specified Price**") and the identity(ies) of the proposed transferee(s) (if any) and it shall constitute the Directors as the agent of the proposing transferor for the sale of the Sale Shares to the other Investor Shareholders and Founder Shareholders.
- 19.4 Upon receipt by the company of the Transfer Notice, the company shall promptly give written notice to the Investor Shareholders and the Founder Shareholders of the number and description of the Sale Shares and the Specified Price and the identity(ies) of the proposed transferee(s) (if any).
- 19.5 Upon receipt of the notice referred to in article 19.4, each Investor Shareholder and Founder Shareholder shall have 20 Business Days in which to exercise its right to acquire Sale Shares,

in whole or in part, up to their Relevant Percentage of the Sale Shares by sending an acceptance notice to the company. Such acceptance notice may also indicate that such Investor Shareholder or Founder Shareholder is prepared to acquire an additional amount of the Sale Shares (such person for the purposes of this article being an **"Over Allocation Purchaser"**) if and to the extent other Investor Shareholders or Founder Shareholders do not exercise their rights under this article 19.5.

19.6 To the extent any Investor Shareholder or Founder Shareholder does not elect to purchase its entire allocation of the Sale Shares within the time provided, the part of their allocation which has not been purchased shall be allocated as follows:

- (A) firstly, to the Over Allocation Purchasers, in each case up to the additional amount of the Sale Shares they have indicated they are prepared to acquire which shall, if necessary, be allocated between them pro rata to their Relevant Percentage; and
- (B) secondly, if the proposed transfer of the Sale Shares is not fully taken up pursuant to articles 19.5 and 19.6(A), in accordance with article 19.7.

19.7 If article 19.6(B) applies, the proposing transferor may at any time within a period of 60 days thereafter transfer such unallocated Sale Shares to the proposed transferee(s) (if any) specified in the Transfer Notice, or to any other person at any price not being less than the Specified Price; provided that:

- (A) if the Transfer Notice states that the proposing transferor is not willing to transfer part only of the Sale Shares, the proposing transferor shall not be entitled to transfer any of such unallocated Sale Shares unless in aggregate all of such unallocated Sale Shares are so transferred; and
- (B) the Board may require to be satisfied (acting reasonably) that such unallocated Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate, allowance or other indirect benefit or expense whatsoever to the transferee and, if not so satisfied, may refuse to register the instrument of transfer.

19.8 Forthwith upon the allocation of the Sale Shares being finally determined, the purchasers to or amongst whom such allocation has been made shall be bound to pay to the company on behalf of the proposing transferor the Specified Price for the Sale Shares so allocated to them (together with stamp duty thereon calculated at the prevailing rate) and the proposing transferor shall be bound forthwith upon confirmation of receipt by the company of the Specified Price as aforesaid to deliver to the company on behalf of the purchasers such documents as are required to transfer such shares to the respective purchasers. The company shall cause the purchasers, subject to such transfer being duly stamped, to be registered as the holder of the relevant Sale Shares and, following receipt thereof, shall pay the aggregate Specified Price in relation to the Sale Shares to the proposing transferor.

19.9 The restrictions on Disposal contained in this article shall apply to all transfers and transmissions by operation of law of Ordinary Shares.

19.10 Any Disposal, falling within the provisions of this article, shall be subject to article 17.

20. Drag along

20.1 If the City Code on Takeovers and Mergers applies to the company:

- (A) the Panel on Takeovers and Mergers shall be consulted prior to the other provisions of this article operating; and
- (B) the other provisions of this article shall be subject to the provisions of the City Code on Takeovers and Mergers and the rulings of the Panel on Takeovers and Mergers.

20.2 If the holder(s) of Equity Securities intend to sell Equity Securities (the shares to be sold being for the purposes of this article, the **"Selling Shares"**) and such sale:

- (A) is to a proposed purchaser or purchasers Acting in Concert (for the purposes of this article, the **"Proposed Purchaser"**); and
- (B) if completed, will result in the Proposed Purchaser having an aggregate interest in more than 75 per cent. of the 'A' Shares in issue,

holders intending to sell the Selling Shares (for the purposes of this article, the **"Dragging Sellers"**) or, if the Proposed Purchaser is an Investor Shareholder, the Proposed Purchaser shall, have the right to give to the company advance written notice prior to the Selling Shares being sold. That notice (for the purposes of this article, the **"Selling Notice"**) will include details of the Selling Shares, the proposed price for each Selling Share of each class in the company to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the place and the date and time of completion (for the purposes of this article, the **"Drag Completion"**) of the proposed purchase of the Selling Shares by the Proposed Purchaser, which shall be on a Business Day and on a date not less than 15 Business Days after the date of receipt by the company of the Selling Notice.

20.3 Promptly following receipt of the Selling Notice, the company shall give notice in writing (for the purposes of this article, a **"Drag Along Notice"**) to each of the Shareholders (other than the Dragging Sellers) (for the purposes of this article, the **"Other Shareholders"**) giving the details contained in the Selling Notice and requiring each of them to sell to the Proposed Purchaser at the Drag Completion all of their holdings of Shares at the Drag Along Price (as defined below) and otherwise on the same terms as those contained in the Selling Notice.

20.4 Each of the Other Shareholders who is given a Drag Along Notice shall sell all of their Shares (i) on the terms set out in the Selling Notice which shall be at least as favourable as the terms upon which the Selling Shares are to be sold in respect of each class of Share and shall

provide for the payment of cash consideration to such Other Shareholders or the option to elect to receive cash consideration and (ii) at the "**Drag Along Price**", being the higher of:

- (A) the highest price per Share of that class (subject as provided below) paid by the Proposed Purchaser and/or its Affiliates and any persons Acting in Concert with the Proposed Purchaser (if applicable) to the Dragging Sellers in the six month period prior to the Drag Along Completion;
- (B) the price per Selling Share of the relevant class (subject as provided below) offered to the Dragging Sellers (if applicable); and
- (C) the Market Value as determined in accordance with article 22.

20.5 If any of the Other Shareholders wishes the Market Value of any of its Shares to be determined, such Other Shareholder shall give written notice to this effect to the company prior to the date proposed for Drag Completion. On receipt of this notice, the company shall promptly give notice of this to the Dragging Sellers, and if the Proposed Purchaser is a party to this agreement, to the Proposed Purchaser, and the Other Shareholders (other than the Other Shareholder which has given notice to the company) and the provisions of article 22 shall apply. The provisions of this article shall be suspended until the Market Value is determined pursuant to article 22.

20.6 In no event shall the Other Shareholders be required to provide any covenants, warranties or indemnities (except for a warranty as to ownership of the Shares of which they are the registered holder) to the Proposed Purchaser.

20.7 If any of the Other Shareholders (for the purposes of this article, the "**Defaulting Shareholder**") fail to comply with article 20.4:

- (A) the company shall be constituted the agent of each Defaulting Shareholder for the sale of his, her or its Shares in accordance with the Drag Along Notice (together with all rights then attached thereto);
- (B) the Directors may authorise a designated person to execute and deliver on behalf of each Defaulting Shareholder the necessary transfer(s); and
- (C) the company may receive the purchase money for the Shares to be transferred in accordance with the Drag Along Notice in trust for each of the Defaulting Shareholders and cause the Proposed Purchaser, subject to such transfer being duly stamped, to be registered as the holder of such Shares.

20.8 The receipt of the company of the purchase money pursuant to the transfers referred to in article 20.7(B), 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.

- 20.9 The company shall not pay the purchase money due to the Defaulting Shareholder until such Defaulting Shareholder shall, in respect of the Shares being the subject of the Drag Along Notice, have delivered his, her or its share certificates or an indemnity on customary terms and the necessary transfers to the company. No other Shareholder shall be required to comply with a Drag Along Notice unless the Dragging Sellers shall sell the Selling Shares to the Proposed Purchaser on the Drag Completion.
- 20.10 The Dragging Sellers, or, if the Proposed Purchaser is an Investor Shareholder, the Proposed Purchaser, may at any time prior to the Drag Completion, withdraw the Selling Notice by giving notice to the company to that effect, whereupon each Drag Along Notice shall cease to have effect.
- 20.11 Any Disposal falling within the provisions of this article shall be subject to article 17 and article 19 (which shall have been complied with prior to this article operating). Such a Disposal shall for the purposes of article 19 be deemed to have been subject to a Transfer Notice stating that the proposing transferor is not willing to transfer part only but must transfer all of the Sale Shares (as defined in article 19.2), being for the purposes of this article the Selling Shares. If such Disposal also falls within the provisions of article 21, this article shall be applicable in priority and article 21 shall apply only if the holders of the Selling Shares do not give notice to the company pursuant to article 20.2.
- 20.12 For the purposes of determining the price of the Founder Shares under this article (including the Drag Along Price), the Founder Shares and the 'A' Shares shall be deemed to be a single class of Shares and each Founder Shareholder shall be deemed to hold a number of 'A' Shares equal to the number of 'B' Shares such Founder Shareholder would hold on completion of a sale of Selling Shares as determined under article 8.
- 20.13 The provisions of articles 20.1 to 20.4 shall extend to persons holding Options under the Share Option Scheme (except for the purposes of article 20.2(B)) and the provisions of this article shall apply to the Shares issued as a result of the exercise of such Options (which are exercisable into 'B' Shares immediately prior to a Liquidity Event) in the same manner as they apply to Shares in issue at the time of the service of the Selling Notice.

21. Tag along

- 21.1 If the City Code on Takeovers and Mergers applies to the company:
- (A) the Panel on Takeovers and Mergers shall be consulted prior to the other provisions of this article operating; and
 - (B) the other provisions of this article shall be subject to the provisions of the City Code on Takeovers and Mergers and the rulings of the Panel on Takeovers and Mergers.

- 21.2 Subject to article 20, if the result of any proposed bona fide transfer of any Interest in Securities would be a Liquidity Event, the intending transferor(s) of such Securities (the "**Seller(s)**") shall not complete such transfer unless it or they ensure(s) that the proposed purchaser or purchasers Acting in Concert (for the purposes of this article the "**Proposed Purchaser**") offers to buy from the other Shareholders all the Shares held by them (the "**Tag Shares**") at the Tag Along Price and on no other terms other than those permitted by this article 21.
- 21.3 The Sellers and the Proposed Purchaser shall provide notice to the company (for the purposes of this article, the "**Selling Notice**") of any proposed transfer to which this article 21 relates which will include details of the Shares to be sold by Sellers (the "**Offered Shares**"), the proposed price for each Offered Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the place and the date and time of completion (the "**Tag Completion**") of the proposed purchase, which shall be on a Business Day and on a date not less than 5 Business Days after the final date for acceptance in accordance with article 21.5. The Selling Notice shall constitute an offer by the Proposed Purchaser to purchase the Tag Shares pursuant to this article 21.
- 21.4 Promptly following receipt of the Selling Notice, the company shall give notice in writing (for the purposes of this article, a "**Tag Along Notice**") to each of the Shareholders (other than the Sellers and, if the Proposed Purchaser is a party to this agreement, the Proposed Purchaser, (for the purposes of this article, the "**Other Shareholders**")) of the offer made by the Proposed Purchaser, giving the details contained in the Selling Notice and inviting each of them to sell to the Proposed Purchaser at the Tag Completion all of their holdings of Shares on the same terms as those contained in the Selling Notice.
- 21.5 The offer referred to in article 21.3 shall be:
- (A) governed by the laws of England and Wales;
 - (B) irrevocable and unconditional save for necessary conditions which apply to the proposed transfer of the Selling Shares (which shall not include any condition as to acceptances);
 - (C) open for acceptance by the Other Shareholders for a period of at least 15 Business Days following their receipt of the Tag Along Notice;
 - (D) on the terms set out in the Selling Notice which shall be at least as favourable terms as the terms upon which the Offered Shares are to be sold in respect of each class of Share; and
 - (E) at the "**Tag Along Price**", being the higher of:
 - (i) the price per Offered Share of that class offered to the Sellers (if applicable (subject as provided below)); and

(ii) the Market Value as determined in accordance with article 22.

- 21.6 If any of the Other Shareholders wishes the Market Value of its Shares to be determined, such Other Shareholder shall give written notice to this effect to the company. On receipt of this notice, the company shall promptly give notice of this to the Sellers and to the Proposed Purchaser, and the Other Shareholders (other than the Other Shareholder which has given notice to the company) and the provisions of article 22 shall apply. The provisions of this article shall be suspended until the Market Value is determined pursuant to article 22.
- 21.7 In no event shall the Other Shareholders be required to provide any covenants, warranties or indemnities (except for a warranty as to ownership of the Shares of which they are the registered holder) to the Proposed Purchaser.
- 21.8 The Sellers shall sell their respective Shares to the Proposed Purchaser on the Tag Completion, subject at all times to the Sellers or, if the Proposed Purchaser is a party to this agreement, the Proposed Purchaser, being able to withdraw the Selling Notice at any time prior to the Tag Completion by giving notice to the company to that effect, whereupon each Tag Along Notice shall cease to have effect.
- 21.9 Any Disposal falling within the provisions of this article shall be subject to article 19 (which shall have been complied with prior to this article operating) but shall not apply, and shall cease to be applicable, if the provisions of article 20 shall also apply. Such a Disposal shall for the purposes of article 19 be deemed to have been subject to a Transfer Notice stating that each proposing transferor is not willing to transfer part only but must transfer all of the Sale Shares (as defined in article 19), being for the purposes of this article the Tag Shares.
- 21.10 For the purposes of determining the price of the Founder Shares under this article (including the Tag Along Price and the Market Value under article 22), the Founder Shares and the 'A' Shares shall be deemed to be a single class of Shares and each Founder Shareholder shall be deemed to hold a number of 'A' Shares equal to the number of 'B' Shares such Founder Shareholder would hold following completion of a sale of Selling Shares as determined under article 8.
- 21.11 If the operation of the provisions of this article shall result in a Liquidity Event, the provisions of articles 21.1 to 21.5 shall extend to persons holding Options under the Share Option Scheme and the provisions of this article shall apply to the Shares issued as a result of the exercise of such Options (which are exercisable into 'B' Shares immediately prior to a Liquidity Event) in the same manner as they apply to Shares in issue at the time of the service of the Selling Notice.

22. Market value

22.1 The Market Value of any 'A' Share shall be determined as follows:

- (A) as agreed between the company and holders of 'A' Shares holding at least 75 per cent. in nominal value of such class; or
- (B) failing such agreement within a period of 15 Business Days from the start of the attempt to agree it, by a third party appointed by the persons referred to in article 22.1(A) or, if no such person has been appointed within a further 10 Business Day period, the company shall apply to the President of the Institute of Chartered Accountants of England and Wales from time to time for such appointment to be made by him. Such person shall act as expert and not as an arbitrator and such person's decision shall be final and binding (save in the case of manifest error). The cost of any such expert shall be borne by the company or, if the Proposed Purchaser under article 21 or 22 (as applicable) is an Investor Shareholder, such Proposed Purchaser.

22.2 "Market Value" of a Share will mean, after a determination of the Asset Value, an amount derived by making a calculation reflecting the cash distributions which would be made to the Shareholders in accordance with these articles if the company was deemed to have received the Asset Value in cash and then distributed the same to the Shareholders and assuming that all of the liabilities, debt, share options or other convertible or exchangeable securities, if any, of the company were discharged, repaid, converted or exchanged (as applicable). For the purposes of this article, the amount of such cash distribution shall be deemed to be distributable regardless of whether such cash constitutes profits available for distribution for the purposes of the Companies Acts.

22.3 The Market Value of a 'B' Share shall be equal to the Market Value of an 'A' Share and the Market Value of the Founder Shares (in aggregate) shall be equal to the Fair Value of the number of 'B' Shares into which such Founder Shares would fall to be converted, in the event of a sale of all the issued share capital of the Company for an aggregate price equal to the Asset Value. Market Value in the case of the Consideration Preference Shares will be the amount of its accrued preference entitlement and, in the case of any other Securities, will be determined by agreement of the holders of 75% of such class failing which it will be determined in accordance with article 22.1(B).

22.4 "Asset Value" will mean the amount which the company would receive in an all-cash sale of all of its assets and businesses (including the assumption of all liabilities, financial and otherwise, of the businesses) as a going concern in an arms-length transaction with an unaffiliated third party between a willing seller and a willing buyer completed on the day immediately preceding the date on which the event occurred which necessitated the determination of the Market Value.

23. Transfer of Shares

- 23.1 The instrument of transfer shall be executed by or on behalf of the transferor and in the case of a partly paid share, the transferee. All instruments of transfer, when registered, may be retained by the company.
- 23.2 Other than in respect of Cash Preference Shares or PIK Preference Shares, no member shall, without the prior written consent of the other members or unless otherwise agreed in writing between members, transfer any shares or any Interest in any shares other than pursuant to articles 17 to 22.
- 23.3 Neither the Cash Preference Shares nor any Interest therein shall be transferable without the prior written consent of the company (such consent not to be unreasonably withheld). Notwithstanding the foregoing, the Cash Preference Shares may be transferred without the consent of the company:
- (a) by the vendor to whom the Cash Preference Shares were first issued or by a later permitted holder thereof to an Affiliate of that person, provided always that, if the Transferee ceases to be an Affiliate of the Transferor, the Cash Preference Shares in question and all Interest therein shall forthwith be re-transferred to the Transferor or another Affiliate of that person. Any director of the company is hereby unconditionally and irrevocably authorised to execute a transfer form effecting a transfer of the relative Cash Preference Shares to the original Transferor if the holder thereof fails to comply with the above provisions of this article 23.3 within 10 Business Days of ceasing to be an Affiliate of the Transferor; and
 - (b) by the original vendor to whom the Cash Preference Shares were first issued (or an Affiliate thereof) if the transfer is accompanied by a certificate from two directors of that vendor confirming that the transfer is being effected to an unrelated person in order to avoid the consolidation of the results of the company in the accounts of the vendor or its parent undertaking or the treatment of the company or a related undertaking of the vendor or an Affiliate of the vendor for the purposes of the FSA Handbook.
- 23.4 Neither the PIK Preference Shares nor any Interest therein shall be transferable without the prior written consent of the company. Notwithstanding the foregoing, the PIK Preference Shares may be transferred without the consent of the company by the vendor to whom the PIK Preference Shares were first issued (or by an Affiliate of that vendor) to an Affiliate of that person, provided always that, if the Transferee ceases to be an Affiliate of the Transferor, the PIK Preference Shares in question and all Interest therein shall forthwith be re-transferred to the original vendor or another Affiliate of that person. Any director of the company is hereby unconditionally and irrevocably authorised to execute a transfer form effecting a transfer of the relative PIK Preference Shares to the original Transferor if the holder thereof fails to comply with the above provisions of this article 23.4 within 10 Business Days of ceasing to be an Affiliate of the Transferor.

- 23.5 The directors may refuse to register a transfer of Shares unless the instrument of transfer is:
- (a) in respect of a single class of shares only;
 - (b) in favour of not more than four transferees;
 - (c) duly stamped; and
 - (d) is deposited at the registered office of the company (or, where the shares have been the subject of a Listing, at the office of the company's registrars) accompanied by the relative share certificate(s) and such other evidence which the directors reasonably require to show the right of the transferor to make the transfer.
- 23.6 Except in the case of a transfer of a share in accordance with articles 23.2, 23.3, 23.4 and 23.5, the directors may, in their absolute discretion and without assigning any reason, refuse to register any proposed transfer of a share, whether or not it is a fully paid share.
- 23.7 The directors may also refuse to register the transfer of a share on which the company has a lien.
- 23.8 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the directors may determine.
- 23.9 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

24. Transmission of Shares

- 24.1 If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing contained in these articles shall release the estate of a deceased member from any liability in respect of any share held by him solely or jointly with other persons.
- 24.2 Subject to article 19.9, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law may, upon such evidence being produced as the directors may properly require and subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

25. Alteration of Share Capital

25.1 The company may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (ii) consolidate, or consolidate and then sub-divide, all or any of its share capital into shares of larger amount than its existing shares;
- (iii) subject to the Companies Acts, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

25.2 Whenever as a result of a consolidation, consolidation and sub-division or sub-division of shares any members would become entitled to fractions of a share, unless otherwise provided for in these articles, the board may deal with the fractions as it thinks fit. In particular the board may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Companies Acts, the company) and distribute the net proceeds of sale in due proportion among those members and the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

25.3 Subject to the provisions of the Companies Acts, the company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any way.

26. General Meetings

26.1 Any general meeting of the company other than an annual general meeting shall be called an extraordinary general meeting.

26.2 The board shall convene and the company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

26.3 The board may convene an extraordinary general meeting whenever it thinks fit.

- 26.4 The provisions of these articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of shares of a class convened otherwise than in connection with the variation or abrogation of the rights attached to the shares of that class. For this purpose, a general meeting at which no holder of a share other than an Ordinary Share may, in his capacity as a member, attend or vote shall also constitute a separate general meeting of the holders of the Ordinary Shares.

27. Notice of General Meetings

- 27.1 An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or (save as provided by the Companies Acts) a resolution of which special notice has been given to the company shall be convened by not less than 21 clear days' notice in writing. All other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company, and also to the auditors or, if more than one, each of them.
- 27.2 The accidental omission to give any notice of a meeting or the accidental omission to send any document relating to any meeting to, or the non-receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.
- 27.3 If the board, in its absolute discretion, considers that it is impractical or undesirable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone or move the general meeting to another date, time and/or place. The board shall take reasonable steps to ensure that notice of the date, time and place of the rearranged meeting is given to any member trying to attend the meeting at the original time and place. Notice of the business to be transacted at such rearranged meeting shall not be required. If a meeting is rearranged in this way, the appointment of a proxy will be valid if it is received as required by these articles not less than 48 hours before the time appointed for holding the rearranged meeting. The board may also postpone or move the rearranged meeting under this article.

28. Proceedings at General Meetings

- 28.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. For all purposes of these articles apart from when the company has only one member, a general meeting of the company or of the holders of any class of its shares shall be valid and effective for all purposes if one person being a duly authorised representative of two or more corporations each of which is a member entitled to vote upon the business to be transacted is present. If, and for so long as, the company has only one member, that member

or the proxy for that member or, where that member is a corporation, its duly authorised representative shall be a quorum at any general meeting of the company or of the holders of any class of shares.

- 28.2 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.
- 28.3 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 28.4 If no director is willing to act as chairman, or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 28.5 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company. The chairman of the meeting may invite any person to attend and speak at any general meeting of the company where he considers that this will assist in the deliberations of the meeting.
- 28.6 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 28.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the Companies Acts, a poll may be demanded by:
- (i) the chairman; or
 - (ii) any member holding any 'A' Shares; or
 - (iii) any member holding any Founder Shares; or
 - (iv) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- (v) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

The chairman can also demand a poll before a resolution is put to the vote on a show of hands.

- 28.8 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 28.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 28.10 A poll shall be taken in such manner as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 28.11 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 28.12 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 28.13 Subject to the Companies Acts, a resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

29. Votes of Members

- 29.1 Subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of these articles, on a show of hands every

member who is present in person at a general meeting of the company shall have one vote. Proxies cannot vote on a show of hands. On a poll every member who is present in person or by proxy shall, subject to any special terms as to voting upon which any shares may be issued or may at the relevant time be held and to any other provisions of these articles, have one vote for every share of which he is the holder.

- 29.2 On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion and if he does he shall specify the number of shares in respect of which each proxy is entitled to exercise the related votes and shall ensure that no proxy is appointed to exercise the votes which any other proxy has been appointed by that member to exercise. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 29.3 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- 29.4 A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote on a poll by proxy), provided that evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote or such other right has been received at the office (or at such other place as may be specified in accordance with these articles for the receipt of appointments of a proxy in writing) not later than the last time at which such an appointment should have been received in order to be valid for use at that meeting or on the holding of that poll.
- 29.5 No member shall, unless the board otherwise decides, be entitled in respect of any share held by him to attend or vote (either personally or by proxy) at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company or upon a poll or to exercise any other right conferred by membership in relation to general meetings or polls unless all calls or other sums presently payable by him in respect of that share have been paid.
- 29.6 If:
- (i) any objection shall be raised to the qualification of any voter, or
 - (ii) any votes have been counted which ought not to have been counted or which might have been rejected, or

- (iii) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting or poll on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting or poll at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

- 29.7 In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon and in the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the office or the chairman in his absolute discretion decides that it may be considered or voted upon.
- 29.8 If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

30. Proxies

- 30.1 The appointment of a proxy shall be in writing signed by the appointor or his duly authorised attorney or, if the appointor is a corporation, shall either be executed under its seal or signed by an officer, attorney or other person authorised to sign it.
- 30.2 The appointment of a proxy must:
 - (i) be received at the office (or such other place in the United Kingdom as may be specified in or by way of note to the notice convening the meeting or in or by way of note to any notice of any adjournment or, in either case, in any accompanying document) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote together with (if required by the board) any authority under which it is made or a copy of the authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the board; or
 - (ii) in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid not less than 24 hours before the time appointed for the taking of the poll,

and an appointment of a proxy which is not or in respect of which the authority or copy thereof is not, received in a manner so permitted shall be invalid. When two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting or poll, the one which is last received (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the company is unable to determine which was last received, none of them shall be treated as valid in respect of that share. The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

- 30.3 No appointment of a proxy shall be valid after 12 months have elapsed from the date of its receipt save that, unless the contrary is stated in it, an appointment of a proxy shall be valid for use at an adjourned meeting or a poll after a meeting or an adjourned meeting even after 12 months, if it was valid for the original meeting.
- 30.4 The appointment of a proxy shall be in any usual form or in such other form as the board may approve. The appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given as the proxy thinks fit. The appointment of a proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 30.5 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the company at the office (or such other place or address as was specified by the company for the receipt of appointments of proxy in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not later than the last time at which an appointment of a proxy should have been received in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

31. Number of Directors

Unless otherwise determined by ordinary resolution of the company, the directors (disregarding alternate directors) shall be not less than three nor more than ten in number.

32. Alternate Directors

- 32.1 Any director (other than an alternate director) may 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.
- 32.2 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally

to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director.

- 32.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise 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.
- 32.4 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.
- 32.5 Save as otherwise provided in these articles, an alternate director shall be deemed for all purposes to be a director and 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.

33. Powers of Directors

- 33.1 Subject to the provisions of the Companies Acts, the memorandum and these articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 33.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

34. Borrowing Powers

The board may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company, to issue debentures and other securities and to give security, whether outright or as collateral security, for any debt, liability or obligation of the company or of any third party.

35. Delegation of Directors' Powers

- 35.1 The directors may delegate any of their powers (with power to sub-delegate) to any committee consisting of such person or persons (whether directors or not) as they think fit. Any such delegation may be made subject to any conditions the directors may impose, and either

collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

- 35.2 The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

36. Power to Provide for Employees

The directors may by resolution exercise any power conferred by the Companies Acts to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

37. Appointment and Removal of Directors by Majority Shareholders

Subject to article 7, any member holding, or any members holding in aggregate, a majority in nominal value of such of the issued share capital of the company at the relevant time as carries the right of attending and voting at general meetings of the company may by notice in writing signed by or on behalf of him or them and delivered to the office or tendered at a meeting of the directors or at a general meeting of the company at any time and from time to time appoint any person to be a director (either to fill a vacancy or as an additional director) or remove any director from office (no matter how he was appointed). Any such notice shall take effect (unless withdrawn) two Business Days following receipt by the Company.

38. Appointment of Directors by board

Without prejudice to the powers conferred by any other article, any person may be appointed a director by the directors, either to fill a vacancy or as an additional director.

39. No Age Limit or Share Qualification

No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his having attained any particular age. It shall not be necessary by reason of a person's age to give special notice under the Companies Acts of any resolution in connection with his election. No shareholding qualification for directors shall be required.

40. Disqualification and Removal of Directors

Without prejudice to any other provisions of these articles, the office of a director shall be vacated if:

- (i) he resigns his office by notice in writing delivered to or received at the office or tendered at a meeting of the board; or
- (ii) by notice in writing delivered to or received at the office or tendered at a meeting of the board, his resignation is requested by not less than three fourths in number of the other directors and all of the other directors are not less than three in number; or
- (iii) he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health and the board resolves that his office is vacated; or
- (iv) he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for six consecutive months and the board resolves that his office is vacated; or
- (v) he becomes bankrupt or compounds with his creditors generally; or
- (vi) he is prohibited by law from being a director; or
- (vii) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the board.

Paragraphs (ii), (iv) and (vii) above shall not apply to any director appointed by the Appointing Holders pursuant to article 7.

41. Executive Directors

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the company for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board or any committee authorised by the board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the company or the company may have against the director for any breach of any contract of service between him and the company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide, and either in addition to or in lieu of his remuneration as a director.

42. Fees, Remuneration and Expenses

- 42.1 Each of the directors shall be paid a fee at such rate as may from time to time be determined by the board provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of these articles) shall not exceed £500,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.
- 42.2 Any director who performs services which in the opinion of the board or any committee authorised by the board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may in its discretion decide in addition to any remuneration provided for by or pursuant to any other article.
- 42.3 Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the board or committees of the board or general meetings of the company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the company's business or in the discharge of his duties as a director.

43. Directors' Gratuities and Pensions

The directors may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director who holds or has held any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or with a predecessor in business of the company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company.

44. Board Meetings

- 44.1 The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary on the requisition of a director at any time shall, summon a board meeting.
- 44.2 The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be two. Subject to the provisions of these articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

- 44.3 The continuing directors or a sole continuing director may act notwithstanding any vacancy in their number but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these articles or is below the number fixed by or in accordance with these articles as the quorum or there is only one continuing director, the continuing directors or director may act for the purpose of filling vacancies or of summoning general meetings of the company but not for any other purpose. If there are no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.
- 44.4 The board may appoint a director to be the chairman of the board, and may at any time remove him from that office. The chairman of the board shall act as chairman at every meeting of the board. But if no chairman of the board is appointed, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.
- 44.5 A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the board.
- 44.6 Questions arising at any meeting shall be determined by a majority of votes.
- 44.7 All acts done by the board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or person so acting or that they or any of them were disqualified from holding office or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee and had been entitled to vote.

45. Notice of board Meetings

Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the company for this purpose, or by any other means authorised in writing by the director concerned. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the company for this purpose. A director may waive notice of any meeting either prospectively or retrospectively.

46. Participation in board Meetings by Telephone

All or any of the members of the board may participate in a meeting of the board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

47. Resolution in Writing

A resolution in writing signed by all the directors who are at the relevant time entitled to receive notice of a meeting of the board and who would be entitled to vote on the resolution at a meeting of the board (if that number is sufficient to constitute a quorum) shall be as valid and effectual as a resolution passed at a meeting of the board properly called and constituted. The resolution may be contained in one document or in several documents in like form each signed by one or more of the directors concerned. 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.

48. Directors' Interests

- 48.1 Subject to the provisions of the Companies Acts and of article 48.5, no director or proposed or intending director shall be disqualified by his office from contracting with the company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the company or the members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established.
- 48.2 A director may hold any other office or place of profit with the company (except that of auditor) in conjunction with his office of director for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other article.
- 48.3 A director may be or become a director or other officer of, or otherwise interested in, or contract with any company promoted by the company or in which the company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in or contract with the other company nor shall any such contract be liable to be avoided. Subject to the Companies Acts and these articles, the board may also cause any voting power conferred by the shares in any other company held or owned by the company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company. Subject to the Companies Acts and these articles, a director may also vote on and be counted in the quorum in relation to any of such matters.
- 48.4 A director may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.

- 48.5 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare the nature of his interest at a meeting of the board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the board after he knows that he is or has become so interested. For the purposes of this article, a general notice to the board by a director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this article in relation to any such contract; provided that no such notice shall be effective unless either it is given at a meeting of the board or the director takes reasonable steps to secure that it is brought up and read at the next board meeting after it is given.
- 48.6 Subject where applicable to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.
- 48.7 A reference in this article to a contract includes any transaction or arrangement (whether or not constituting a contract).

49. Secretary

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term and upon such conditions as the board may think fit; and the secretary so appointed may be removed by the board.

50. Official Seal

The company may exercise all the powers conferred by the Companies Acts with regard to having any official seal and such powers shall be vested in the directors. Subject to the provisions of the Companies Acts, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

51. Dividends and Other Payments

- 51.1 The company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.
- 51.2 Subject to the provisions of the Companies Acts, the board may pay such interim dividends as appear to the board to be justified by the financial position of the company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the company, in the opinion of the board, justifies its payment. If the board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer

in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares.

51.3 Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (i) all dividends shall be declared and paid according to the amounts paid up on the share in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share;
- (ii) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion or portions of the period in respect of which the dividend is paid; and
- (iii) dividends may be declared or paid in any currency.

The board may decide the basis of conversion for any currency conversions that may be required and how any costs involved are to be met.

51.4 The board may deduct from any dividend or other moneys payable to a member by the company on or in respect of any shares all sums of money (if any) presently payable by him to the company on account of calls or otherwise in respect of shares of the company. Sums so deducted can be used to pay amounts owing to the company in respect of the shares.

51.5 Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other moneys payable by the company on or in respect of any share shall bear interest against the company.

51.6 Any dividend or other sum payable in cash by the company in respect of a share may be paid by cheque, warrant or similar financial instrument sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque, warrant or similar financial instrument shall, unless the holder or joint holders otherwise direct, be made payable to the holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of the shares, and shall be sent at his or their risk and payment of the cheque, warrant or similar financial instrument by the financial institution on which it is drawn shall constitute a good discharge to the company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct and the company may agree, and the making of such payment shall be a good discharge to the company and the company shall have no responsibility for any sums lost or delayed in the course of payment by any such system or other means or where it has acted on any such directions and accordingly, payment by any such system or other means shall constitute a good discharge to the company. Any one of two or more joint holders may give

effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address and where two or more persons are so entitled, any one of them may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares.

- 51.7 The company may cease to send any cheque, warrant or similar financial instrument through the post or to employ any other means of payment for any dividend payable on any shares in the company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques, warrants or similar financial instruments have been returned undelivered or remain uncashed during or at the end of the period for which the same are valid or that means of payment has failed. In addition, the company may cease to send any cheque, warrant or similar financial instrument through the post or may cease to employ any other means of payment if, in respect of one dividend payable on those shares, the cheque, warrant or similar financial instrument has been returned undelivered or remains uncashed during or at the end of the period for which the same is valid or that means of payment has failed and reasonable enquiries have failed to establish any new address or account of the holder. Subject to the provisions of these articles, the company must recommence sending cheques, warrants or similar financial instruments or employing such other means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing.
- 51.8 All dividends or other sums payable on or in respect of any shares which remain unclaimed may be invested or otherwise made use of by the board for the benefit of the company until claimed. Any dividend or other sum unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and shall revert to the company unless the board decides otherwise and the payment by the board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the company a trustee in respect of it.
- 51.9 Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution the board may settle it as it thinks expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any assets or any part thereof to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the board.
- 51.10 The board may, pursuant to the authority granted by the Adoption Authority or if otherwise authorised by an ordinary resolution of the company, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the

whole (or some part, to be determined by the board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (i) An ordinary resolution may specify some or all of a particular dividend (whether or not already declared) or may specify some or all of any dividends declared or paid within a specified period, but such period may not end later than the fifth anniversary of the date of the meeting at which the ordinary resolution is passed;
- (ii) The entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forgo. For this purpose "relevant value" shall be calculated on the basis that each new Ordinary Share has a value equal to the Subscription Price;
- (iii) No fraction of any Ordinary Share shall be allotted. The board may, unless otherwise provided for in these articles, make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such member of fully paid Ordinary Shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlements;
- (iv) The board, if it intends to offer an election in respect of any dividend, shall, unless a member has made a prior election which relates to such dividend, give notice to the holders of Ordinary Shares of the right of election offered to them, and specify the procedure to be followed and the place at which, and the latest time by which, elections must be lodged in order for elections to be effective; no such notice need be given to holders of Ordinary Shares who have previously given election mandates in accordance with this article and whose mandates have not been revoked; the accidental omission to give notice of any right of election to, or the non receipt of any such notice by, any holder of Ordinary Shares entitled to the same shall neither invalidate any offer of an election nor give rise to any claim, suit or action;
- (v) The board shall not proceed with any election unless the company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;
- (vi) The board may exclude from any offer or make other arrangement in relation to any holders of Ordinary Shares where the board believes that such exclusion or arrangement is necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, or the board believes that for any other reason the offer should not be made to them;

- (vii) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been made (for the purposes of this article "**the elected Ordinary Shares**") and instead additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment calculated as stated. For such purpose the board shall capitalise, out of any amount standing to the credit of any reserve or fund (including the profit and loss account) at the relevant time whether or not the same is available for distribution as the board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected Ordinary Shares on that basis;
- (viii) The additional Ordinary Shares when allotted shall rank pari passu in all respects with the fully paid Ordinary Shares then in issue except that they will not be entitled to participation in the relevant dividend;
- (ix) The board may from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect in respect of future rights of election offered to that holder under this article until the election mandate is revoked in accordance with the procedure;
- (x) The board may decide how any costs relating to making new shares available in place of a cash dividend will be met, including deciding to deduct an amount from the entitlement of a shareholder under this article; and
- (xi) At any time before new Ordinary Shares are allotted instead of cash in respect of any part of a dividend, the board may determine that such new Ordinary Shares will not be allotted. Any such determination may be made before or after any election has been made by members in respect of the relevant dividend.

52. Power to Capitalise Reserves and Funds

- 52.1 The company may, upon the recommendation of the board, at any time and from time to time pass an ordinary resolution and the board shall, in the circumstances otherwise provided in these articles without the need for an ordinary resolution, resolve to the effect that it is desirable to capitalise all or any part of any amount standing to the credit of any reserve or fund (including the profit and loss account) at the relevant time whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions or any category of members holding a particular class of shares specified in these articles, on the footing that it is applied either in or towards paying up the amounts unpaid at the relevant time on any shares in the company held by those members respectively or in paying up in full unissued shares, debentures or other obligations of the company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this

article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the company. The board may authorise any person to enter into an agreement with the company on behalf of the persons entitled to participate in the distribution and the agreement shall be binding on those persons.

- 52.2 Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the board may settle the matter as it thinks expedient and in particular may, unless otherwise provided for in these articles, authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the board.

53. Record Dates

Notwithstanding any other provision of these articles (other than as provided in article 10.1.2.1), the company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made. The power to fix any such record date shall include the power to fix a time on the chosen date.

54. Accounting Records and Summary Financial Statements

- 54.1 The board shall cause to be kept accounting records sufficient to show and explain the company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the company at that time, and which accord with the Companies Acts.
- 54.2 No member in his capacity as such shall, unless otherwise agreed with the company, have any right of inspecting any accounting record or book or document of the company except as conferred by law, ordered by a court of competent jurisdiction or authorised by the board or by ordinary resolution of the company.
- 54.3 Following a Listing, the company may send summary financial statements to members of the company instead of copies of its full accounts and reports and for the purposes of this article sending includes publication on a web site in accordance with the Companies Acts.

55. Service of Notices and Documents

- 55.1 Any notice or other document (including a share certificate) may be served on or sent or delivered to any member by the company either personally, or by sending it by post addressed to the member at his registered address, or by leaving it at that address addressed to the member, or, where appropriate, by fax to a fax number notified by the member concerned to the company for that purpose, or by publication on a web site in accordance with the Companies Acts, or by any other means authorised in writing by the member concerned. In

the case of joint holders of a share service, sending or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or sending or delivery to all the joint holders.

- 55.2 Any notice or document may be served, sent or delivered by the company by reference to the register as it stands at any time not more than 5 days before the date of service, sending or delivery. No change in the register after that time shall invalidate that service, sending or delivery. Where any notice or document is served on or sent or delivered to any person in respect of a share in accordance with these articles, no person deriving any title or interest in that share shall be entitled to any further service, sending or delivery of that notice or document.
- 55.3 A person who is entitled by transmission to a share, upon supplying the company with a postal address within the United Kingdom for the service of notices shall be entitled to have served upon or delivered to him at such address any notice or document to which he would have been entitled if he were the holder of that share. A person who is entitled by transmission to a share, upon supplying the company with a fax number for the service of notices may, at the absolute discretion of the board, have sent to him at such number any notice or document to which he would have been entitled if he were the holder of that share. Such service, sending or delivery shall for all purposes be deemed a sufficient service, sending or delivery of such notice or document on all persons interested (whether jointly with or as claimants through or under him) in the share. Otherwise, any notice or other document served on or sent or delivered to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the company has notice of the death, bankruptcy or other event, be deemed to have been properly served, sent or delivered in respect of any share registered in the name of that member as sole or joint holder.
- 55.4 Any notice or document, if sent by the company by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post if first class post was used or 72 hours after it was posted if first class post was not used or on the fifth Business Day after it was posted if sent by airmail and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or document not sent by post but left by the company at a registered address or at an address notified to the company in accordance with these articles by a person who is entitled by transmission to a share shall be deemed to have been served or delivered on the day it was so left. A notice sent by fax shall be deemed to have been given when despatched. A notice or other document placed on the company's website or websites shall be deemed to have been received on the day following that on which a notice of availability was sent. Any notice or document served, sent or delivered by the company by any other means authorised in writing by the member concerned shall be deemed to have been served, received or delivered when the company has carried out the action it has been authorised to take for that purpose.

56. Destruction of Documents

If the company destroys or deletes:

- (i) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- (ii) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the company, or
- (iii) any instrument of transfer of shares which has been registered by the company at any time after a period of six years has elapsed from the date of registration, or
- (iv) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it

and the company destroys or deletes the document or instruction in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrebuttably in favour of the company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed or deleted was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the company were correctly recorded. Nothing contained in this article shall be construed as imposing upon the company any liability which, but for this article, would not exist or by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this article to the destruction of any document include references to its disposal in any manner.

57. Winding Up

If the company commences liquidation, the liquidator may, subject to articles 7 and 8, with the sanction of an extraordinary resolution of the company and any other sanction required by the Companies Acts:

- (i) divide among the members in kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or

- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

but no member shall be compelled to accept any shares or other assets upon which there is any liability.

58. Indemnity of Officers

- 58.1 Subject to the provisions of the Companies Acts, the company may indemnify any director or other officer against any liability and may purchase and maintain for any director or other officer insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the company shall be indemnified out of the assets of the company against any liability incurred by him as a director or other officer of the company, in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by the court.
- 58.2 For the purposes of this article no person appointed or employed by the company as an auditor is an officer of the company.

- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

but no member shall be compelled to accept any shares or other assets upon which there is any liability.

58. Indemnity of Officers

- 58.1 Subject to the provisions of the Companies Acts, the company may indemnify any director or other officer against any liability and may purchase and maintain for any director or other officer insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the company shall be indemnified out of the assets of the company against any liability incurred by him as a director or other officer of the company, in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by the court.
- 58.2 For the purposes of this article no person appointed or employed by the company as an auditor is an officer of the company.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

For and on behalf of
TRUCIDATOR NOMINEES LIMITED,
2 Lambs Passage,
London EC1Y 8BB

E J Zuercher

Authorised Signatory

For and on behalf of
TREXCO LIMITED,
2 Lambs Passage,
London EC1Y 8BB

L J Stoker

Authorised Signatory

DATED the 16th day of September 2002

WITNESS to the above signatures:-

R H SMITH
2 Lambs Passage,
London EC1Y 8BB