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COMPANIES (NORTHERN IRELAND) ORDERS 1986 to 1990

COMPANY LIMITED BY SHARES

NEW MEMORANDUM AND NEW ARTICLES OF ASSOCIATION

OF

ANDOR TECHNOLOGY LIMITED

(adopted pursuant to a Special Resolution passed the 3rd day of October 1997)

We hereby certify this to be a true
copy of the original.
Signed *Elliott Duffy Garrett*
Elliott Duffy Garrett, Solicitors

ELLIOTT DUFFY GARRETT
Solicitors
7 Donegall Square East,
BELFAST BT1 5HD

COMPANIES (NORTHERN IRELAND) ORDERS 1986 to 1990

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ANDOR TECHNOLOGY LIMITED

(adopted pursuant to a Special Resolution passed the 3rd day of October 1997)

1. The name of the Company is "Andor Technology Limited"
2. The Registered Office of the Company will be situate in Northern Ireland.
3. The objects for which the Company is established are:-
 - (A) To carry on all or any of the businesses of manufacturers, distributors, sellers, importers, exporters, and dealers in and agents for scientific instruments, peripheral equipment of every kind capable of use in relation to scientific instruments and further to carry on business in the design, modification and assembly of any items referred to in this sub-paragraph.
 - (B) To carry on business in any aspect of research or development of any of the items referred to in sub-paragraph (A) of this clause and further to carry on business as electrical and electronic engineers, devisers and suppliers of programmes and software for users of scientific instruments and other electronic equipment.
 - (C) To carry on any trade or business, whether manufacturing or otherwise, which can, in the opinion of the Board of Directors, be advantageously carried on by the Company.
 - (D) To purchase, take on lease, in fee farm or in exchange, hire or otherwise acquire and hold for any estate or interest whatsoever, any real or personal property and any rights or privileges of any kind necessary or convenient for the purposes of, or in connection with, the Company's business (or any branch or department thereof) and in particular any land, buildings, easements, concessions, vehicles, ships, machinery, plant and stock-in-trade.
 - (E) To build, construct, alter, set-up, maintain, enlarge, pull down, remove or

replace, and to work, manage and control, any buildings, offices, factories, mills, shops, machinery, engines, roads, ways, tramways, railways, branches, sidings, bridges, reservoirs, watercourses, wharves, electric works and other works and conveniences which may seem calculated, directly or indirectly, to advance the interests of the Company and to join with any other person or company in doing any of these things.

- (F) To apply for, purchase, acquire, protect and renew in any part of the world, any patents, patent rights, brevets d'invention, trade marks, designs, licences, concessions and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, grant licences in respect of, or otherwise turn to account, the property, rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
- (G) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on, or which is possessed of property suitable for the purposes of the Company, or which can be carried on in conjunction therewith, or which is capable of being conducted so as, directly or indirectly, to benefit the Company.
- (H) To amalgamate or enter into any partnership or arrangement for sharing profits, union of interests, joint adventure, reciprocal concession or co-operation, or for limiting competition with, any company, firm or person carrying on or engaged in (or proposing to carry on or engage in) any business, trade or transaction within the objects of the Company or which is capable of being carried on so as, directly or indirectly, to benefit the Company, and to dispose of any shares, stock, debentures or other interests in any contracts or liabilities of any such company.
- (I) To improve, manage, develop, grant rights, easements or privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company and also to invest and deal with the moneys of the Company not immediately required for the purposes of the business of the Company upon such investments and in such manner as the Company may approve.
- (J) To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of the Company or for the benefit of the Company (with or without any declared trust in favour of the Company).
- (K) To acquire by original subscription, tender, or otherwise, and hold, sell,

deal with or dispose of, any shares, stocks, debentures, debenture stocks, bonds, obligations or other securities in, or guaranteed by, any company constituted or carrying on business in Northern Ireland or any part of the world (whether or not such company has objects altogether or in part similar to those of the Company) and debentures, debenture stock, bonds, obligations or other securities guaranteed by any Government or Authority (municipal, local or otherwise and whether at home or abroad) and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce call rights and powers conferred by the ownership thereof.

- (L) To lend money or give credit to customers and others with or without security and upon such terms as the Company may approve, and to guarantee the liabilities, obligations and contracts of customers and others (including those of any company of which the Company is a member) and the dividends, interest and capital of the shares, stocks or securities of any company of which the Company is a member or in which the Company is otherwise interested, and generally to give guarantees and indemnities and further, to the extent permitted by law, to give financial assistance for the purpose of the acquisition of shares of the Company or for the purpose of reducing or discharging a liability incurred for the purpose of such acquisition and to give such assistance by means of gift, loan, guarantee, indemnity, the provision of security or otherwise.
- (M) To receive money on deposit or loan, and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future including its uncalled capital) and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company (as the case may be) and generally to act as bankers for customers and others.
- (N) To draw, make, accept, indorse, negotiate, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (O) To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence or authorisation of any Government, State or Municipality or other Authority, for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.
- (P) To enter into any arrangements with any Governments or Authorities

(supreme, municipal, local or otherwise) or any person or company that may seem conducive to the objects of the Company, and to obtain from any such Government, Authority, person or company, any rights, privileges, charters, contracts, licences and concessions which the Company may think it desirable to obtain and to comply therewith.

- (Q) To take part in the formation, management, supervision or control of the assets or operation of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants, solicitors, experts or agents, and also to employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any business concerns and undertakings or any assets, property or rights whatsoever.
- (R) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital, including brokerage and commissions for obtaining applications for, or taking, placing, underwriting or procuring the underwriting of, shares, debentures or other securities of the Company.
- (S) To pay for any property or rights acquired by the Company and to remunerate any person or company, whether by cash payment or by allotment of fully or partly paid-up shares (with or without preferred, deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise) or by the allotment of debentures or any other securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.
- (T) To establish, on and subject to such terms as may be considered expedient, a scheme or schemes for or in relation to the purchase of, or subscription for, any fully or partly paid shares in the capital of the Company by, or by trustees for, or otherwise for the benefit of, employees of the Company or of its subsidiary or associated companies and to establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment of service of the Company or of any company which is a subsidiary of the Company or is allied to or otherwise associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons, and also to establish, subsidise and subscribe to, any institutions, associations, clubs or funds calculated to be for the benefit or to advance the interests and well-being of the Company or of any such other company as aforesaid, and to make payments to or towards the insurance of any such persons as aforesaid, and do any of the matters aforesaid either alone or in conjunction with any such other

company as aforesaid and further to subscribe or guarantee money for any national, charitable, benevolent, public, general, political or useful object.

- (U) To procure the Company to be registered or recognised in Great Britain, the Republic of Ireland or in any other part of the world.
- (V) To establish, promote, or concur in establishing or promoting, any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire, all or any part of the shares, debentures or other securities of any such other company.
- (W) To sell, lease, mortgage, grant in fee farm, exchange or otherwise dispose of, the real or personal property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit and to accept payment for any real or personal property or rights sold or otherwise disposed of by the Company either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation (whether or not having objects altogether or in part similar to those of the Company and whether or not such shares or stock shall have preferred, deferred or special rights or any restrictions in respect of dividend, repayment of capital, voting or otherwise) or in debentures, mortgages or other securities of any company or corporation (or partly in one mode and partly in another) and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (X) To distribute among the members in specie any property of the Company or any proceeds of a disposal of any property of the Company, but so that no distribution amounting to a reduction of capital shall be made except as sanctioned by and in accordance with the requirements of law.
- (Y) To act as agents, brokers and trustees for any person or company, and to undertake and perform sub-contracts and to do all or any of the things mentioned in this Memorandum of Association in any part of the world (either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with others, and either by or through agents, sub-contractors, trustees or otherwise).
- (Z) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that:

- (a) the word "company" in this clause, except where used in reference to this

Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporated, and whether domiciled or incorporated in Northern Ireland or elsewhere, and

- (b) the objects specified in each of the paragraphs of this clause shall be regarded as independent objects and accordingly shall in no wise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.

4. The liability of the members is limited.

5. The Share Capital of the Company is £2,630,000 divided into: 1,000,000 A ordinary shares of £0.10 each, 3,800,000 ordinary shares of £0.10 each, 1,500,000 A preference shares of £1.00 each and 650,000 B preference shares of £1.00 each. Subject and without prejudice to any special rights or privileges for the time being attached to any special class of issued shares, any of the shares in the original capital of the Company for the time being unissued, and any new shares from time to time to be created, may be issued with any preference, whether in respect of dividend or repayment of capital (or both) or with any other special privilege or advantage over any other shares previously issued, or about to be issued, and with any special or restricted rights, or without any right of voting or otherwise, and generally on such terms and subject to such conditions and provisions as may from time to time be determined by the Company, and if at any time the capital of the Company shall be divided into shares of different classes the rights attached to any class shall not be varied except in accordance with the provisions of Article 135 of the Companies (Northern Ireland) Order 1986.

We, the person whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAME, ADDRESS AND DESCRIPTION OF SUBSCRIBER	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
Sarah C. Lowry 7/9 Chichester Street Belfast BT1 4JG	1
Joanne Christie 7/9 Chichester Street Belfast BT1 4JG	1

Total number of shares taken - 2

Dated the 24th day of February 1997

Witness to the above signatures:-

Ria Thompson - 7/9 Chichester Street, Belfast, BT1 4FG

THE COMPANIES (NORTHERN IRELAND)
ORDERS 1986-1992

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ANDOR TECHNOLOGY LIMITED

(Adopted by a special resolution passed on 17th August 2001)

We certify these to be a true copy of the amended Articles of Association as at 17th August 2001

Director

Director

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Company No: NI 22466

**THE COMPANIES (NORTHERN IRELAND)
ORDERS 1986-1992**

PRIVATE COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

OF

ANDOR TECHNOLOGY LIMITED

(Adopted by a special resolution passed on 17th August 2001)

1 Preliminary

1.1 The following definitions will apply in these Articles:-

"A Ordinary Shares"	means the A Ordinary Shares of 10p each in the capital of the Company;
"A Preference Shares"	means the cumulative redeemable preference shares of £1 each in the capital of the Company;
"Accounting Period"	means a period of the Company ending on an accounting reference date for which the Company is required to produce audited financial statements pursuant to the Order;
"admission to trading"	means admission to trading on a recognised investment exchange's market for listed securities;
"Arrears"	means, in relation to any Share, all accruals, deficiencies and arrears of any dividend due and payable in respect of such Share (including Preference Dividend which is accrued but unpaid in accordance with Article 4.1.1), whether or not declared and irrespective of whether or not the Company has had, at any

	time, sufficient distributable profits to pay such dividend together with all interest payable in respect of Unpaid Dividends on such Share;
"Articles"	means these Articles of Association;
"Auditors"	means the auditors from time to time appointed by the Company;
"B Preference Shares"	means the non-income bearing redeemable preference shares of £1 each in the capital of the Company;
"Board"	means the board of directors of the Company from time to time;
"business day"	means any day, other than a Saturday or Sunday, on which banks are generally open for business both in the Cities of London and Belfast;
"Company"	means Andor Technology Limited;
"Connected Person"	has the meaning set out in Section 839 of the Income and Corporation Taxes Order 1988;
"Controlling Interest"	means shares conferring in aggregate 50% or more, of the total voting rights conferred by all the Shares for the time being in issue conferring the right to attend and vote at all general meetings of the Company;
"Director"	means a director for the time being of the Company;
"Emolument"	means emoluments of any type including, without limitation, fees, bonuses, salaries, commissions, pension payments, benefits in kind and any profit share under any incentive scheme;
"Equity Proceeds"	means a sum realised by the holders of the Equity Shares which is equal to :- <ul style="list-style-type: none"> (i) the aggregate value of the issued Equity Shares on a Sale calculated by reference to the price payable upon such Sale provided that if any part of the purchase

price is payable otherwise than in cash or is cash payable on deferred terms the amount of the purchase price shall be the aggregate of the amount of the purchase price payable in cash on completion of the Sale and the cash equivalent of any other consideration as agreed between the relevant parties but if the parties cannot agree, as determined by the Expert;

- (ii) on a Winding Up the aggregate of surplus assets available for distribution amongst the Members after repayment of all the Company's liabilities;
- (iii) on a Flotation, the market capitalisation of the Company upon admission to trading excluding any new shares to be issued by the Company as part of the arrangements relating to the Flotation;

"Equity Shares"

means the A Ordinary Shares and the Ordinary Shares or any of them;

"Exit Event"

means a Sale, Flotation or Winding Up;

"Expert"

means an independent firm of chartered accountants appointed by agreement between a Proposing Transferor and the Board or, if they cannot agree, by the President of the Ulster branch of the Institute of Chartered Accountants in Ireland at the request of the Company or a Proposing Transferor for the purpose of ascertaining the Sale Price pursuant to Article 16.4;

"Family Trust"

means in relation to any Member means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of the Member and/or a Privileged Relation of that member (or on the death of the last Privileged Relation for charitable purposes) and under which no power of control is capable of being exercised over the

votes of any shares which are the subject of the trust by any person other than the trustees or such member or his Privileged Relations.

"Flotation"

means the effective listing of any share capital of the Company on the Official List on the London Stock Exchange or the granting of the permission for any share capital of the Company to be dealt with on any recognised investment exchange (as defined by Section 207 of the Financial Services Act 1986);

"Group"

means the Company, any subsidiary of the Company, any holding company of the Company and any subsidiary of any holding company of the Company from time to time and "Group Company" shall be interpreted accordingly;

"Investor Directors"

means a Director appointed pursuant to Article 26;

"Investor(s)"

means the persons named as the Investors in the Subscription Agreement and any holder(s) to whom A Ordinary Shares are transferred pursuant to a Permitted Transfer by such persons or subsequent Permitted Transfer by such holder(s);

"Net Profit"

means the consolidated net profit on the ordinary activities of the Group calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Group for the relevant Accounting Period (to the nearest pound):-

- (a) before there has been deducted any corporation tax (or any other tax levied upon or measured by profits or gains) on the profits earned and gains realised by the Group;
- (b) before charging or making any provision for extraordinary items;
- (c) before any provision for writing off intangible assets;

- (d) adjusted for any amortisation or write off of goodwill;
- (e) after adding back the amount of any dividend or other distribution;
- (f) after adding back the aggregate amount charged in respect of any Emoluments payable to the Managers (or their Connected Persons) in excess of their entitlement as set by the Remuneration Committee, from time to time, to emoluments as permitted by their service agreements with any Group Company, assuming these are not varied in breach of the terms of the Subscription Agreement.

"Non-Allocation Notice"

means a notice served by the Company upon a Proposing Transferor pursuant to Article 16.7 to identify Sale Shares for which no Purchasing Member has been identified;

"Offer Notice"

means a notice served by the Company pursuant to Article 16.2 or Article 16.3 to offer Sale Shares to Members and potential Members;

"Order"

means the Companies (Northern Ireland) Order 1986 as amended;

"Ordinary Shares"

means Ordinary Shares of 10p each in the capital of the Company;

"Participating Dividend"

means the dividend referred to in Article 4.1.2;

"Payment Date"

means the dates fixed for payment of the Preferred Dividends pursuant to Article 4.1;

"Permitted Transfers"

means a transfer of Shares referred to in Article 13, 14 and 15;

"Preference Shares"

means the A Preference Shares and the B Preference Shares;

"Preference Dividend"

means the dividend referred to in Article 4.1.1;

"Preferred Dividends"

means the Preference Dividend and the

	Participating Dividend;
"Principal Investors"	means those Investors for the time being designated as such under the Subscription Agreement;
"Privileged Relation"	means in relation to a Member means the spouse or widow or widower of the Member and the Member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Member's children.
"Proposing Transferor"	means a Member issuing or deemed to issue a Transfer Notice;
"Purchasing Member"	means a Member or potential Member willing to purchase Sale Shares;
"recognised investment exchange"	means a recognised investment exchange for the purposes of the Financial Services Order 1986;
"Redemption"	means any redemption of Preference Shares pursuant to Article 5;
"Sale Notice"	means a notice issued by the Company to a Proposing Transferor to identify the Sale Shares for which Purchasing Members have been identified;
"Sale Price"	means a price per Share agreed between the Board and the Proposing Transferor or, failing agreement, determined pursuant to Article 16.4;
"Sale Shares"	means the Equity Shares identified in a Transfer Notice or, where a Transfer Notice is deemed served, the entire holding of Equity Shares of the relevant Member;
"Sale"	means any person acquiring a Controlling Interest in the Company other than pursuant to a Permitted Transfer under Articles 14;
"the Selling Shareholders"	means (for the purposes of Article 19) Members who hold 60% or more of the number of Equity Shares in issue at that time including

	Investors who hold 75% or more of the A Ordinary Shares in issue at that time;
"Settlor"	means includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased Member.
"Share"	means any A Ordinary Share, Ordinary Share or Preference Share and shall include any beneficial interest in such share;
"Shareholder" or "Member"	means a holder for the time being of any Share and when designated by reference to a particular class of Share, shall mean the holders for the time being of that class of Share;
"Subscription Agreement"	means the agreement entered into on the date of adoption of these Articles and made between (1) the Company (2) the Investors and (3) H F Cormican and others;
"Table A"	means Table A in the Schedule to the Companies (Tables A-F) Regulations (Northern Ireland) 1986;
"Total Transfer Condition"	means a requirement that, unless all Sale Shares are sold, none shall be sold;
"Transfer Notice"	means a notice served or deemed to have been served upon the Company pursuant to Article 16.1 indicating a Members' intention to transfer Equity Shares;
"Unpaid Dividend"	means the amount of any Preferred Dividend which is not paid on the due date for payment pursuant to Article 4.1;
"Winding Up"	means the liquidation of the Company on a members' voluntary winding up (other than for the purpose of reconstruction or amalgamation).

1.2 Words and phrases defined in the Order will have the same meanings in these Articles.

1.3 Where reference is made to a statutory provision this includes all prior and subsequent enactments, amendments and modifications of that provision and any regulations made under it.

- 1.4 References to the masculine gender include the feminine and neuter and vice versa. Similarly, references to the singular will include the plural and vice versa.
- 1.5 The headings in these Articles are inserted for convenience only and will not affect the construction or interpretation of any of the provisions contained in them.
- 1.6 The expressions "transfer", "transferor" and "transferee" shall include, respectively, the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment.

2 Table A

Except as provided in these Articles, Table A will apply to the Company.

3 Share Capital

The share capital of the Company at the date of the adoption of these Articles is £2,630,000 divided into:-

- 3.1 1,000,000 A Ordinary Shares;
- 3.2 3,800,000 Ordinary Shares;
- 3.3 1,500,000 A Preference Shares; and
- 3.4 650,000 B Preference Shares.

4 Dividends

- 4.1 The profits of the Company available for distribution shall be applied:-

4.1.1 first, in paying to the holders of the A Preference Shares in priority to the transfer of any sum to reserves or to the rights of the holders of any other shares and payable without any resolution of the Directors a fixed cumulative preferential cash dividend (net of any withholding), accruing on a daily basis with effect from 1 October 2001 on the amounts for the time being subscribed for such Preference Shares (including any premium) at the rate of 7.5% per annum. The Fixed Dividend will be paid half yearly in arrears on the 31 March and 30 September in each year provided that the Preference Dividend due on 31 March 2002, 30 September 2002 and 31 March 2003 shall be payable upon the earliest of an Exit Event or 30 September 2006 or any Redemption or payment of any dividend on the Equity Shares pursuant to clause 4.1.2. Subject thereto, the first payment of the Preference Dividend shall be made on 30 September 2003 in respect of the period commencing 1 April 2003.

4.1.2 second, in paying to the holders of the A Ordinary Shares as a class for each Accounting Period ending on or after 30 September 2006, a cumulative participating cash dividend (net of any withholding) of a sum which is equal to 5% of Net Profits for the Accounting Period ending 30 September 2006 and 10%

of Net Profits for each Accounting Period thereafter.

The Participating Dividend (if any) shall be paid within 14 days after the consolidated audited accounts of the Company are signed by the Auditors and in any event not later than three months after the end of the relevant Accounting Period; and

4.1.3 **third**, after receiving prior written consent of the Investors and to the extent that the profits of the Company available for distribution are resolved to be distributed after payment of all Arrears and sums due in respect of redemptions in paying the balance to the holders of Equity Shares (pari passu as if they constituted one class of share) in proportion to the amounts paid up or credited as paid up on them.

4.2 On the date of an Exit Event, immediately prior to the occurrence of such Exit Event, there shall be paid to the holders of the A Ordinary Shares a sum equal to all Arrears (whether earned or declared or not) and interest, accumulated Dividends, together with a proportion of the Participating Dividend corresponding to the amount which would have been due in respect of the Accounting Period in which such Exit Event falls, (such proportion being calculated in the ratio that the number of days from the beginning of that accounting reference period down to the date of the Exit Event bears to the total number of days in that Accounting Period). In calculating the amount of the Participating Dividend for the purposes of this Article 4.2 the Net Profits shall be the Net Profits shown by the consolidated management accounts of the Group during the relevant Accounting Period down to the end of the month immediately preceding the Relevant Date, if there is any dispute, the amount of such Net Profits shall be determined by the Auditors.

4.3 Upon each Payment Date the amount of such dividend, together with all Arrears, shall become a debt due and be immediately payable by the Company without any requirement for any resolution of the Directors or Members declaring or recommending any such dividend.

4.4 In the event that the Company is unable to pay in full any dividend payable to the holders of the A Ordinary Shares and/or the Preference Shares:-

4.4.1 on each Payment Date the Company shall pay to the holders of such Shares, on account of the Unpaid Dividend, the maximum sum (if any) which can lawfully be paid;

4.4.2 interest (payable as an additional dividend on the A Ordinary Shares and/or the A Preference Shares) will accrue from day to day with quarterly rests on 31st December, 31st March, 30th June and 30th September in each year on the Unpaid Dividend at base rate of the Bank of Ireland from time to time in force or if higher at an annual rate of 6.5% and shall be paid as soon as the Company is able to pay such Unpaid Dividend provided that if the Company does not pay such dividends in circumstances where it may lawfully do so then the interest

payable on such Unpaid Dividend shall be at the rate of 4% per annum above the base lending rate from time to time of Lloyds TSB Bank Plc;

4.4.3 on every succeeding Payment Date the Company shall pay to the holders of the A Ordinary Shares and/or A Preference Shares, on account of the balance of Unpaid Dividend and interest accrued under Article 4.4.2 until the same shall have been paid in full, the maximum sum (if any) which on each succeeding Payment Date can be lawfully paid by the Company.

4.5 If, on the Payment Date for the Participating Dividend, the audited consolidated financial statements are not available to calculate the amount of the Participating Dividend, the Company shall pay, on account of the Participating Dividend, a dividend calculated by reference to the management accounts for the relevant Accounting Period. If such dividend is subsequently discovered to be an under payment or over payment, then the balance shall be paid to the holders of the A Ordinary Shares (as a class) or be repaid to the Company respectively once the audited consolidated financial statements are available.

5 Redemption, Capital and Exit

5.1 Subject to the provisions of the Order and of these Articles:-

5.1.1 the A Preference Shares shall be redeemed at their subscription price as follows:-

- 5.1.1.1 at the option of the Company, at any time after the date hereof in tranches of not less than £100,000 subject to Article 5.1.4;
- 5.1.1.2 immediately prior to the happening of an Exit Event;
- 5.1.1.3 as to 50% of the A Preference Shares then in issue, on 30 September 2005;
- 5.1.1.4 as to any A Preference Shares remaining in issue, on 30 September 2006.

5.1.2 the B Preference Shares shall be redeemed for an amount calculated in accordance with Article 5.1.10 as follows:-

- 5.1.2.1 at the option of the Company, at any time after the date hereof in tranches of not less than £100,000 subject to Article 5.1.4;
- 5.1.2.2 immediately prior to the happening of an Exit Event;
- 5.1.2.3 as to 50% of the B Preference Shares then in issue, on 30 September 2005;
- 5.1.2.4 as to any B Preference Shares remaining in issue, on 30 September 2006.

5.1.3 On the date or dates fixed for the redemption of the Preference Shares ("the

Redemption Date") each registered holder of such Shares to be redeemed shall surrender to the Company the certificate for his shares which are to be redeemed in order that the same may be cancelled and upon such delivery and against such registered holder's receipt for the redemption money payable to him the Company shall pay to him such redemption money which in the case of the A Preference Shares shall include any Arrears.

- 5.1.4 If and so often as the Company shall redeem pursuant to the foregoing provisions of this Article less than all the Preference Shares for the time being outstanding, the Company shall redeem (as nearly as may be) such proportion of the A Preference Shares and the B Preference Shares (as if the same constituted one class) of each holder thereof as the aggregate number of such Shares then to be redeemed bears to the total number of the Preference Shares then in issue.
- 5.1.5 The Company shall in case of redemption of all the Preference Shares comprised in any such certificate cancel the same and in any other case it shall either (a) endorse on such certificate a memorandum of the number of shares redeemed and return it to the such registered holder or (b) cancel such certificate and issue to such registered holder a new certificate (free of charge) for the balance of the shares comprised in the cancelled certificate.
- 5.1.6 If any registered holder of Preference Shares to be redeemed pursuant to this Article fails or refuses to deliver up his certificate for such shares the Company may retain the redemption money until such delivery up or until delivery of an indemnity in respect thereof satisfactory to the Company but shall within seven days thereafter pay the redemption money to such registered holder. Until the delivery up of the Certificates for such shares or the delivery up of an indemnity no Preference Dividend shall accrue on the A Preference Shares.
- 5.1.7 Any Arrears (including the amount of any Preference Dividend accrued up to the date of redemption and whether or not due and payable) on any Share so redeemed will be paid on the Redemption Date.
- 5.1.8 For the avoidance of doubt, and subject to Article 5.1.6 all dividends shall continue to accrue on the A Preference Shares from the Redemption Date until the date on which the Company makes payment in full of the money due on such redemption including (but without prejudice to the generality of the foregoing) all Arrears.
- 5.1.9 If following the redemption of any Preference Shares pursuant to this Article the nominal amount of the issued share capital of the Company is less than the authorised share capital the difference to the extent of the nominal amount of the Shares so redeemed shall, by virtue of this provision, be converted into unclassified shares of a like nominal amount (as nearly as may be) as any unclassified shares then forming part of the authorised share capital of the

Company or if there are no such unclassified shares, of a like nominal amount (as nearly as may be) as the Ordinary Shares then in issue.

- 5.1.10 The sum payable on the redemption of each of the B Preference Shares shall be the amounts set opposite the following dates where the Redemption Date is on or after such date:-

Date	Redemption Amount £
30 September 2001	1.000
31 March 2002	1.038
30 September 2002	1.075
31 March 2003	1.113
30 September 2003	1.150
31 March 2004	1.187
30 September 2004	1.226
31 March 2005	1.266
30 September 2005	1.307
31 March 2006	1.350
30 September 2006	1.394
31 March 2007	1.446
30 September 2007	1.498
31 March 2008	1.550
30 September 2008	1.602

On a return of assets on liquidation or otherwise (other than a Winding Up) the surplus assets of the Company remaining after the payment of its liabilities and available for distribution amongst the Members shall be applied:-

- 5.1.11 first, in paying to the holders of the Preference Shares (as if the same constituted one class) the amounts subscribed therefor (including any premium) together with a sum equal to any Arrears;
- 5.1.12 the balance of such assets shall belong to and be distributed amongst the holders of the Equity Shares in proportion to the amounts paid up or credited as paid up on them as if the same constituted one class.

- 5.2 In the event of a Sale, Flotation or Winding Up the Equity Proceeds shall be divided as

follows:-

- 5.2.1 the holders of the Preference Shares (as a class) to the extent that such Preference Shares have not been redeemed under Article 5.1 shall be entitled to receive a sum equal to the amounts subscribed therefore (including any premium) together with a sum equal to any Arrears;
- 5.2.2 as to the balance amongst the holders of the A Ordinary Shares and the Ordinary Shares according to the number of Equity Shares respectively held by them as if the Equity Shares constituted one class.

6 Voting

- 6.1 Subject to any special rights or prohibitions from time to time attached to any class of shares the holders of all A Ordinary Shares and Ordinary Shares will be entitled to receive notice of and to attend and speak at general meetings of the Company.
- 6.2 Subject to Article 6.3 on a show of hands, a Member will have one vote for all shares held by him which carry the right to vote on a poll at that meeting. On a poll, Members will be entitled to one vote for each A Ordinary Share and/or Ordinary Share held by them.
- 6.3 Whilst:-
 - 6.3.1 there is a material continuing breach of any of the Managers' Covenants or Company's Covenants contained in the Subscription Agreement and notice in writing of breach (identifying the nature of the breach) has been given by either of the Principal Investors to the person in default giving reasonable opportunity to remedy such default within a reasonable time, taking into account the default that requires remedying and such breach is not remedied within such time or;
 - 6.3.2 an event of default has occurred under the Bank Facilities;then during such period as the default continues but not otherwise the holders of the Preference Shares shall be entitled to receive notice of, attend, speak and vote at all general meetings of the Company having one vote for every two Preference Shares held PROVIDED THAT the number of votes held by the holders of Preference Shares in such circumstances shall be increased in direct proportion to any increase in the number of Equity Shares in issue over and above the number of Equity Shares in issue at the date of adoption of these Articles (whether pursuant to an issue for cash or by way of bonus issue, capitalisation issue or otherwise).
- 6.4 Whilst the Company shall not have paid, for whatever reason, any Preference Dividend or Participating Dividend then during such period as the default continues but not otherwise the holders of the A Preference Shares shall (provided that there are not less than 350,000 A Preference Shares in issue at such time) be entitled to receive notice of, attend, speak and vote at all general meetings of the Company and shall at any such meeting have one vote more than all the votes capable of being passed by the other holders of Shares who are

entitled to vote at such general meeting.

7 Conversion

All of the A Ordinary Shares in issue shall (unless the holders thereof elect in writing) upon an Exit Event be converted into Ordinary Shares on the basis of one Ordinary Share for every one A Ordinary Share in which case the following shall apply:-

- 7.1 the Conversion shall take place on the date of but immediately prior to an Exit Event ("the Conversion Date");
- 7.2 on the Conversion Date the A Ordinary Shares shall be converted into Ordinary Shares ("the Conversion Shares") on the basis of one Ordinary Share for one A Ordinary Share;
- 7.3 on the Conversion Date the Company shall pay to the holders of the Conversion Shares a sum equal to any Arrears of the Preferred Dividends calculated down to the Conversion Date. In the event of disagreement the Expert will decide the amount of such Arrears in accordance with the provisions of Article 32;
- 7.4 the Conversion Shares resulting from the conversion pursuant to this Article 7 shall as from the Conversion Date rank *pari passu* to the Ordinary Shares in issue on the Conversion Date; and
- 7.5 the Conversion shall not affect the respective rights of the holders of the Equity Shares to participate in the proceeds received in the event of a Sale or Winding-up as set out in Article 5.

8 Variation of Class Rights

- 8.1 Whenever the capital of the Company is divided into different classes of shares the special rights attaching to any class of shares may be varied or abrogated, either whilst the Company is a going concern, or during or in contemplation of a winding up, with the consent in writing of the holders of 75% of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate meeting of the holders of a class of shares, all the provision of these Articles relating to such general meetings of the Company shall apply *mutatis mutandis*.
- 8.2 Without prejudice to the generality of Article 8.1, the special rights attached to the A Ordinary Shares shall be deemed to be varied by:-
 - 8.2.1 the grant of any option or other right to subscribe for shares or by an alteration, increase, reduction, sub-division or consolidation of the authorised or issued capital of the Company or of any Group Company, or any variation of the rights attached to any of the Shares;
 - 8.2.2 the disposal of the whole or a substantial part of the undertaking of any Group Company or by the disposal of any share in the capital of any Group Company

(other than the Company);

- 8.2.3 the acquisition of any interest in any share in the capital of any company by any Group Company;
- 8.2.4 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company;
- 8.2.5 any alteration of the restrictions on the powers of the Directors to borrow give guarantees or create charges;
- 8.2.6 the winding up of the Company, save where the Company is insolvent;
- 8.2.7 the redemption of any of the Shares or by the Company entering into a contract to purchase any of its own shares;
- 8.2.8 any alteration of the Company's memorandum of association or the Articles;
- 8.2.9 an alteration of the Company's accounting reference date;
- 8.2.10 the Company entering into a service agreement with any Director or a Connected Person of any Director or a variation of any existing service agreement (save for remuneration increases awarded by the Remuneration Committee) with any such person, other than as may be agreed pursuant to any service agreement previously approved by the Investor;
- 8.2.11 the calling of a meeting of the Company to effect or approve any matter which would, by virtue of this Article, be a variation of the class rights of the A Ordinary Shares;
- 8.2.12 the making of any material alteration (including cessation) in the nature, conduct or scope of the business of any Group Company;
- 8.2.13 any Group Company entering into any transaction which would, if the Company were a listed company, be a transaction with a related party as defined from time to time by the Listing Rules issued by the Financial Services Authority (May 2000 edition); or
- 8.2.14 the proposal at any General Meeting of any Group Company or the passing of any special resolution or any resolution whereby the classification or status of any Group Company may be changed.

9 Allotment of Shares

- 9.1 Subject to the provisions of Article 9.3 and in accordance with Article 90 of the Order, the Board are unconditionally authorised at any time or times during the period expiring on the day prior to the fifth anniversary of the date of the adoption of these Articles:-
 - 9.1.1 to allot relevant securities of the Company (as defined in Article 90 of the Order)

up to the amount of the authorised but unissued share capital of the Company at the date of such allotment; and

- 9.1.2 to make or enter into any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority.
- 9.2 Subject to Article 90 of the Order, the authority given in Article 9.1 may be renewed, revoked or varied by the Company at any time by ordinary resolution. Unless renewed, revoked or varied, such authority shall expire at the end of the period referred to in Article 9.1.
- 9.3 Subject to the provisions of Article 9.4, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, all shares will be issued to such persons, upon such terms and conditions and with such rights, priorities, privileges or restrictions as the resolution creating or issuing them or effecting the increase in the authorised share capital of the Company directs. In the absence of any direction all shares (whether forming part of the existing or any increased capital) will be at the disposal of the Board. Subject to Section 80 of the Order the Board may issue them to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit. Accordingly, Articles 90(1) and 100(1) to (6) (inclusive) of the Order will not apply to the Company.
- 9.4 Unless the Company by special resolution otherwise directs, any Shares which are proposed to be issued will be offered first to the Members holding Equity Shares in proportion to their existing holdings. The offer will be made by notice specifying the number and class of Shares offered and limiting a period (being not less than twenty-one days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period any Shares not accepted can be offered to other employees by special resolution of the Board or alternatively any shares not accepted will be offered to the Members who have accepted all Shares initially offered to them in proportion to their existing holding. This further offer will be made in the same manner as the original offer but will be limited to a period of fourteen days. Any Shares not accepted pursuant to either the original offer or any further offer, or which are not capable (in the sole opinion of the Board) of being offered except by way of fractions, will be at the disposal of the Board, who may issue, grant options over or otherwise dispose of them to such persons and on such terms as they think fit. However, Shares are not to be disposed of on terms which are more favourable than the terms on which they were offered to the Members.
- 9.5 No Shares will be issued to any infant, bankrupt or person of unsound mind.
- 10 **Liens**
- 10.1 The Company has a first and paramount lien on every Share (whether fully paid or not) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that Share.

10.2 The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article 10.

10.3 The Company's lien (if any) on a Share will extend to any amount payable in respect of it.

10.4 Regulation 8 of Table A will not apply to the Company.

11 Transfer of Shares

The Directors may decline to register any transfer of Shares which would otherwise be permitted pursuant to these Articles if it is a transfer of a Share on which the Company has a lien.

12 Permitted Transfers

The Board shall refuse to register any transfer of a Share (whether or not it is fully paid) made otherwise than pursuant to Articles 13, 14, 14, 16 or 17. Regulation 24 of Table A shall not apply to the Company.

13 Family Transfers

Any Equity Share in the Company may be transferred by a Member who is a director and employee of any Group Company to a Privileged Relation or Family Trust provided that :-

13.1 in the event that such Transferor ceases to be a director or employee of any Group Company such transferred Shares held by such a Privileged Relation or Family Trust shall be subject to the provisions of Article 17 as if they still constituted part of the Transferor's holding;

13.2 any person holding Shares transferred to him pursuant to this Article 13 shall be deemed to have irrevocably appointed the original Transferor of such Shares as his proxy in respect of such Shares and no instrument of appointment shall be necessary to be deposited with the Company or any subsidiary of the Company;

13.3 no transfer of any Share by a Member to a Privileged Relation or Family Trust shall be registered by the directors unless the Proposed Transferee shall first have signed a deed of adherence in a form satisfactory to an Investor Director acknowledging (inter alia) that the Proposed Transferee is bound by the provisions of this Article 13;

13.4 the trustees of any Family Trust shall be entitled to transfer any Shares to any new trustees of such Family Trust; and

13.5 the maximum number of Shares which may be transferred pursuant to this Article 13 shall not exceed 25% of the number of Shares held by such Member on the adoption of these Articles without the prior written consent of the Principal Investors.

14 Investor Transfers

The Directors shall register the transfer of any Equity Shares or Preference Shares:-

14.1 by an Investor to any subsidiary, holding company or nominee of such Investor;

- 14.2 by any nominee, subsidiary or holding company of an Investor to the Investor;
- 14.3 to any person with the prior written consent of all of the Members at the time when such consent is given;
- 14.4 by an Investor:--
 - 14.4.1 to the beneficial owner or owners in respect of which the Investor is a nominee or custodian or any other nominee or custodian of such beneficial owner or owners;
 - 14.4.2 to any unitholder, shareholder, partner, participant, manager or adviser (or any employee of such manager or adviser or any company which is a holding company or subsidiary of such manager or adviser) in any investment fund or co-investment plan in respect of which the Investor is a nominee or custodian;
 - 14.4.3 to any other investment fund managed or advised by the same manager or adviser as the investment fund in respect of which the Investor is a nominee or custodian;

15 Employee Transfers

- 15.1 The Directors shall register the transfer of any Equity Shares made pursuant to and in accordance with the rules and procedures ("Internal Share Market Rules") as may be adopted from time to time by the Directors with the approval of the Principal Investors to govern transfers of Shares by employees of the Group.
- 15.2 For the avoidance of doubt, the Internal Share Market Rules may provide for the purchase or holding of Equity Shares by or on behalf of incoming or new managers.

16 Pre-emption

- 16.1 Subject to Articles 13, 14 and 15, any person proposing to transfer any Equity Shares or Preference Shares shall first give notice in writing to the Company identifying the Shares he wishes to transfer and the price per Share at which he wishes to sell such Shares. The Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of the Sale Shares comprised in the Transfer Notice to any holder of Equity Shares willing to purchase the same or to the Company itself at the Sale Price. A Transfer Notice may contain a Total Transfer Condition and any such provision shall be binding on the Company. A Transfer Notice shall not be revocable except with the sanction of the Board.
- 16.2 Upon the Sale Price being agreed or determined in accordance with Article 16.4, the Sale Shares shall (subject to Article 16.3) be offered to all the holders of Equity Shares (other than the Proposing Transferor) and thereafter the Company itself on the basis that, if there is competition for the Sale Shares then they shall be allocated amongst Purchasing Members pro rata according to the number of Equity Shares (of whatever class) respectively held by them:-

- 16.3 The Offer Notice shall be in writing and shall state the number of the Sale Shares, the Sale Price and shall limit the time in which the offer may be accepted, being not less than 28 days nor more than 56 days after the date of the Offer Notice. If any Sale Shares shall not be capable (without fractions) of being offered to the Members in proportion to their existing holdings, the same shall be offered to the Members, or such of them, in such proportions and in such manner as may be determined by the Board. For the purpose of these Articles an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company.
- 16.4 The Sale Price shall be the fair value as may be agreed between the Company and the Proposing Transferor or, if no agreement is reached, as the Expert shall, on the application of either the Proposing Transferor or the Board, certify in writing to be the fair value per Share. In certifying the fair value of Shares the Expert shall be considered to be acting as an expert and not an arbitrator and its decision shall (save in the case of manifest error) be final and binding. The reasonable costs of the Expert shall be borne by the Company. For the purposes of this Article the Expert shall value the Sale Shares on a going concern basis on the assumption that:-
- 16.4.1 the sale is at an arms length between a willing seller and a willing buyer;
 - 16.4.2 all Shares rank *pari passu* in all respects;
 - 16.4.3 there is no restriction on the transfer of Shares;
 - 16.4.4 there is no reduced or enhanced value attached to any holding of Shares by virtue of such holding comprising or conferring a minority or majority of the total issued share capital of the Company;
 - 16.4.5 account shall be taken of any monies received by the Group from the proceeds of any keyman policy held by any company in the Group; and
 - 16.4.6 to the extent the Expert considers it appropriate account shall be taken of the impact on the Group of the Proposing Transferor ceasing to be an employee or acting as a director of any Group Company.
- 16.5 If Purchasing Members shall be found for all the Sale Shares within the appropriate period specified in Article 16.3, the Company shall not later than 28 days after the expiry of such period give notice in writing to the Proposing Transferor and the Purchasing Members (identifying the Purchasing Members and the Sale Shares allocated to each of them) and the Proposing Transferor shall be bound upon payment of the Sale Price to transfer the Sale Shares to the Purchasing Members.
- 16.6 If the Company shall not find Purchasing Members willing to purchase all or any of the Sale Shares pursuant to this Article 16 within the period provided then the Company may, subject to the provisions of the Order, exercise its power to purchase such number of the Sale Shares as it may determine or, if the Transfer Notice contained a Total Transfer Condition, all of the Sale Shares.

- 16.7 If the Company declines or is unable to exercise the powers referred to in Article 16.6 the Company shall, where the Transfer Notice contained a Total Transfer Condition, serve upon the Proposing Transferor a Non-Allocation Notice specifying all the Sale Shares or, where the Transfer Notice contained no Total Transfer Condition, serve upon the Proposing Transferor a Sale Notice in respect of those Sale Shares allocated and a Non Allocation Notice specifying the number of Sale Shares remaining unallocated.
- 16.8 During the period of 3 months following the receipt by the Proposing Transferor of a Non Allocation Notice, the Proposing Transferor may, subject to Article 11 transfer the Sale Shares specified in the Non Allocation Notice to any person or persons provided that:-
- 16.8.1 the price for such Shares is not less than the Sale Price; and
- 16.8.2 if the Transfer Notice included a Total Transfer Condition, the Proposing Transferor shall not be at liberty to sell part only of the Sale Shares pursuant to this Article 16.8.
- 16.9 If in any case the Proposing Transferor, within 14 days of having become bound to do so, fails to transfer any Sale Shares in accordance with this Article, the Company may receive the purchase money on his behalf, and may authorise a Director to execute a transfer of such Sale Shares in favour of the Purchasing Members or the Company as the case may be. Payment of the purchase money by the Company into a separate appropriately designated bank account shall be a good discharge to the Purchasing Members or the Company.
- 16.10 The provisions of Article 16.1 shall not apply to any Permitted Transfer and the Company shall be required to register any such transfer as soon as reasonably practicable following it being lodged at the registered office of the Company.
- 17 Deemed Transfer Notice**
- 17.1 If any Member or, in the case of joint holders, if the survivor of such joint holder, shall die a Transfer Notice shall be deemed to have been served in accordance with Article 16.1, upon the date that the Company receives notice of the death of such Member. Subject to the provisions of this Article 17.1, regulations 29 to 31 inclusive of Table A shall apply as regards the transmission of shares on the death of a member.
- 17.2 If any Member shall become bankrupt or, being a company, shall pass a resolution to wind itself up or have a winding up order issued or make any arrangement or composition with his creditors or, being an individual, become of unsound mind or, if while he is a patient within the meaning of the Mental Health (NI) Order 1986, an order shall be made in respect of his property under Articles 98 or 99 or 96 of that Order, a Transfer Notice shall be deemed to have been served in accordance with Article 16.1 on the date of the happening of any such event. Subject to the provisions of this Article 17.2, regulations 29 to 31 inclusive of Table A shall apply as regards the transmission of shares on the bankruptcy of a Member.
- 17.3 If any Member in breach of this Article should attempt to transfer, charge or otherwise dispose of the legal or beneficial interest in any Shares a Transfer Notice shall be deemed to

be served in accordance with Article 16.1 upon the date that the Company receives notice of any attempted transfer, charge or other disposal.

- 17.4 Where a Transfer Notice shall be deemed to have been served in accordance with any of the Articles 17.1 to 17.3 then the provisions of Article 16 shall apply to such Transfer Notice, subject to the following variations:-

- 17.4.1 the Board shall within a reasonable period of receiving notice of the events giving rise to the deemed issue of such Transfer Notice having occurred, instruct the Expert to determine the Sale Price for the Sale Shares the subject of the deemed Transfer Notice in accordance with Article 16.4;
- 17.4.2 a Total Transfer Condition shall be deemed to have been specified by the Proposing Transferor; and
- 17.4.3 the Transfer Notice shall be deemed to have been given in relation to the entire holding of Shares held by the relevant Member, and any Shares held in Family Trust of a relevant Member such shares having been transferred into such Trust by or from a relevant member.

18 Change of Control

- 18.1 No sale or transfer of any Share (other than a Permitted Transfer) may be made or registered if, as a result of such sale or transfer, 50% or more of all Shares would be held by any person or company (other than a Member at the date of adoption of these Articles) without the prior written approval of the Principal Investors.

19 Drag Along Option

- 19.1 If the Selling Shareholders wish to transfer all their interest in Equity Shares ("the Sellers' Shares") to a bona fide arms length purchaser ("the Third Party Purchaser") then the Selling Shareholders shall have the option ("the Drag Along Option") to require all the other holders of Equity Shares ("the Called Shareholders") to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this Article.
- 19.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect ("a Drag Along Notice") at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares ("the Called Shares") pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.
- 19.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled

to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 19.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the appropriate proportion of the Equity Proceeds determined pursuant to Article 5.2
- 19.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:-
- 19.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or
- 19.5.2 that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.
- 19.6 The rights of pre-emption set out in these Articles shall not arise on any transfer of shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 19.7 If any holder of any Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by him the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and the directors shall forthwith register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced.
- 19.8 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company ("a New Member"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article shall apply mutatis mutandis to the new Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on a New Member.

20 Notices

- 20.1 Any notice required to be given under these Articles will be in writing and signed (or by some person duly authorised by) the person giving it. The notice may be served by leaving it at or sending it by recorded delivery or registered post to (in the case of the Company) its registered office for the time being or (in the case of a Member) his registered address within the United Kingdom.

- 20.2 Any notice so served will be deemed to have been received:-
- 20.2.1 in the case of a personal service, upon delivery;
 - 20.2.2 in the case of a recorded delivery or registered post, forty eight hours from the date of posting.

20.3 In the case of notices sent by registered post it will be sufficient in proving service to establish that the envelope containing it was properly addressed, stamped and posted.

21 General Matters

21.1 The Board may convene general meetings.

21.2 If there are no directors of the Company at any time, any member may convene a general meeting.

21.3 Regulation 37 of Table A will not apply to the Company.

22 Proceedings at General Meetings

22.1 If at any adjourned general meeting a quorum is not present within one hour from the time appointed for the meeting or, if during such an adjourned meeting, a quorum ceases to be present, one person entitled to be counted in a quorum will be a quorum.

22.2 A poll may be demanded at any general meeting by any Member present in person or by proxy and entitled to vote. Regulation 46 of Table A will be modified accordingly.

22.3 An instrument executed for the purposes of Regulation 53 will be deemed to be duly executed if it is sent to or received by the Company in writing with the name of the Member or his attorney or proxy.

23 Directors

23.1 Unless and until otherwise determined by the Company in General Meeting the number of Directors shall be not less than three.

23.2 The quorum for the transaction of the business of the directors shall be at least three directors. One of such directors shall be an Investor Director if an Investor Director shall have been appointed and one of such directors shall be an executive director. The Principal Investor(s) appointing such Investor Director(s) shall be entitled to waive such requirement by notice to the Company either generally or in respect of the meeting at which the relevant business is to be transacted. The requirement that an Investor Director shall be required for a meeting to be quorate shall be deemed to have been satisfied if proper notice of the meeting has been given to the Investor Director(s) as required under Article 23.7, whether or not such Investor Director(s) attends the meeting.

23.3 A Director need not hold any Shares of the Company to qualify him as a Director.

23.4 The Directors, or a committee of the Directors, may hold meetings by telephone either by

conference telephone connection(s) (provided that each director is able to hear each other director) or by a series of telephone conversations or by exchange or facsimile transmissions addressed to the chairman. The views of the Directors, or a committee of the Directors, as ascertained by such telephone conversations or facsimile transmissions and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting of the Directors (or, as the case may be, of that committee) duly convened and held. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

- 23.5 Each Director's remuneration shall be determined by the Board. Regulation 82 in Table A shall be modified accordingly.
- 23.6 A Director may vote as a Director in regard to any contract or arrangement in which he is interested, or upon any matter arising in connection with such contract or arrangement provided that he declares such interest and, if he does so vote, his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration, Regulation 94 to 98 in Table A shall be modified accordingly.
- 23.7 A meeting of Directors shall be called on a minimum of 14 days written notice (unless the matter proposed to be considered at the meeting requires urgent attention, in which case the notice shall be whatever period is considered reasonable) and it shall be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Regulation 88 in Table A shall be modified accordingly.
- 23.8 Without prejudice to the provisions of Article 311 of the Order, the Company may not by extraordinary resolution remove any Director before the expiration of his term of office unless the Principal Investors otherwise direct in writing. The Company may by ordinary resolution appoint another person in place of the Director so removed.
- 23.9 No person shall be or become incapable of being appointed a Director by reason of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person and no Director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age.

24 Alternate Directors

- 24.1 An alternate director's appointment will determine if he resigns by writing to the registered office of the Company.
- 24.2 An alternate director will be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a director.
- 24.3 A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate and he shall count for himself and for each Director

for whom he acts as alternate for the purpose of determining whether a quorum be present.

- 24.4 An alternate director shall only be appointed and allowed to act as an alternate after the consent of the Board of Directors has been obtained for such appointment provided always that no such consent shall be required for the appointment of an alternate director acting for an Investor Director.

25 Appointment and Retirement of Directors

- 25.1 The Investor Director(s) will not retire by rotation. Regulations 73 to 75 (inclusive) and Regulations 80 of Table A will not apply to the Investor Director(s).
- 25.2 Regulations 76 and 77 of Table A will be amended by omitting the words "other than a director retiring by rotation".
- 25.3 Regulation 78 of Table A will be amended by omitting the words "and may also determine the rotation in which any additional directors are to retire".

26 Investor Director

- 26.1 Each of the Principal Investors may at any time and from time to time appoint one person to be a Director or remove from office any Investor Director appointed by such Principal Investor and replace him or her with a new Investor Director. The maximum number of Investor Directors shall accordingly be two. Upon request of either of the Principal Investors the Company shall procure any Investor Director appointed by such Principal Investor pursuant to this Article 26.1 is appointed a director of any Group Company.
- 26.2 Any such appointment, removal, consent or notice shall be in writing served on the Company and signed on behalf of the relevant Principal Investor or by any of its directors or its secretary or some other person duly authorised for the purpose. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of any Investor has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.
- 26.3 An Investor Director shall be reimbursed the out-of-pocket expenses incurred by him in connection with his duties as a director of the Company.

27 Exercise of Investors' Powers

The rights, powers and discretions granted to the Investors by these Articles (including the giving of any approval or consent required under these Articles) shall as between the Members and any third party be exercisable by a notice in writing signed by Investors holding not less than 50% of the A Ordinary Shares in issue.

28 Directors' Appointment and Interests

- 28.1 The Board may at any time (but without prejudice to any claim for damages which a director may have for breach of any service contract) remove or dismiss a director appointed to any office or terminate any agreement or arrangement made with any director pursuant to Regulation 84 of Table A. Regulation 84 of Table A will be modified accordingly.
- 28.2 The last sentence of Regulation 84 of Table A will not apply to the Company.
- 28.3 A managing director or other executive director will (without prejudice to any claim for damages they may have for breach of any service contract) be subject to the same provisions as to removal and vacation of office as the other directors of the Company. If he ceases to hold the office of director for any reason, he will immediately cease to be managing director or executive director.
- 28.4 Regulations 85 and 86 of Table A will be amended by omitting the words "and extent" wherever they appear.

29 Directors' Gratuities and Pensions

Regulation 87 of Table A will be amended by adding the words "or associated company" after the word "subsidiary" wherever it appears in the Regulation.

30 Borrowing Powers

The Board may exercise all of the powers of the Company to borrow money and to mortgage and charge its property, undertaking and uncalled capital as security for such borrowings. The Board may issue debentures, debenture stock and other securities as security for any debt, liability or obligations of the Company or of its subsidiaries.

31 Indemnity

Every director, alternate director, secretary or other officer of the Company will 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. This indemnity includes any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application under Article 675 of the Order in which relief is granted to him by the Court. No director, alternate director, secretary or other officer will 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. However, this Article will only have effect insofar as its provisions are not avoided by the provisions of the Order.

32 Expert

- 32.1 Whereby any provision of these Articles the Expert is required to certify or give an opinion on any matter the following provisions shall apply unless otherwise herein specifically varied.

- 32.2 The relevant matter may be referred to the Expert by either the Company or any Shareholder directly interested in the matter but not by any other Member Director or person.
- 32.3 The Expert shall be deemed to be acting as experts and not arbitrators and accordingly the Arbitration Acts 1996 shall not apply.
- 32.4 The Expert shall not be required to give reasons for their opinions and/or certificates.
- 32.5 The costs and expenses of and incidental to obtaining an opinion and/or certificate from the Expert including the costs of the President appointed in accordance with Article 32.7 below shall be borne by the Company.
- 32.6 In the absence of manifest error the determination of the Expert on any matter referred to them shall be final and binding on the Company, the Directors and the Members.
- 32.7 Where the Expert refuse to give the opinion or certificate required of them the matter shall be referred to an independent firm of chartered accountants agreed by the Members or failing agreement within 7 days a firm selected by the President for the time being of the Institute of Chartered Accountants in Ireland upon the application of any Member.