

EDDINGTON CAPITAL MANAGEMENT LIMITED

(Registered number 4620825)

(the "Company")

At a **GENERAL MEETING OF THE COMPANY** held on
22 December 2010 the resolution below was passed as a special resolution

SPECIAL RESOLUTION

"THAT the new Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification shall be adopted in substitution for, and to the exclusion of, all existing Articles of Association of the Company "

Dated 22 December 2010

By Order of the Board

P Chrimes, Secretary

Registered office
Cayzer House
30 Buckingham Gate
London SW1E 6NN



*I certify that I have seen
the original documentation
and this copy of the Special
Resolution approving new
Articles of Association is a
complete & accurate copy of
that original.*
P. Chrimes
Company Secretary 22/12/10

No 4620825

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

EDDINGTON CAPITAL MANAGEMENT LIMITED

(Adopted by Special Resolution passed on
22 December 2010)

I certify that I have seen the original documentation and this copy of the Articles of Association is a complete and accurate copy of that original.

*P. [Signature]
Company Secretary
22/12/10*

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COMPANIES HOUSE

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1. PRELIMINARY

1.1 Definitions

In these Articles

"**Act**" means, subject to paragraph 1.3 of this Article, the Companies Act 2006,

"**Acquiring Shareholder**" has the meaning given in Article 17,

"**Acting in Concert**" shall have the meaning given in and shall be construed in accordance with the City Code on Takeovers and Mergers as if it applied in the relevant case,

"**A Director**" means a director appointed by the A Ordinary Shareholder(s) and holding office pursuant to Article 22;

"**A Ordinary Share**" means an A Ordinary Share of 0.1p in the capital of the Company,

"**A Ordinary Shareholder**" means a registered holder of an A Ordinary Share,

"**Admission**" means admission of all or a majority of the issued share capital of the Company to the Official List of the UK Listing Authority or to any other Recognised Investment Exchange and to trading on the London Stock Exchange, or any other Recognised Investment Exchange,

"**A Permitted Transferee**" means a Member of the Same Group,

"Agreed Accounting Practices and Policies" means the accounting practices set out in Schedule 2 to the Joint Venture Agreement which are to be applied in the preparation of the Company's accounts, as such may be amended from time to time in accordance with the Joint Venture Agreement,

"Articles" means these articles of association, as from time to time altered,

"associate" means any company 20 per cent or more of the equity share capital of which is beneficially owned from time to time by the Company and/or its subsidiaries (whether individually or in aggregate),

"Associated Consideration" has the meaning given in Article 16,

"Auditors" means the auditors of the Company from time to time,

"B Director" means a director appointed by the B Ordinary Shareholder(s) and holding office pursuant to Article 22,

"B1 Ordinary Share" means a B1 Ordinary Share of 1p in the capital of the Company,

"B2 Ordinary Share" means a B2 Ordinary Share of 1p in the capital of the Company,

"B Ordinary Share" means a B Ordinary Share, a B1 Ordinary Share or a B2 Ordinary Share, as the case may be,

"B Ordinary Shareholder" means a registered holder of a B Ordinary Share,

"B Permitted Transferee" means a family trust, being a trust the beneficiaries of which are solely a B Ordinary Shareholder or his immediate family members (being a spouse, a parent, a child or grandchild),

"Bad Leaver" means an employee of the Company whose employment is terminated by means of the employee's voluntary resignation or as a result of a summary dismissal for cause, in each case during the period up to three years from the FSA Approval Date,

"Bad Leaver Call Option Notice" has the meaning given in Article 14,

"Base Price" means £1 per Share,

"Board" the board of directors of the Company, as from time to time constituted,

"Budget" means, in respect of a financial year, the budget prepared by the Company,

"the Business" means the activities of an FSA regulated fund management company that will manage and distribute a series of funds being hedge funds or funds of hedge funds,

"Business Day" means Monday to Friday except any day which is generally recognised as a public holiday in England,

"Caledonia" means Caledonia Investments PLC,

"Capital Commitment Letter" means the letter dated 11 April 2003 executed by Caledonia agreeing to make a commitment to the First Fund subject to the terms and conditions stated therein,

"Chairman" means Chairman of the Board,

"Company" includes any body corporate,

"Completion" has the meaning given in Article 16,

"Compulsory Sale Notice" has the meaning given in Article 16,

"Compulsory Sale Counter Notice" has the meaning given in Article 16,

"Concert Party" means any person with which any relevant person is Acting in Concert,

"Connected Person" means any person with which any relevant person is connected (as determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988),

"Defaulting Shareholder" has the meaning given in Article 16,

"Default Transfer Notice" has the meaning given in Article 12,

"Deferral Notice" shall have the meaning given in Article 6,

"A Deferred Share" means a deferred share of 0 1p in the capital of the Company,

"B Deferred Share" means a deferred share of 1 0p in the capital of the Company,

"A Deferred Shareholder" means a registered holder of an A Deferred Share,

"B Deferred Shareholder" means a registered holder of a B Deferred Share,

"Deferred Shares" means A Deferred Shares and B Deferred Shares, unless the context specifies that this phrase relates specifically to either the A Deferred Shares or the B Deferred Shares,

"Deferred Shareholder" means a registered holder of Deferred Shares,

"Disputed Valuation Notice" has the meaning given in Article 16,

"Employee" has the meaning given in Article 14,

"Employee Notice" has the meaning given in Article 14,

"Employee Shares" has the meaning given in Article 14,

"Encumbrance" means any mortgage, pledge, lien, charge, assignment, hypothecation or other agreement or arrangement which has the same or a similar effect to the granting of security,

"Event of Default" means, in respect of any Ordinary Shareholder, a breach by that Ordinary Shareholder of the terms of any Relevant Agreement which entitles the other parties thereto (1) to terminate such Relevant Agreement with respect to that Ordinary

Shareholder and/or (ii) to require the giving of a Default Transfer Notice by such Ordinary Shareholder ("**enforcement action**") and, in respect of which breach, enforcement action has been taken,

"Employee Benefit Trust" means any trust the beneficiaries of which include, or would include, employees of the Company,

"Exiting Manager" means a Manager who wishes to transfer his shares,

"First Fund" means a fund, being in the fund of hedge funds arena, which the Company intends to establish and launch,

"FSA Approval Date" means the date on which the Company obtains the approval of the Financial Services Authority for the purposes of permitting the Company to undertake regulated activities with the meaning of the Financial Services and Markets Act 2000 and legislation made thereunder,

"Good Leaver" means an employee of the Company whose employment is terminated for a Good Reason during the period up to four years from the FSA Approval Date or for any reason whatsoever thereafter,

"Good Leaver Call Option Notice" has the meaning given in Article 15,

"Good Reason" means death, ill health or permanent disability such as to render the person suffering therefrom incapable of full-time employment, termination by the Company on notice, redundancy or retirement on normal retirement age,

"Group" means the Company and its subsidiaries from time to time,

"Holding Company" means a holding company as defined in section 1159 of the Act,

"Joint Venture Agreement" means the agreement entered into by Caledonia, the Company and each Manager dated 11 April 2003,

"Latest Time" has the meaning given in Article 11,

"Loan Agreement" means the loan facility dated 11 April 2003 from Caledonia to the Company,

"London Stock Exchange" means London Stock Exchange PLC,

"Manager" means Glenn Baggley or Alex Allen, as the case may be,

"Management" means Glenn Baggley and Alex Allen collectively,

"Member of the Same Group" means, in relation to any company, a company which is for the time being the ultimate holding company of such company or a subsidiary of any such holding company,

"Ordinary Shares" means A Ordinary Shares and/or B Ordinary Shares as the context may require,

"Ordinary Shareholder" means a registered holder of Ordinary Shares,

"Other Shareholders" has the meaning given in Article 17,

"Preference Dividend" has the meaning given in Article 5,

"Preference Share" means a Preference Share of 0.1p in the capital of the Company, and, in addition, following the adoption of these revised Articles of Association a Preference Share of 0.01p in the capital of the Company

"Preference Shareholder" means a holder of Preference Shares,

"Proposed Purchaser" has the meaning given in Article 16,

"Recognised Investment Exchange" means an investment exchange that is recognised under the Financial Services and Markets Act 2000,

"Relevant Agreement" means any agreement to which the Ordinary Shareholders (in their capacity as shareholders in the Company) are party relating to the business and affairs of the Company,

"Relevant Shares" has the meaning given in Article 17,

"Seller" has the meaning given in Article 16 or Article 17, as the case may be,

"Specified Price" has the meaning given in Article 16,

"Subordinated Loan Agreement" means the subordinated loan facility dated 11 April 2003 from Caledonia to the Company,

"subsidiary" means a subsidiary as defined in section 1159 of the Act,

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) Amendment Regulations 2007, in force at the date of adoption of these Articles,

"Tag-along Notice" has the meaning given in Article 17,

"Tag-along Shares" has the meaning given in Article 17,

"Transfer Notice" has the meaning given in Article 11, and

"Unfulfilled Objective" means the situation in which, by not later than the first anniversary of the FSA Approval Date, the Company has failed to achieve subscriptions from investors in an aggregate amount of not less than £30 million (such amount being inclusive of such sum as is to be subscribed by Caledonia pursuant to the terms of the Capital Commitment Letter) and the performance of the First Fund is such that the net asset value of an investment therein (net of all fees payable by the investor) is, as at such date, smaller than would have been the case had the First Fund performed at a rate such that the increase in the net asset value of an investment therein (net of all fees payable by the investor) would have been equivalent to the LIBOR benchmark (being the LIBOR benchmark for sterling for a three-month period ascertained by reference to the LIBOR index figure displayed on the appropriate page of the Bloomberg screen and dividing the relevant LIBOR index figure in respect of the date of the first anniversary of the FSA Approval Date by the relevant LIBOR index figure in respect of the date immediately prior to the FSA

Approval Date, provided that in the event that the Bloomberg screen (or the applicable source of information accessed by means thereof) is replaced or ceases to be available, the equivalent information shall be derived in the first instance from the applicable pages of the Telerate screen or (in the event of a failure to obtain such information therefrom) in the second instance from the applicable pages of the Reuters screen, and in the event that no such information may be obtained, by way of determination by the Company's auditors within five Business Days of a request by the Company, such request to be made at the instance of any Shareholder) plus 200 basis points

1 2 Same meanings as in the Act

Save as provided in Article 1 1 and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act

1 3 Statutory modification

In these Articles, unless expressly provided to the contrary, a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it and to any subordinate legislation made under it in each case for the time being in force

1 4 Number, gender and person

In these Articles, unless the context otherwise requires

- (A) words in the singular include the plural, and vice versa;
- (B) words importing any gender include all genders, and
- (C) a reference to a person includes a reference to a company and to an unincorporated body of persons

1 5 Miscellaneous interpretation

In these Articles

- (A) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form,
- (B) references to "executed" includes any mode of execution,
- (C) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible,
- (D) references to a power are to a power of any kind, whether administrative, discretionary or otherwise,
- (E) references to a committee of the directors are to a committee established in accordance with these Articles, whether or not comprised wholly of directors, and
- (F) references to "designation" in the context of Ordinary Shareholders or directors are to A or B Ordinary Shareholders or directors, as appropriate

1 6 Headings

Headings are inserted for convenience only and do not affect the construction of these Articles

1 7 Articles and Regulations

In these Articles a reference to an Article is to a clause of these Articles and a reference to a Regulation is to a regulation in Table A

▪ 1 8 Constitution

Following the implementation of the Act, the majority of the contents of the Company's Memorandum of Association are deemed to have been imported into and form an integral part of the Company's Articles of Association. As from the date of adoption of these revised Articles, the following clauses of the Memorandum of Association (1) the company's name, (2) where the registered office is situated, (3) the company's objects, (4) status of the members' liability, and (5) the company's share capital (and nominal value of each share) on registration, shall be deemed to be part of these Articles of Association and no longer be part of the Company's Memorandum of Association

2. TABLE A

The Regulations contained in Table A that remain in force following the implementation of all of the provisions of the Act shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with these Articles. Regulations 40, 54, 64 to 69 (inclusive), 72, 74, 76, to, 78 (inclusive), 81, 84, 88, 89, 93, 94, 95 and 118 in Table A shall not apply to the Company

3. SHARE CAPITAL

There shall be no limit on the amount of share capital that the Company can issue as the Company no longer has an authorised share capital. The share capital of the Company on the date of adoption of these Articles is divided into A Ordinary Shares, B1 Ordinary Shares, B2 Ordinary Shares, Preference Shares and A Deferred Shares. The Company may issue shares which are to be redeemed, or are liable to be redeemed only at the option of the Company and the directors may determine the terms, conditions and manner of redemption of any such shares. As from the date of adoption of these revised Articles of Association, further Preference Shares may only be issued by the Company if they are perpetual and coupons are non-cumulative and in respect of such shares the Company is under no obligation to pay a coupon in any circumstances and they are redeemable only at the option of the Company

4. CLASSES OF SHARES

The shares of each class of shares shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions, as may be determined by ordinary resolution, hereinafter appearing. The A Ordinary Shares and the B Ordinary Shares shall, except where otherwise provided herein, confer upon the holders thereof the same rights. The A Deferred Shares and the B Deferred Shares shall, except where otherwise provided herein, confer upon the holders thereof the same rights

5. RIGHTS ATTACHING TO PREFERENCE SHARES AND ORDINARY SHARES

Subject to Article 3 and any special rights which may be attached to any class of shares issued after the date of adoption of these Articles the rights attaching to the Preference Shares and the Ordinary Shares are as follows

5.1 Capital

On a return of assets on winding up, the assets of the Company available for distribution among the members shall be applied first in repaying to the Preference Shareholders a sum equal to £1 for each Preference Share held by them, secondly, in paying to the Ordinary Shareholders a sum equal to the nominal amount of each Ordinary Share held by them, and, thirdly, the balance of such assets (if any) shall be distributed amongst the Ordinary Shareholders, pro rata (as nearly as may be) according to the number of Ordinary Shares held by them respectively, provided that to the extent that the assets distributed hereunder exceeds £1,000,000,000, Deferred Shareholders shall be paid from the excess a sum equal to the nominal amount of each Deferred Share held by them, with the remainder of any such excess being distributed amongst the Ordinary Shareholders, pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively

5.2 Income

In accordance with Article 3, payment of a Preference Dividend on Preference Shares issued after the adoption of these revised Articles of Association is not obligatory in any circumstance. However if circumstances permit, the payment of dividends shall be subject to the following conditions

- (A) The holders of the Preference Shares shall be entitled to be paid out of the profits available for distribution and resolved to be so distributed a fixed preferential dividend at the rate of 15 pence per share per annum ("**Preference Dividend**") Every Preference Dividend shall be distributed to the Preference Shareholders pro rata (as nearly as may be) according to the number of Preference Shares held by them respectively
- (B) The Preference Dividend shall be payable in priority to any payment to the holders of any other shares of the Company or to the transfer of any sum to reserves
- (C) The Preference Dividend shall accrue from day to day and shall be payable half-yearly in equal amounts on 30 June and 31 December in each year (each a "**Dividend Date**") in respect of the half-year ending on those days. The first dividend payment shall be made on the first Dividend Date following allotment in respect of the period commencing on and including the date of allotment and ending on and including that date
- (D) Where the Company has insufficient profits available for distribution and by reason of the Act is unable to pay in full on any Dividend Date any Preference Dividend the Company shall on that Dividend Date pay to such holders on account of the Preference Dividend and any further sum payable to the holders of the Preference Shares the maximum sum (if any) which can then,

consistently with the Act, be paid by the Company. To the extent that any Preference Dividend is not paid in full on any Dividend Date, the balance of the Preference Dividend shall not be payable on any subsequent Dividend Date.

- (E) All references to dividends in this Article 5.2 are exclusive of any associated tax credit.
- (F) The Company shall at the request at any time of the holders of not less than 5 per cent of the Preference Shares then in issue promptly procure
 - (1) a certificate or other determination by the Auditors as to the amount of the profits of the Company available for distribution, and
 - (2) the preparation of interim accounts (within the meaning of sections 836 – 839 of the Act),

provided that not more than one request for interim accounts or for a certificate of the Auditors shall be made in each financial year.

- (G) After payment of the Preference Dividend and insofar as there remain profits available for distribution, such profits shall be available for distribution to the holders of the Ordinary Shares.

Subject to the provisions of these Articles, the profits of the Company available for distribution to the Ordinary Shareholders and resolved to be so distributed in respect of any financial year shall be distributed among the Ordinary Shareholders pro rata (as nearly as may be) according to the number of the Ordinary Shares held by them respectively.

Subject to Article 5.1, the holders of Deferred Shares shall have no right to any dividend or distribution by the Company.

5.3 Voting

The Preference Shares shall not entitle the holders thereof to vote upon any resolution at any general meeting of the Company but the holders of the Preference Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company.

Subject to any special rights, privileges or restrictions attached to any Ordinary Shares, at a general meeting of the Company on a show of hands every Ordinary Shareholder who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by a representative duly authorised under section 323 of the Act (not being himself a member) shall have one vote, and on a poll every Ordinary Shareholder present in person, by representative or by proxy shall have one vote for every Ordinary Share of which he is the holder.

The Deferred Shares shall not entitle the holders thereof to vote upon any resolution at any general meeting of the Company or to receive notice of or to attend or speak at any general meeting of the Company.

5 4 **No further rights for Preference Shares or Deferred Shares**

Neither the Preference Shares nor the Deferred Shares shall carry any right to participate in the profits or assets of the Company except as provided in this Article 5

5 5 **Redemption of the Preference Shares**

The following provisions shall, subject to the provisions of the Act, the Financial Services Authority's GENPRU Sourcebook, the Financial Services and Markets Act 2000 and legislation made thereunder, have effect with regard to the redemption of the Preference Shares

- (A) Other than in circumstances set out in Article 5 1, Preference Shares allotted and issued after the adoption of these revised Articles are redeemable only at the option of the Company. The right of the option to redeem may not be exercised before the fifth anniversary following the date of their issue. Redemption of preference shares is only permissible if notice of the Company's intention to redeem has been given to the FSA in accordance with GENPRU 2 2 74 R. Such a notification must provide details to show, after such redemption, that the Company continues to meet its regulatory capital resources requirement and has sufficient financial resources to meet the FSA's overall financial adequacy rule. Subject to compliance with the rules of and the approval of the FSA, the Company may at any time redeem any or all of the Preference Shares in issue prior to the adoption of these revised Articles. Subject to the minimum period of issue, notification and continuing capital adequacy requirements, the Company shall redeem the Preference Shares as soon as is reasonably practicable, provided that if some only of the Preference Shares are redeemed, the remainder shall be redeemed (whether by way of the redemption of all or successive redemptions of part only of the Preference Shares) as soon as is practicable thereafter. If some only of the Preference Shares are redeemed, then, on each occasion, they shall be done so in the order of their issue date.
- (B) Notice of redemption ("**Redemption Notice**") of any shares to be redeemed pursuant to this Article 5 5 shall be given by the Company to the Preference Shareholder and must be in writing, identify the Preference Shares to be redeemed and give not less than one month's notice in writing of the date fixed for redemption and naming the place for payment of the redemption moneys and for delivery to the Company of the certificate relating to such shares.
- (C) On the date for redemption of any Preference Shares ("**Redemption Date**") the Company shall redeem the Preference Shares to be redeemed on such date and the relevant Preference Shareholder shall deliver to the Company at the place named by the Company in the Redemption Notice (and, if there is none, at the registered office of the Company) the certificate for his Preference Shares and upon such delivery and against the receipt of the shareholder for the redemption moneys payable in respect of his shares the Company shall pay to the shareholder the redemption moneys payable to him in respect of such redemption.
- (D) The Company shall in the case of a redemption in full cancel the share certificate of the shareholder concerned and in the case of a redemption of part

of the Preference Shares included in a certificate either (i) note the amount and date of the redemption on such certificate or (ii) cancel the same and without charge issue to the shareholder delivering such certificate to the Company a fresh certificate for the balance of the Preference Shares not redeemed on that occasion

(E) If any Preference Shareholder whose shares are liable to be redeemed under this Article 5.5 fails or refuses to deliver up the certificate for his Preference Shares the Company may retain the redemption moneys until delivery up of the certificate to the Company (or of an indemnity in respect thereof in form reasonably satisfactory to the Company) but shall within 7 days thereafter pay the redemption moneys to the shareholder

(F) There shall be paid on each Preference Share redeemed

(1) the sum of £1 per share, and

(2) a sum equal to any arrears or accruals of the Preference Dividend in respect of the year in which the redemption is effected, to be calculated down to the Redemption Date (or otherwise as hereinafter provided) relating to such Preference Share,

in each case, as may be relevant, to be calculated and payable whether or not such dividend has been declared or earned

(G) As from the Redemption Date fixed for any Preference Share the Preference Dividend shall cease to accrue on such Preference Share unless upon the presentation of the certificate (or indemnity) relating thereto the Company fails to make payment of the money due on such redemption in which case the Preference Dividend shall be deemed to have continued and shall continue to accrue from the Redemption Date to the date of payment

(H) The Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by law

(I) If the Company is permitted by the Act to redeem none or some only of the Preference Shares which would otherwise fall to be redeemed on a particular date or if the Company fails for any other reason to redeem Preference Shares which fall to be redeemed on a particular date then an amount equal to interest at the rate 3 per cent above the Royal Bank of Scotland plc base rate calculated on a daily basis on the sum of £1 per Preference Share overdue for redemption shall be paid by the Company on eventual redemption for the period for which such sum or any part thereof is overdue

(J) Where the Act permits the Company to redeem none or some only of the Preference Shares which would otherwise fall to be redeemed on a particular date, the Company shall redeem such number of the Preference Shares as may lawfully be redeemed on such date and shall redeem, as soon thereafter as it shall be lawfully permitted so to do, the remaining number of the Preference Shares which would otherwise have fallen to be redeemed on that date

- (K) Subject to paragraph (A) of this Article 5 5, any redemption of part only of the Preference Shares then in issue shall be effected so that the nominal value of the number of each issue of Preference Shares of each holder thereof to be redeemed shall be in the proportion as nearly as may be as the nominal value of the number of that issue of Preference Shares held by him at that date bears to the total nominal value of that issue of Preference Shares at that date
- (L) All references to payments in this Article 5 5 are exclusive of any associated tax credit

5 6 Purchase of Deferred Shares

The Company shall have the right at any time to purchase all of the Deferred Shares then in issue and to enter into a contract with the holders of the Deferred Shares to purchase such Deferred Shares, in accordance with sections 694 – 700 of the Act The Company may appoint a person to act on behalf of all holders of Deferred Shares who is hereby authorised to transfer, and to execute a transfer of, all the Deferred Shares to such third person as the Company may nominate (for a consideration equal to £1 in the aggregate to be paid to such person (whether or not an officer of the Company) as the Company may nominate to receive the consideration), from whom the Company shall thereafter purchase all of the Deferred Shares for a consideration equal to £1 in the aggregate

6. CLASS RIGHTS

Preference Shares

Without prejudice to any other provision of these Articles and to any other modification or variation of the rights and privileges attaching to the Preference Shares, so long as any Preference Shares shall remain outstanding (and so that these rights shall attach to the Preference Shares as a separate class) none of the following shall occur unless the holders of the Preference Shares consent in accordance with the provisions of Article 18 and of the Act

- (A) any alteration of Articles 5, 6, 9, 10, 12, 16 and 18 or any act, matter or omission in breach of, or contrary to, the provisions of such Articles,
- (B) the redemption (other than in respect of the Preference Shares) or purchase by the Company of any shares or the reduction of the share capital, or any uncalled or unpaid liability in respect thereof, share premium account or capital redemption reserve of the Company (save for the purpose of redeeming any of the Preference Shares) or the passing of any resolution authorising any of the foregoing,
- (C) the capitalisation of any undistributed profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of the share premium account or capital redemption reserve of the Company;
- (D) the creation or issue of any further shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares or the grant of any option or right to acquire or call for the issue of the same by conversion, subscription or otherwise,

- (E) the issue by any subsidiary of the Company (other than to the Company or to another wholly owned subsidiary of the Company) of any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital or any disposal by the Company or by any subsidiary of the Company of any such shares (otherwise than as aforesaid),
- (F) any distribution, payment or return to shareholders of a capital nature (other than in respect of the redemption of the Preference Shares in accordance with Article 5 5);
- (G) any distribution by the Company (other than in respect of the Preference Shares) otherwise than out of profits available for distribution or a distribution by the Company (other than in respect of the Preference Shares) out of profits available for distribution which have arisen in whole or in part by the disposal of assets by the Company to one or more of its subsidiaries (or vice versa) or by one of its subsidiaries to another or by any other transaction outside the ordinary course of business, the sole or primary purpose of which was to realise unrealised profits,
- (H) the declaration or payment of any dividend or the making of any distribution otherwise than a dividend paid in cash in accordance with the provisions of Article 5 or in connection with the redemption of any of the Preference Shares; and
- (I) the implementation of any compromise or arrangement within the meaning of sections 895–899 (inclusive), 901, 907 and 922 of the Act or any arrangement pursuant to which the Company is to make a distribution of the kind described in section 213 of the Income and Corporation Taxes Act 1988

Ordinary Shares

Without prejudice to any other provision of these Articles none of the following shall occur unless the holders of at least 75 per cent of each of the A Ordinary Shares and the B Ordinary Shares in issue consent in accordance with the provisions of Article 18 and of the Act. Such right shall (unless otherwise provided by any of the following paragraphs) attach to the A Ordinary Shares and to the B Ordinary Shares (collectively) as separate classes and shall only be varied in accordance with the provisions of Article 18 and of the Act

Incurring of Commitments, Liabilities, etc

- (A) the incurring of any capital expenditure by the Company in excess of £25,000 in respect of any one transaction or series of linked transactions or which relates to an item or category not included in the approved Budget,
- (B) the entry by the Company into any contract, liability or commitment which
 - (1) is incapable of being terminated within 12 months,
 - (2) could involve expenditure or the incurring of any other obligation by the Company which in any case exceeds £25,000, or

- (3) which relates to an item or category not included in the approved Budget,
- (C) the creation or giving of any Encumbrance in respect of all or any part of the undertaking, property or assets of the Company or the acceptance by the Company of any Encumbrance for its benefit,
- (D) the creation by the Company of any borrowings or other indebtedness or obligation in the nature of borrowings (including, without limitation, obligations pursuant to any debenture, bond, note, loan stock or other security of the Company and obligations pursuant to finance leases) except as specifically provided for in the approved Budget for the relevant year or by way of normal trade credit,

Acquisitions or disposals

- (E)
 - (1) any actual or proposed acquisition or sale or other disposition of any assets or rights of the Company otherwise than at arm's length on normal commercial terms, or
 - (2) any actual or proposed acquisition or sale or other disposition of any assets or rights of the Company in excess of an aggregate amount of £25,000 in any year unless specifically provided in the approved Budget provided that the restriction in (2) shall not apply to current assets used in the ordinary course of business of the Company,
- (F) any actual or proposed leasing, licensing or parting with or sharing possession or occupation of any property held or occupied or which may be acquired by the Company,
- (G) without prejudice to Article 6(E) the acquisition, whether by transfer, subscription or otherwise of any shares or debentures in any company or corporation,

Manner of carrying on Business

- (H) the entry by the Company into any partnership, joint venture or other profit sharing agreement,
- (I) any material change in the organisation of the Company or the manner in which it carries on the Business,
- (J) the cessation by the Company of the Business or the carrying on of the Business on any materially reduced scale,
- (K) any advance, loan or deposit of money by the Company not in the ordinary course of the Business,
- (L) the ceasing by the Company of the use of the name "Eddington Capital Management Limited" or the use of its existing logo and/or trademarks or any such logo and/or trademarks adopted subsequently,
- (M) the initiation, conduct, settlement or abandoning of any claim, litigation, arbitration or other proceedings involving the Company or any admission of

liability by or on behalf of the Company except in any case in relation to debt collection in the ordinary course of the Business not exceeding the sum of £5,000 for any single claim or a total aggregate amount of £25,000 in respect of all such claims in any financial year,

- (N) the making of any material change (from the point of view of the relevant employee or category of employees) in the terms and conditions of employment (contractual or non-contractual) of any employee or category of employees or the making of any such change in the terms of employment or the variation in the scope of duties of engagement, dismissal or termination of employment of any employee with annual remuneration in excess of £50,000,
- (O) any change in the level of remuneration paid to any of the Directors or the terms or conditions of employment of any of the Directors,
- (P) the appointment of any
 - (a) person to act on behalf of the Company under a power of attorney,
 - (b) solicitor, barrister, attorney at law or other legal practitioner or firm of legal practitioners where such appointment would not be consistent with adherence to the provisions of the Budget, or
 - (c) agents or sub-contractors of the Company for a consideration in excess of £25,000 per annum,
- (Q) the variation of any terms of any of the Company's policies of insurance or the taking out of any additional or replacement policies of insurance other than renewals of the Company's policies on substantially the same terms as those then in force,
- (R) any transaction with any person otherwise than at arm's length and for full value or any transaction with a Shareholder or a Connected Person of any Shareholder,
- (S) any proposal for the winding-up or liquidation of the Company,
- (T) the proposal of any compromise or arrangement within the meaning of section 425 of the Act or any arrangement pursuant to which the Company is to make a distribution of the kind described in section 213 of the Income and Corporation Taxes Act 1988,

Accounts, Auditors

- (U) the changing of the accounting reference date of the Company,
- (V) the making of any change to the Agreed Accounting Practices and Policies except where such change is recommended by the Auditors as a consequence of a change in generally accepted accounting practices or policies applicable to companies carrying on businesses of a similar nature to the Business or as a consequence of a change in law,
- (W) the approval of the statutory accounts of the Company,

- (X) the removal of the Auditors, or the appointment as auditors or joint auditors of the Company of any firm except the Auditors,

Matters affecting capital and corporate governance

- (Y) the issue of any shares in the Company (by way of bonus, rights or otherwise) and/or the grant of any option or right to acquire or call for the issue of the same whether by conversion, subscription or otherwise,
- (Z) the redemption or purchase by the Company of any share or the reduction in the share capital, or any uncalled or unpaid liability in respect thereof, capital redemption reserve or share premium account of the Company,
- (AA) the recommendation of or proposals for any payment of any dividend or any other distribution of the Company other than as permitted by the Joint Venture Agreement,
- (BB) the creation or amendment of any employee share scheme and/or the issue of any options under any such scheme,

Pensions

- (CC) the adoption of, or participation by the Company in, any pension scheme or the amendment of any existing pension scheme of the Company or, except in compliance with the advice of actuaries appointed at a quorate meeting of the Directors to review such scheme, any variation in or cessation of the contributions made by the Company to any such scheme,

Admission

- (DD) the recommendation that the Company should seek Admission and the agreement or recommendation of any matters ancillary to such application (including any relevant changes to these Articles),

Employee Notice

- (EE) the issue of any Employee Notice pursuant to Article 14 2 or Article 15 2, and

Draw down following the Unfulfilled Objective occurring

- (FF) the making of any draw down under the Subordinated Loan Agreement or the Loan Agreement following the Unfulfilled Objective occurring

7. ISSUE OF SHARES

7 1 Pre-emption on issue

Subject to the provisions of Articles 6 and 7 9, any shares in the capital of the Company shall be issued only as Ordinary Shares and shall before they are issued whether for cash or otherwise be offered to the Ordinary Shareholders in proportion, as nearly as may be, to their holdings of Ordinary Shares

7.2 Procedure for offering

The offer referred to in Article 7.1 shall be made by notice specifying the number of Ordinary Shares offered, the proportionate entitlement of the relevant member, the price per share and limiting a period (not being less than 21 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time the directors shall offer the Ordinary Shares which have been declined or are deemed to have been declined to the persons who have within the said period accepted all the Ordinary Shares offered to them. Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing within a period of not less than 14 days whether he is willing to take any, and if so what maximum number, of the Ordinary Shares so offered.

7.3 Allotment of shares after offers

At the expiration of the time limited by the notice or notices given pursuant to Article 7.2 the directors shall allot the Ordinary Shares so offered to or amongst the members who have notified their willingness to take all or any of such Ordinary Shares in accordance with the terms of the relevant offer. No member shall be obliged to take more than the maximum number of Ordinary Shares he has indicated his willingness to take. The directors shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article.

7.4 Issue other than to members

No Ordinary Shares may be allotted or issued to any person who is not immediately prior to such allotment or issue an Ordinary Shareholder.

7.5 Disapplication of statutory pre-emption provisions

Sections 561 – 569 of the Act shall not apply to the allotment of equity securities by the Company.

7.6 No renunciation of allotment

No Ordinary Shares shall be allotted on terms that the right to take up the Ordinary Shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of an Ordinary Share may direct that such share may be allotted or issued to any other person.

7.7 Rights and restrictions

In Regulation 2 the words "ordinary resolution" shall be omitted and the words "special resolution" shall be substituted for them.

7.8 Designation of shares

Any Ordinary Share issued pursuant to Article 7.3 to a member by reference to his holding of Ordinary Shares shall on issue be designated an Ordinary Share of the same class as the holding by reference to which such Ordinary Share is issued.

7 9 Waiver or variation

With the prior written approval of all the Ordinary Shareholders, any of the restrictions or other provisions of this Article may be waived or varied by the directors at a meeting of the Board in relation to any proposed issue of shares

8. LIEN AND FORFEITURE

8 1 Lien to attach to all shares

In Regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted
The lien conferred by Regulation 8 of Table A shall attach to all shares registered in the name of any person indebted or under liability to the Company (or in the name of the nominee or bare trustee for any such person) whether he is the sole registered holder thereof or one of two or more joint holders and shall include a lien in respect of any such indebtedness or liability Regulation 8 shall be modified accordingly

8 2 Pre-emption on enforcement

All shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 7 Regulations 9 and 20 of Table A shall be modified accordingly

9. GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES

9 1 General restriction on transfer

The right to transfer Ordinary Shares shall be subject to the rights and restrictions set out in Articles 9 to 17 inclusive and no Ordinary Share nor any interest therein shall be transferred to or become vested in any person otherwise than in accordance with such provisions

9 2 Disposal of whole interest only

Save as permitted pursuant to these Articles no transfer, disposal, charge, mortgage, assignment or other dealing in any Ordinary Shares or any interest or right therein shall occur other than the transfer of the whole legal and equitable title to such Ordinary Shares free from all liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof thereafter (and "**transfer**", in the context of a transfer of Ordinary Shares, shall be construed accordingly in these Articles)

9 3 Attempted disposal of interest in shares

Except for the purposes of seeking offers of the type contemplated by Article 11 2, if a member at any time attempts to deal with, or dispose of, an Ordinary Share or any interest therein or right attaching thereto otherwise than in accordance with the provisions of these Articles he shall be deemed immediately prior to such attempt to have given a Default Transfer Notice in respect of such shares

9 4 Reasons for declining to approve a transfer

Subject only to Regulation 24 the directors shall not be entitled to decline to register the transfer of any Ordinary Shares made pursuant to and complying with the

provisions of Articles 9 to 17 inclusive unless they have substantial reasons for believing that a transfer purportedly made in accordance with any such provision is not in fact in any material respect in accordance therewith in which event they shall decline to register such transfer

9 5 Provision of information - transfer of Ordinary Shares

For the purpose of ensuring that a transfer of Ordinary Shares is in accordance with these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is or may be deemed to have been given hereunder or for the purpose of ascertaining when a Transfer Notice is or may be deemed to have been given hereunder or for the purpose of ascertaining whether any relevant provisions of these Articles apply, the directors may require any member, the representative of any member appointed pursuant to section 323 of the Act, the receiver, administrator, administrative receiver or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors shall think fit regarding any matter which they may deem relevant to such purpose

Failing such information or evidence being furnished to the reasonable satisfaction of the directors within a reasonable time after request the directors shall refuse to register the transfer in question or (in a case where it is determined that a transfer is required by these Articles) shall give notice in writing of such fact to all Ordinary Shareholders and the provisions of Article 11 shall apply

9 6 Member to notify

If a member becomes aware of any event which is deemed to give rise, or may on determination by the other Ordinary Shareholders be deemed to give rise, to an obligation to serve a Default Transfer Notice, or whereupon a Default Transfer Notice shall be deemed to be given, he shall forthwith give notice thereof to the directors and to the other Ordinary Shareholders

9 7 Re-designation of Ordinary Shares

Whenever an A Ordinary Share or B Ordinary Share is transferred to a member holding only shares of another class of Ordinary Shares such first mentioned share shall upon registration of the transfer be converted into and re-designated as a share of such other class and any share certificate issued to the transferee shall take account of such conversion and re-designation.

9 8 Completion of Share Purchase

Completion of the purchase of any Ordinary Shares transferred pursuant to Article 11, 12 or 14 shall, unless otherwise agreed by the parties to any such transfer, take place on the date which falls 14 days after the last date upon which the relevant offer may be accepted

9 9 Waiver or variation

With the direction of a special resolution of the Company and the prior approval of the Ordinary Shareholders such approval to be given in accordance with the provisions of Article 19 any of the restrictions or other provisions of Articles 9 to 17

inclusive may be waived or varied by the directors in relation to any proposed transfer of shares or any other matter

10. PERMITTED TRANSFERS

Any Ordinary Shares may subject to Article 13 be transferred without the giving of a Transfer Notice where it is demonstrated to the reasonable satisfaction of the Board that the transfer is, in the case of an A Ordinary Shareholder (the "**A Transferor**"), to a person (the "**A Permitted Transferee**") which is a Member of the Same Group as the A Transferor or, in the case of a B Ordinary Shareholder (the "**B Transferor**"), to a family trust, being a trust the beneficiaries of which are solely a B Ordinary Shareholder or his immediate family members (being a spouse, a parent, a child or grandchild) (a "**B Permitted Transferee**"), and where the trustees of such a trust are reasonably acceptable to the A Shareholders and provided further that such trustees sign a deed of adherence to the Joint Venture Agreement, provided that if any A Permitted Transferee ceases to be a Member of the Same Group as the A Transferor, it shall be the duty of the A Permitted Transferee and the A Transferor to notify the Board of such event and to procure that the Ordinary Shares concerned are forthwith transferred to the A Transferor or to a Member of the Same Group as the A Transferor. If such transfer has not been effected within 30 days of the Board being notified or otherwise becoming aware of such event, the A Permitted Transferee shall be deemed to have given a Default Transfer Notice in respect of all the Ordinary Shares held by it, and the provisions of Articles 11 and 12 shall have effect, mutatis mutandis, to such Default Transfer Notice with references to the Defaulting Shareholder being construed as references to the A Permitted Transferee

11. PRE-EMPTION RIGHTS

11.1 Transfer Notice

Before transferring any Ordinary Shares (except where such transfer is pursuant to a Default Transfer Notice or to an A Permitted Transferee or a B Permitted Transferee, as the case may be) the person proposing to transfer the same (the "**Proposing Transferor**") shall give notice in writing (a "**Transfer Notice**" (which expression shall, unless the context otherwise requires, include a Default Transfer Notice)) to the Company that he proposes to transfer such Ordinary Shares (the "**Sale Shares**") and, in the event that the Proposing Transferor shall have reached an agreement or an arrangement with a third party for the sale of the Sale Shares to such third party, the Proposing Transferor shall state in the Transfer Notice the name of such third party, the price per share at which the Sale Shares are to be sold to such third party and all other material terms of the proposed transfer. The Transfer Notice shall constitute the Company (by the Board) his agent for the transfer of the Sale Shares at the Prescribed Price referred to below and during the period expiring seven months after the giving of the Transfer Notice or twenty weeks after the agreeing or determination of the Prescribed Price, whichever shall be the later (the "**Prescribed Period**") in accordance with the following provisions of this Article. Save as hereafter provided, a Transfer Notice once given or required to be given or deemed to have been given shall not be revocable. A Transfer Notice (other than a Default Transfer Notice) may contain a provision that unless all or a specified number of the Sale Shares are sold by the Company within the Prescribed Period pursuant to this Article the Transfer Notice shall be withdrawn and any such provision shall be binding on the Company

11 2 Offer of Sale Shares

The Sale Shares shall, within 14 days of the date the Transfer Notice is received by the Company or is deemed to have been given or within 7 days after the Prescribed Price shall have been agreed or determined as hereinafter provided, whichever shall be the later, be offered by the Company in writing for purchase at the Prescribed Price (and a copy of each such offer shall be sent at the same time to all Ordinary Shareholders)

Such offer shall first be made

- (A) in the case of A Ordinary Shares to all the other (if any) A Ordinary Shareholders, and
- (B) in the case of B Ordinary Shares to all the other (if any) B Ordinary Shareholders

To the extent that any such offer to the A Ordinary Shareholders or the B Ordinary Shareholders, as the case may be, is not accepted in whole or in part, or if no such offer is necessary, the Company may, by notice in writing to the Proposing Transferor within 7 days of the date on which such offer lapses, elect itself to purchase the remaining Sale Shares in whole or in part, conditional on compliance with the provisions of Part VII of Chapter V of the Act and any other applicable laws and regulations. If the Company serves such a notice, the directors shall procure that a general meeting is convened as soon as practicable thereafter at which a resolution authorising the proposed purchase by the Company shall be proposed. If such a resolution is passed (and subject to due compliance with the other provisions of Part VII of Chapter V of the Act and any other applicable laws and regulations), the Company shall notify the Proposing Transferor of the same and the relevant Sale Shares shall be purchased by the Company as soon as is reasonably practicable.

To the extent that the Company does not elect itself to purchase in whole or in part the Sale Shares (or the relevant resolution authorising such proposed purchase is not passed at the general meeting), the Company shall within 7 days advise all Ordinary Shareholders that the holders of a majority of the Ordinary Shares may, by notice in writing to the Company within 7 days, direct that the remaining Sale Shares be transferred (in consideration of the payment by such holders to the Proposing Transferor of the Prescribed Price) in whole or in part to such Employee Benefit Trust as is specified (along with the names of the trustees thereof) in such notice.

To the extent that no such notice in relation to an Employee Benefit Trust is received within the relevant period, the remaining Sale Shares shall within 7 days be offered by the Company at the Prescribed Price to all Ordinary Shareholders.

Each offer as may be made pursuant to this Article 11 2 shall specify a time (not being less than 14 days in the case of an initial offer and 7 days in the case of a subsequent offer) (the "**Latest Time**") within which it must be accepted failing which it will lapse. In the case of competition in respect of any such offer the Sale Shares so offered shall be allocated to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holding of the relevant class or classes of shares.

11 3 Notification of Purchasers

If the directors shall within the Prescribed Period find members (each such person called a "**Purchaser**") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment of the Prescribed Price, to transfer such of the Sale Shares to the respective Purchasers. If the Transfer Notice stated that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of such Sale Shares, the obligation in this Article to transfer shall not apply unless the directors shall have found Purchasers for the whole of the Sale Shares or not less than such specified number. Every such notice from the directors shall state the name and address of the Purchaser concerned and the number of shares agreed to be purchased by him. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the directors when, against payment of the Prescribed Price and any relevant stamp duties, the Proposing Transferor shall deliver transfers in favour of the Purchasers together with the share certificates in respect of the relevant Sale Shares and the Purchasers shall be registered as the holders of the relevant Sale Shares in the register of members of the Company and share certificates in the names of such Purchasers and in respect of the relevant Sale Shares shall be delivered.

11 4 Failure to transfer

If in any case a Proposing Transferor, after having become bound to transfer any Shares to a Purchaser, shall make default in so doing or shall fail to deliver share certificates in respect thereof, the directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Purchaser and shall receive the purchase money and shall thereupon (subject to the transfer being duly stamped) cause the name of the Purchaser to be entered into the register of members as the holder of the relevant shares. The Company shall hold the purchase money in trust for the Proposing Transferor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application thereof and after the name of the Purchaser has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

11 5 Purchasers not found for Sale Shares

If the Company shall within the Prescribed Period neither find Purchasers willing to purchase, nor offer itself to purchase, at the Prescribed Price such number of Sale Shares as shall (individually or in the aggregate, as the case may be) comprise the entirety of the Sale Shares (or any lesser number specified in the Transfer Notice for the purposes of Article 11 1) or if the directors shall within the Prescribed Period give to the Proposing Transferor notice in writing that the directors have no prospect of finding Purchasers (which notice shall be deemed to include notice that the Company declines to offer to purchase the Sale Shares itself), the Proposing Transferor at any time thereafter up to the expiration of six weeks after the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24 and Articles 16 and 17) to transfer those Sale Shares for which the Company has not found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where

appropriate, any dividend or other distribution declared or made in respect of the Sale Shares after the giving of the Transfer Notice and to be retained by the Proposing Transferor) and otherwise on the terms set out in the Transfer Notice provided that

- (A) if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of the Sale Shares he shall not be entitled to transfer any of such Sale Shares unless in aggregate the whole of such Sale Shares or, as relevant, not less than the specified number of such Sale Shares are so transferred,
- (B) the directors may require to be satisfied that the Sale Shares are being transferred pursuant to a bona fide sale upon the material terms and for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the Purchaser (other than in respect of any dividend or other distribution as referred to above) and if not so satisfied may refuse to register the instrument of transfer, and
- (C) the provisions of this Article 11 5 shall not apply in the case of a Default Transfer Notice

11 6 **Prescribed Price for Sale Shares**

The expression "**Prescribed Price**" shall, in the case where the Sale Shares comprise five per cent or greater of the Ordinary Shares, mean in respect of each Sale Share

- (A) subject to paragraph (B) below, the price per share (if any) specified in the Transfer Notice in accordance with the foregoing provisions, and
- (B) if
 - (1) the relevant Transfer Notice does not name a proposed transferee and set out a price per share at which the Sale Shares are proposed to be sold to him,
 - (2) the Transfer Notice is a Default Transfer Notice,
 - (3) such named proposed transferee is a Connected Person or Concert Party with the Proposing Transferor, or
 - (4) the terms on which such shares are to be sold to the named proposed transferee do not fully reflect the terms of the proposed transaction or are otherwise than a fixed cash sum payable in full on completion of the sale (for example, because the consideration is to be satisfied otherwise than in cash or because some deduction, consideration, rebate, allowance or arrangement is being made or is passing between the Proposing Transferor and the proposed transferee in addition to the price per share set out in the Transfer Notice),

such sum per share as shall be agreed between the Proposing Transferor, the other Ordinary Shareholders and the Company in accordance with Article 11 7 or, failing such agreement, as shall be determined by an independent share valuation expert ("**Expert**") in accordance with Article 11 8

The expression "**Prescribed Price**" shall, in the case where the Sale Shares comprise less than five per cent of the Ordinary Shares, mean in respect of the Sale Shares

- (A) such sum as may be agreed by the Proposing Transferor, the other Ordinary Shareholders and the Company in accordance with Article 11 7, or
- (B) (in the event that no agreement is reached pursuant to (A) above) the aggregate of an initial consideration of £1 plus a deferred consideration in an amount equal to the percentage shareholding the Sale Shares bear in relation to the totality of the Ordinary Shares multiplied by the amount of the Company's operating profit after tax, interest, all bonuses and dividends as reflected in the Company's audited financial statements for the year in which the Transfer Notice was served

11 7 **Meetings with a view to agreeing the Prescribed Price**

The Company shall within three Business Days of the date of the Transfer Notice invite the Proposing Transferor and any other Ordinary Shareholders holding 5 per cent or more of the Ordinary Share capital to attend a meeting at the offices of the Company's solicitors (or such other venue, otherwise than its registered office or principal place of business, as the Company may consider to be reasonably acceptable) at such date and time as may be specified in the invitation, provided that such date shall be not sooner than ten Business Days and not later than twenty Business Days after the date of the Transfer Notice. The Chairman shall, if he considers it to be expedient to do so (in the light, inter alia, of the availability of the parties), notify the invitees that he has determined that the meeting shall be held at a date and time which differs from that specified in the invitation, provided that the meeting shall be held as soon as practicable after the specified date and time.

The meeting shall be chaired by the Chairman, acting for this purpose otherwise than as the agent of the Company.

At the meeting, the Company (acting through the Chairman) and the Proposing Transferor shall produce, and the other Ordinary Shareholders may at their option individually or collectively produce, a written statement specifying what is considered to be an appropriate Prescribed Price together with the reasons therefor. Each person in attendance at the meeting shall be furnished with a copy of each written statement so produced. Each person producing a written statement shall be entitled to speak at the meeting and may be questioned by other attendees as to the content of such statement and any other Ordinary Shareholder present at the meeting shall be entitled to speak.

The Company shall within five Business Days of the date of the meeting invite the Proposing Transferor and such of the other Ordinary Shareholders (if any) who attended the meeting to attend a further meeting at the offices of the Company's solicitors (or such other venue, otherwise than its registered office or principal place of business, as the Company may consider to be reasonably acceptable) at such date and time as may be specified in the invitation, provided that such date shall be not sooner than five Business Days and not later than ten Business Days after the date of the first meeting. The Chairman shall, if he considers it to be expedient to do so (in the light, inter alia, of the availability of the parties), notify the invitees that he has determined that the meeting shall be held at a date and time which differs from that

specified in the invitation, provided that the meeting shall be held as soon as practicable after the specified date and time

The second meeting shall be chaired by the Chairman, acting on the same basis as in respect of the first meeting

Those invited to the second meeting shall attend such meeting with a view to agreeing the Prescribed Price and all parties shall negotiate in good faith and use their best endeavours to reach a determination which is acceptable to the Proposing Transferor, the Company and a simple majority by number of Shares held by those Ordinary Shareholders attending. In the event that the Chairman duly declares that an agreement as to the appropriate price per share payable in respect of the Sale Shares has been reached between the Proposing Transferor, the Company and Ordinary Shareholders as aforesaid, such price shall constitute the Prescribed Price. The Chairman shall in such circumstances produce a written record of the Prescribed Price and shall furnish a copy thereof to those persons attending the second meeting

11.8 Determination of Prescribed Price by Expert

- (A) The Expert shall be appointed by agreement between the parties who have failed to agree the Prescribed Price or, failing agreement as to such appointment within 14 days of the request by one of the parties for the others so to agree, by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Expert shall state in writing what is in his opinion the fair value of the Sale Shares as determined in accordance with this clause. In so stating his opinion the Expert shall be deemed to act as an expert and not as an arbitrator and his determination shall be final and binding on all concerned. For this purpose the Expert shall be given by the directors all information which a prudent prospective purchaser might reasonably require if he were proposing to purchase the Sale Shares from a willing vendor by private treaty and at arm's length, together with such information as any member of the Company may wish to provide to him and such other information as he may reasonably require. All Ordinary Shareholders shall cooperate with the Expert and shall use their reasonable endeavours to provide to the Expert any information or assistance which the Expert may request. The costs involved in the Expert's determination of the Prescribed Price shall, in the absence of any determination by the Expert, be borne as to one half by the Proposing Transferor and as to the other half by the Purchasers (and as between the Purchasers pro rata to the number of shares purchased)
- (B) The Expert must determine the Prescribed Price within 30 Business Days of his appointment and shall notify the Shareholders and the Company of his determination. Such notification shall include the provision of a reasoned certificate indicating the mode by which the Expert determined the Prescribed Price, which reasoned certificate shall be final (save in the case of manifest error, details of which shall be notified to the Expert by any party identifying any such error as soon as reasonably practicable after such identification, following which notification the Expert shall, within 7 Business Days, correct the reasoned certificate and the determination of the Prescribed Price)

- (C) The Expert shall value the entire capital of the Company at its "fair value" For these purposes, "fair value" is an estimate of the price a party would have received if it had sold all the shares in the Company on the date of transfer in an arm's length exchange motivated by normal business considerations
- (D) The Expert shall estimate "fair value" for the total capital of the Company as follows
 - (1) The fair value shall not be adjusted to reflect expected costs that will be incurred in transferring the Sale Shares
 - (2) The valuation technique(s) selected to estimate fair value shall incorporate the factors that market participants would consider in setting a price, including but not limited to, any estimates and assumptions used This does not preclude the calculation of fair value reflecting the lack of marketability/liquidity of a private company's shares compared with a public company's shares
 - (3) Valuation techniques shall be consistent with accepted economic methodologies for pricing shares of this type Present value calculations shall include cash flows and discount rates that are free from bias, mutually consistent and reflect the appropriate risk premium Greater weight should be given to those valuation methodologies considered most appropriate to the particular circumstances of the Company
 - (4) The Expert shall rely on the following assumptions
 - (i) the sale is between a willing seller and a willing purchaser,
 - (ii) the Sale Shares are sold free of all restrictions, liens, charges and other encumbrances, and
 - (iii) the sale is taking place on the date that the Expert is appointed
- (E) If any difficulty arises in determining the fair value then the Expert shall resolve that difficulty in such manner as he shall in his absolute discretion think fit
- (F) The Expert shall then use the "fair value" of the total capital of the Company to obtain the "objective fair value" of the Sale Shares The "objective fair value" of the Sale Shares shall be calculated as a pro rata proportion of the fair value of the whole of the issued share capital of the Company, not taking account of any particular circumstances of the transfer, for example not taking account of whether or not the Sale Shares represent a majority or minority of the shares or of any restrictions on the transferability of the Sale Shares

11.9 Failure to complete by Purchaser

Where the directors shall have found a Purchaser or Purchasers and through no default of the Proposing Transferor any purchase is not duly completed, the directors shall forthwith notify the Purchaser or all of the Purchasers (as the case may be) and if within 7 days of such notice being given the Purchaser or Purchasers between them

shall not have duly completed the purchase of the Sale Shares in respect of which there has been default in completion, the Proposing Transferor shall be deemed to have served a Transfer Notice in respect of such shares and the procedure contained in this Article shall be repeated in respect of them

12. COMPULSORY TRANSFER ON DEFAULT

12 1 Default Transfer Notice

Without prejudice to its obligations hereunder, if the Company receives notice from any Ordinary Shareholder that an Event of Default has occurred in relation to an Ordinary Shareholder (the "**Defaulting Shareholder**") and any of the other Ordinary Shareholders (the "**Non-Defaulting Shareholders**") require that the Defaulting Shareholder or any Permitted Transferee of the Defaulting Shareholder makes an offer to sell its Ordinary Shares, the Defaulting Shareholder shall be deemed immediately to give a transfer notice (a "**Default Transfer Notice**") and the provisions of Article 11 shall apply mutatis mutandis to such notice (save that references to "Transfer Notice" shall, where the context requires, be deemed to be references to "Default Transfer Notice") The offer of Ordinary Shares pursuant to the Default Transfer Notice shall be available to the Non-Defaulting Shareholders without prejudice to other rights and remedies they may have against the Defaulting Shareholder The Company shall notify the Ordinary Shareholders that the requirement to give a Default Transfer Notice has arisen as soon as practicable after having become aware of the same

12 2 Suspension of voting rights

The voting rights attached to any Ordinary Share in respect of which a Default Transfer Notice shall be deemed or required to have been given pursuant to these Articles shall forthwith be suspended until such time as the relevant share shall have been transferred in accordance with these Articles or such time as the directors shall have notified the member pursuant to Article 11 5 that they have no prospect of finding purchasers therefor

13. TEMPORARY PROHIBITION ON VOLUNTARY TRANSFERS

13 1 No B Ordinary Share may be transferred other than to a B Permitted Transferee or pursuant to a Default Transfer Notice until the expiry of four years following the FSA Approval Date without the consent in writing of all the A Ordinary Shareholders

13 2 Where any B Ordinary Shares are acquired by any A Ordinary Shareholder and/or any other B Ordinary Shareholder pursuant to Article 14 1 and/or Article 15 1 such Ordinary Shares shall not be transferred until the expiry of four years following the FSA Approval Date (save in respect of any transfer made to an A Permitted Transferee or a B Permitted Transferee, as the case may be, on terms that Article 14 2 and Article 15 2 continue to apply in respect of any Ordinary Shares so transferred) other than pursuant to a Default Transfer Notice save pursuant to Article 14 2 or Article 15 2

14. CALL OPTION IN RESPECT OF SHARES OF BAD LEAVER

14 1 If a B Ordinary Shareholder is an employee of the Company and such employment is terminated at any time up to the third anniversary of the FSA Approval Date either by

such Shareholder (the "**Bad Leaver**") voluntarily resigning or being lawfully dismissed summarily by the Company on or before the expiry of three years following the FSA Approval Date, any other Shareholder may serve a notice on the Company (a "**Bad Leaver Call Option Notice**") which shall operate to deem the Bad Leaver to be a Defaulting Shareholder and to require that Defaulting Shareholder or any Permitted Transferee of that Defaulting Shareholder to make an offer to sell the Ordinary Shares whereupon the Defaulting Shareholder shall be deemed immediately to give a Default Transfer Notice and Articles 12 1 and 12 2 shall apply mutatis mutandis save that an equal number of such Ordinary Shares shall be offered to the A Ordinary Shareholders as a class and to the B Ordinary Shareholders as a class and the Prescribed Price in respect of the Ordinary Shares of the Defaulting Shareholder and any Permitted Transferee of the Defaulting Shareholder shall be

- (A) the Base Price, in the event that the Bad Leaver Call Option Notice is served before the first anniversary of the FSA Approval Date,
- (B) one-third of the price calculated as provided in Article 11 6 and Article 11 7, in the event that the Bad Leaver Call Option Notice is served on or after the first anniversary of the FSA Approval Date but before the second anniversary of the FSA Approval Date, or
- (C) two-thirds of the price calculated as provided in Article 11 6 and Article 11 7, in the event that the Bad Leaver Call Option Notice is served on or after the second anniversary of the FSA Approval Date but before the third anniversary of the FSA Approval Date

- 14 2 Where any Shareholder acquires B Ordinary Shares ("**Employee Shares**") pursuant to Article 14 1 such Shareholder shall, within ten Business Days following receipt of a notice from the Directors (an "**Employee Notice**") that the Directors wish such Shareholder to transfer any or all of such Employee Shares to an employee of the Company (the "**Employee**") for the purposes of incentivising the Employee, deliver to the Company a duly executed transfer in favour of the Employee together with the share certificates in respect of the relevant Employee Shares and the Employee shall be registered as the holder of the relevant Employee Shares in the register of members of the Company and share certificates in the name of the Employee in respect of the relevant Employee Shares shall be delivered to the Employee against payment by the Employee of the price determined in accordance with the following provisions of this Article An Employee Notice may only be served on a Shareholder if such a notice is also served on any other holder of Employee Shares in respect of an equal number of that Shareholder's Employee Shares The price payable by the Employee for the Employee Shares shall be determined by the Directors but shall not, save with the consent of the holders of all the Employee Shares, be less than the price paid by such Shareholders for the Employee Shares or the average price so paid Article 11 4 shall apply mutatis mutandis in the event of any default by a Shareholder in complying with the provisions of this Article 14 2 Where B Ordinary Shares become held by an A Ordinary Shareholder, such shares shall be held as A Ordinary Shares, provided that in the event that such shares are subsequently transferred to an Employee pursuant to the provisions of this Article, they shall thereupon be re-designated and held by such Employee as B Ordinary Shares

15. CALL OPTION IN RESPECT OF SHARES OF GOOD LEAVER

15 1 If a B Ordinary Shareholder is an employee of the Company and such employment is terminated

- (a) on or before the third anniversary of the FSA Approval Date for a Good Reason, or
- (b) after the third anniversary of the FSA Approval Date for any reason whatsoever,

(the "**Good Leaver**") any other Shareholder may serve a notice on the Company (a "**Good Leaver Call Option Notice**") and the provisions of Article 14 shall apply mutatis mutandis save that the Prescribed Price in respect of the relevant Ordinary Shares shall be calculated as provided in Article 11 6 and Article 11 7

15 2 The provisions of Article 14 2 shall apply mutatis mutandis to any Ordinary Shares acquired by any other Shareholders pursuant to Article 15 1

16. DRAG-ALONG RIGHTS

16 1 If the holder(s) of Ordinary Shares (for the purposes of this article the "**Seller(s)**") intends to sell part or all of its or their holding of Ordinary Shares (or any interest in such Shares) which represent in the aggregate at least 40 per cent of the Ordinary Shares (the Shares to be sold by the Seller(s) being referred to as "**Sale Shares**") to a proposed purchaser(s) (the "**Proposed Purchaser**") who has made a bona fide offer on arm's length terms for the entire issued Ordinary Share capital of the Company (on the basis that the consideration for the sale of such Shares is to be discharged by payment in cash and/or by the issue or transfer of securities which are listed on a Recognised Investment Exchange), the Seller(s) shall have the right to give to the Company not less than 14 days' advance notice before selling the Sale Shares. That notice (the "**Sale Notice**") will include details of the Sale Shares and the proposed price for each Sale Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the place, date and time of completion of the proposed purchase being a date not less than 14 days from the Date of the Selling Notice ("**Completion**"). By its delivery of a Sale Notice the Seller(s) will be deemed to warrant to the Company and the other Shareholders that the sole consideration offered by the Proposed Purchaser to the Seller(s) and/or any persons connected in any way with the Seller(s) is that corresponding to the proposed price for each Sale Share expressed to be paid by the Proposed Purchaser multiplied by the number of Sale Shares and that there are neither in place nor in contemplation any arrangements to be effected between the Proposed Purchaser or any associate or subsidiary of the Proposed Purchaser and the Seller(s) or any persons in any way connected with the Seller(s) (including, without limitation, any payment of non-cash consideration, or some additional deduction, consideration, allowance or arrangement is being made or is passing between them or any offer is being made by the Proposed Purchaser or any associate or subsidiary to engage the Seller(s) as an employee, consultant, director or in any other like capacity to the extent to which the terms and conditions offered are more generous than those under which the Seller(s) is employed by the Company, or any right or interest in any land or chattel ("**Associated Consideration**")) such as would render the overall economic value to the Seller(s) of the sale of the Sale Shares greater than the amount specified in the Sale Notice. In the absence of the provision

of such a warranty, the Seller will provide in the Sale Notice full particulars as to the nature and value of any and all forms of Associated Consideration

- 16 2 Immediately upon receipt of the Sale Notice, the Company shall give notice in writing (a "**Compulsory Sale Notice**") to each of the members (other than the Seller(s)) (the "**Other Shareholders**") giving the details contained in the Sale Notice, requiring each of the Other Shareholders to sell to the Proposed Purchaser at Completion all of their Ordinary Shares on the same terms as those contained in the Sale Notice and as further provided in Article 16 3
- 16 3 Unless Article 16 7 or Article 16 8 applies each Shareholder who is given a Compulsory Sale Notice shall sell all of his Shares referred to in the Compulsory Sale Notice at the Specified Price (defined in Article 16 6) and on the terms set out in the Sale Notice and shall warrant that such shares are being sold with full title guarantee and free from all charges and encumbrances and from all other rights exercisable by or claims by third parties
- 16 4 If any shareholder (the "**Defaulting Shareholder**") fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of such Defaulting Shareholder for the sale of his shares in accordance with the terms of the Compulsory Sale Notice (together with all rights then attached thereto) and the directors may authorise some person to execute and deliver on behalf of each Defaulting Shareholder the necessary transfer and the Company may receive the purchase monies in respect thereof on trust for the Defaulting Shareholder and cause the Proposed Purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase monies pursuant to such a transfer shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see 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
- 16 5 The Company shall not remit the purchase monies due to the Defaulting Shareholder until he shall, in respect of the shares being the subject of the Compulsory Sale Notice, have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company
- 16 6 For the purposes specified in Article 16 3, the expression "Specified Price" shall mean a sum in cash per Ordinary Share equal to the highest price per Ordinary Share offered or paid or to be paid by the Proposed Purchaser in the relevant transaction, inclusive of any additional value represented by the Associated Consideration
- 16 7 Where any one or more Shareholders who have received a Compulsory Sale Notice gives the Company notice in writing within 14 days of receipt of a Compulsory Sale Notice (a "**Disputed Valuation Notice**") stating that it or they believe(s) that the proposed price for each Sale Share to be paid by the Proposed Purchaser is lower than would reasonably have been offered and accepted by the Seller in the absence of any Associated Consideration, the terms of the Sale Notice shall be referred to the Expert (within the meaning of Article 11 6) to obtain his determination as to the fair value of the Sale Shares in accordance with the provisions of Article 11 7 (save that references therein to "Prescribed Price" shall be construed as references to "the proposed price for each Sale Share to be paid by the Proposed Purchaser", references to "Proposing Transferor" shall be construed as references to "Seller" and the words "by the

Purchasers (and as between the Purchasers pro rata to the number of shares purchased)" shall be treated as deleted and the words "by such Other Shareholder who has served a Disputed Valuation Notice (or, if more than one, equally)" substituted therefor) The making of any determination by the Expert that the Disputed Valuation Notice was well founded shall be deemed to operate such that the Sale Notice will be regarded as not having been issued by the Seller

16 8 Where any one or more Shareholders who have received a Compulsory Sale Notice gives the Company notice in writing within 14 days of receipt of a Compulsory Sale Notice (a "**Compulsory Sale Counter Notice**") stating that it or they wish to purchase the Sale Shares at the Prescribed Price, the Seller(s) shall be required to sell the Sale Shares to such Shareholder(s) at the Prescribed Price and Article 11 shall apply mutatis mutandis on the basis that the Seller(s) are only willing to sell all of the Sale Shares, provided that such 14 day period shall, in the case where a Disputed Valuation Notice has been served, be deemed not to commence until the Business Day following the determination of the Expert pursuant to the provisions of Article 16 7

16 9 The provisions of this Article 16 are without prejudice to the pre-emption rights contained in Article 11

17. TAG-ALONG RIGHTS

17 1 Where the holder(s) of Ordinary Shares intend to sell part or all of its or their holding of Ordinary Shares (or any interest in such Shares) which represent in the aggregate at least 15 per cent of the Ordinary Shares or where a Manager intends to sell all of his Ordinary Shares (or any interest in such Shares) (where for the purposes of this article such holder or Manager is the "**Seller(s)**" and such Ordinary Shares are the "**Relevant Shares**") the Proposed Transferor shall serve a notice (the "**Tag-along Notice**") on the Company

17 2 Immediately following service of a Tag-along Notice in accordance with Article 17 1, the Company shall give notice to each of the Shareholders other than the Seller(s) (the "**Other Shareholders**") that the Other Shareholders may not later than the Latest Time (as that term is defined in Article 11 2) give notice to the Company of their wish to sell any or all of their shares (the "**Tag-along Shares**") to the proposed acquirer of the Relevant Shares (the "**Acquiring Shareholder**") on the same terms as the Relevant Shares are to be sold by the Seller(s) and the provisions of Articles 16 1 to 16 8 inclusive shall apply mutatis mutandis Any such notice shall be accompanied by share certificates for the Tag-along Shares agreed to be sold together with the necessary transfers and the Company shall not register the transfer of any of the Relevant Shares to the Acquiring Shareholder unless completion of the sale of the Tag-along Shares is completed simultaneously upon the same terms as aforesaid

17 3 The provisions of this Article 17 are without prejudice to the pre-emption rights contained in Article 11

18. CLASS MEETINGS AND VARIATION OF RIGHTS

18 1 Class meetings

Except as otherwise provided by these Articles, the provisions of these Articles relating to general meetings shall apply, with necessary modifications, to any meeting

of the holders of shares of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class

18 2 Variation of rights

All or any of the special rights or privileges for the time being attached to any share or class of shares in the capital of the Company (notwithstanding that the Company may be or be about to be in liquidation) may, either with the prior consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of a resolution passed at a separate meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise), be varied or abrogated. To every such separate meeting the provisions of these Articles with respect to notice of and proceedings at general meetings shall *mutatis mutandis* apply, but so that the requisite quorum shall be two persons, present in person, by proxy or by corporate representative, holding or representing not less than one-third of the issued shares of the class (and so that if at any meeting of such holders adjourned pursuant to Regulation 41 a quorum as above defined is not present those members who are present shall be a quorum) and that any holder of shares of the appropriate class, present in person, by proxy or by corporate representative and entitled to vote, may demand a poll.

19. PROCEEDINGS AT GENERAL MEETINGS

19 1 Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and remains present during the transaction of business. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum provided that at least one such person is an A Ordinary Shareholder and one such person is a B Ordinary Shareholder (or, in either case, a proxy or representative of such Ordinary Shareholder). If at any adjourned meeting which has been so adjourned pursuant to Regulation 41 a quorum is not present within half an hour of the time appointed for the adjourned meeting the meeting will be dissolved. Regulation 41 will be construed accordingly.

19 2 Poll

A poll may be demanded at any general meeting by the chairman or any member present in person, by proxy or by corporate representative and entitled to vote. Regulation 46 of Table A shall be modified accordingly.

19 3 Signed resolutions

A resolution executed or approved in writing by or on behalf of the holders of all the issued Ordinary Shares entitled to vote thereon shall be as valid and effective for all purposes as a resolution passed at a general meeting duly convened and held and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation the resolution may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

20. VOTES OF MEMBERS

20 1 Votes of members

Subject to any special rights, privileges or restrictions attached to any shares forming part of the capital of the Company, at any general meeting of the Company on a show of hands every member who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by proxy or by a representative duly authorised under section 323 of the Act (not being himself a member) shall have one vote, and on a poll every member present in person, by representative or by proxy shall have one vote for every share of which he is the holder

20 2 Casting vote of chairman

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a casting vote in addition to any other vote he may have

21. DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors shall be not more than eight nor less than one. If there is only one serving director he/she shall be an A Director

22. APPOINTMENT OF A AND B DIRECTORS AND OF CHAIRMAN

22 1 Appointment of directors

The A Ordinary Shareholders and the B Ordinary Shareholders shall be entitled, each as a class, to appoint, in the case of the A Ordinary Shareholders, up to three A Directors, and in the case of the B Ordinary Shareholders, up to two B Directors, in each case in accordance with the procedure set out in Article 22 2, and, in each case, to remove any directors so appointed by them

22 2 Procedure for appointment of directors

Any appointment or removal pursuant to Article 22 1 shall be decided upon by the A Ordinary Shareholders or the B Ordinary Shareholders by either

- (A) a written direction signed by A Ordinary Shareholders, in the case of A Directors, or B Ordinary Shareholders, in the case of B Directors, in each case holding all or (where there is more than one shareholder of such designation) a majority in nominal value of the issued Ordinary Shares of the class concerned, or
- (B) by an ordinary resolution passed at a separate meeting of the Ordinary Shareholders of the class concerned duly convened and held in accordance with the provisions of Article 14, provided that any such meeting may be convened by any holder of Ordinary Shares of the class concerned

Any appointment or removal pursuant to Article 22 1 shall take effect upon delivery of the direction pursuant to Article 22 2(A) or a written copy of the resolution passed

pursuant to Article 22 2(B) being delivered to the registered office of the Company, to a meeting of the Board or to the secretary

22 3 Directors holding office

An A Director or a B Director holding office pursuant to Article 22 1 shall continue to hold such office until he is either removed pursuant to this Article 22 or vacates office pursuant to Article 27

22 4 Appointment of Chairman

The A Ordinary Shareholders will be entitled to appoint a Chairman

22 5 Chairman holding office

A Chairman holding office pursuant to Article 22 4 shall continue to hold such office until he is either removed pursuant to this Article 22 or vacates office pursuant to Article 27

22 6 Casting vote of Chairman

In the case of an equality of votes, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have

23. NO ROTATION

The directors shall not be liable to retire by rotation, and accordingly in Regulation 79 of Table A the second and third sentences thereof shall be deleted and in Regulation 78 the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted

24. ALTERNATE DIRECTORS

24 1 Appointment and removal

Any director (other than an alternate director) may from time to time appoint any other director or any person approved by the Board (such approval not to be unreasonably withheld or delayed) to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office, and appoint another person approved as aforesaid in his place Any appointment of an alternate director may provide for two or more persons in the alternative to act as an alternate director

24 2 Notice of appointment or removal

Any such appointment or removal shall be by notice to the Company signed by the director making or revoking the appointment and shall take effect upon service on the Company at its registered office or in any other manner approved by the directors

24 3 Cessation of appointment

An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director

24 4 Functions of alternate director

An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of directors, and to attend, to be counted in the quorum for and to vote as a director (with the same designation as the director appointing him) at any such meeting at which the director appointing him is not personally present and generally to perform all functions of his appointor as a director in the absence of such appointor including, without prejudice to the generality of the foregoing, power to sign any resolution pursuant to Article 29 3

24 5 Voting rights cumulative

A director acting as alternate shall have an additional vote at meetings of the Board for each director for whom he acts as alternate but he shall only count as one person for the purpose of determining whether a quorum is present

24 6 Alternate director responsible for own acts

An alternate director shall be deemed to be an officer of the Company and shall alone be responsible for his own acts and defaults and the director so appointing him shall not be responsible for the acts and defaults of an alternate director so appointed

24 7 Remuneration

The remuneration of any such alternate director shall be payable out of the remuneration payable to the director appointing him and shall consist of such part (if any) of the last mentioned remuneration as may be agreed between the alternate director and the director appointing him

24 8 Power to act

Save as otherwise provided in these Articles, an alternate director shall not have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles

25. NO SHARE QUALIFICATION

Neither a director nor an alternate director shall require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company

26. DIRECTORS' INTERESTS

A director (including an alternate director) who has duly declared his interest therein to the Board pursuant to sections 182 – 187 of the Act may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he so votes his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration

27. VACATION OF OFFICE

Without prejudice to the provisions of Article 22, the office of a director shall be vacated

- (A) if by notice in writing to the Company he resigns the office of director,
- (B) if he shall for more than five consecutive months have been absent without permission of the Board from meetings of the Board held during that period, unless he shall have appointed an alternate director who has not been similarly absent during such period,
- (C) if he appears unable to pay a debt which is payable immediately or to have no reasonable prospect of paying a debt which is not immediately payable in either case within the meanings given to such expressions in section 268 of the Insolvency Act 1986,
- (D) if he is subject to an interim order under section 252 of the Insolvency Act 1986 or enters into a voluntary arrangement within the meaning given in section 253 of that Act,
- (E) if he is prohibited from being or is disqualified as a director by an order made under any provision of the Insolvency Act 1986 or the Company Directors Disqualification Act 1986,
- (F) if he is, or may be, suffering from mental disorder and either
 - (A) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (B) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
- (G) if he is removed from office under section 168 of the Act

28. NO AGE LIMIT

Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, no director shall vacate or be required to vacate his office as a director on or by reason of his attaining or having attained the age of seventy, and any person proposed to be appointed a director shall be capable of being appointed as a director notwithstanding that he has attained the age of seventy, and no special notice need be given of any resolution for the appointment as a director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any director or person proposed to be so appointed

29. PROCEEDINGS OF DIRECTORS

29 1 Quorum

The quorum necessary for the transaction of the business of the Board shall be one which, unless otherwise agreed from time to time by the Ordinary Shareholders and notified to the Company in writing one shall be an A Director. A person who holds office only as an alternate director shall, if his appointer is not present, be counted in the quorum.

29 2 Regulation of meetings

Unless otherwise determined in respect of each specified meeting by a majority of the Board which majority includes sufficient number and (if appropriate) designation of directors to constitute a quorum for the business to be transacted at such specified meeting, meetings of the Board shall be held at least at two-monthly intervals unless otherwise agreed. Save where urgent business arises where such period of notice is not practicable, a minimum of seven days notice of meetings of the Board accompanied by the venue for such meeting and an agenda of the business to be transacted (together with where practicable all papers to be circulated or presented to the same) shall be given to all the directors. Subject as aforesaid, the directors may adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes no person shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the Board.

29 3 Signed resolutions

A resolution executed or approved in writing by all the directors shall be as valid and effective for all purposes as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors. A resolution signed by an alternate director need not also be signed by his appointer 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.

29 4 Delegation to committees

The directors may delegate any of their powers to a committee consisting of at least two directors, of whom at least one shall be an A Director and at least one shall be a B Director. No committee shall be entitled to transact any business which the Board would not be entitled to transact, and the provisions of these Articles with respect to the regulation of meetings of the Board shall apply, mutatis mutandis, to meetings of any committee.

29 5 Meetings by Conference Facilities

A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates in the meeting is able

(A) to hear each of the other participating directors addressing the meeting, and

(B) if he so wishes, to address each of the other participating directors simultaneously,

whether directly, by conference telephone or by any other form of communication equipment (whether in use when this Article 29.5 is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting.

30. OFFICIAL SEAL FOR USE ABROAD

The Company may have an official seal for use abroad under the provisions of the Act, where and as the Board shall determine, and the Company may by writing under the Common Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Common Seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

31. NOTICES

Regulation 112 shall apply to the Company as if the words ", or an address to which notices may be sent using electronic communications," were deleted.

32. INDEMNITY

Subject to section 234 of the Act, every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 1157 of the Act in which relief is granted to him by the courts, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. The Company may purchase and maintain for any officers or the Auditors insurance against any liability which by virtue of any rule of law would otherwise attach to him or them in respect of any negligence, default, breach of duty or breach of trust of which he or they may be guilty of in relation to the Company.