

No: 2672650

COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

HYGIEIA HEALTHCARE HOLDINGS LIMITED

(Adopted by Written Resolution on

1993)

PART 1

SPECIAL PROVISIONS

PRELIMINARY

1(A) The headings shall not affect the construction hereof and, in the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith, the following words and expressions shall bear the meanings following:-

"'A' Shares"	the 'A' Ordinary Shares of £1 each in the capital of the Company;
"'A' Shareholders"	the holders for the time being of the 'A' Shares;
"'A' Preference Shares"	the Variable Rate Redeemable Preference Shares of £1 each in the capital of the Company;
"the Act"	the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
"Ambazac"	Ambazac Limited;

"A"

These are the
Articles referred
to in the copy
resolutions
to which this
document is
attached
Chaffe Street
22.2.93

"Ambazac Director"	the Director of the Company appointed by Ambazac from time to time;
"Base Rate"	the weighted average (calculated on a time basis) base rate of National Westminster Bank plc for the Financial Year concerned or if no such rate is quoted such comparable rate quoted by a London clearing bank as Granville may reasonably select;
"'B' Preference Shares"	the Variable Rate Redeemable Preference Shares of £1 each in the capital of the Company;
"'B' Shares"	the 'B' Ordinary Shares of £1 each in the capital of the Company;
"'B' Shareholders"	the holders for the time being of the 'B' Shares;
"Board"	the board of directors of the Company from time to time;
"Copthall"	Copthall Trust SA;
"Copthall Director"	the Director of the Company appointed by Copthall from time to time;
"Financial Year"	a year ending on 31 December;
"Granville"	Granville Development Capital Limited;
"Granville Director"	the Director of the Company appointed from time to time by Granville on behalf of the

"the Group"	Granville Funds',
"Listing Event"	the Company and its Subsidiaries for the time being; the date of admission of any part of the equity share capital of the Company to the Official List of The Stock Exchange or the grant of permission for the equity share capital of the Company or any part thereof to be dealt in on the Unlisted Securities Market or any other recognised public exchange in any part of the world or any successor of any of them;
"Member"	any holder for the time being of Shares;
"Ordinary Share Capital"	the 'A' Shares and the 'B' Shares;
"Ordinary Shares"	the 'A' Shares and the 'B' Shares;
"Preference Shares"	the 'A' Preference Shares and the 'B' Preference Shares;
"Related Company"	a company other than a member of the Group in which a member of the Group either holds or has an interest in one or more of the shares comprised in its equity share capital;
the "Schemes"	the British Telecommunications Pension Scheme and the Post Office

	Staff Superannuation Scheme (individually a "Scheme");
"Schemes' Director"	the non-executive director of the Company appointed by the Scheme Trustees from time to time;
"the 'Schemes' Trustees"	together the trustees for the time being of the Schemes (including in each case any custodian trustee);
"Shares"	the 'A' Shares, the 'B' Shares, the 'A' Preference Shares and the 'B' Preference Shares for the time being in the capital of the Company;
"Subscription Agreement"	the agreement entered into on the 1993 between the Company (1), Peter Brenikov (2), David Wells (3), Kenneth Tweedie (4), Colin Williamson (5), D B S Trust S.A. and others (6), Cophall Trust S.A. (7), Ambazac Limited (8), Kleinwort Benson (Jersey) Limited (9), Granville (10), Britel Fund Trustees Limited (11), Possfund Custodian Trustee Limited (12) and Postel Investment Management Limited (13) together with any agreement supplemental thereto;
"Table A"	Table "A" in the Schedule to the Companies (Tables A to F)

"Sale"

Regulations 1985 (as amended) as
in force at the date hereof;
the acceptance of an offer or the
making of an agreement which upon
the satisfaction of the conditions
(if any) of such offer or
agreement results in a person
obtaining a Controlling Interest
in the Company as defined in
Article 28.3;

Words importing the singular number also include the plural number
and vice versa.

Words importing the masculine gender also include the feminine
gender.

References to persons shall include bodies corporate,
unincorporated associations and partnerships.

Words and expressions defined elsewhere in these Articles shall
bear the meaning thereby ascribed to them.

Words and expressions defined in the Act shall, unless the context
otherwise requires, have the same meaning in these Articles.

Words and expressions defined in the Subscription Agreement shall,
unless the context otherwise requires, have the same meaning in
these Articles.

If there is any difference or conflict between the provisions of these Articles and the Subscription Agreement the Subscription Agreement shall prevail.

- (B) The Regulations contained in Table A shall apply to the Company save in so far as they are excluded or modified hereby. The Regulations contained in Table A numbered 5, 24 (first sentence), 41, 54, 64, 65-69, 73-76, 78, 81, 84, 102 and 110 shall not apply, but subject as aforesaid, the following shall be the Articles of Association of the Company.

SHARE CAPITAL

- 2(A) The authorised share capital of the Company at the date of the adoption of these Articles is £3,608,029 divided into 310,566 'A' Shares, 233,333 'B' Shares, 2,185,500 'A' Preference Shares and 878,630 'B' Preference Shares.
- (B) Subject to the rights of the holders of the 'A' Shares and the 'B' Shares set out in Article 4 below for the purposes of section 80 of the Act, the Directors are generally and unconditionally authorised during the period of 5 years immediately following the date of the adoption of these Articles to issue all or any of the unissued share capital at the time of adoption of these Articles provided that the Directors may also issue any shares outside such period where (subject as aforesaid) the obligation to make such issue was incurred (actually or contingently) during such period.
- (C) Save as is hereinafter provided, with regard to the Class Consents referred to below and the pre-emption provisions which apply on a transfer notice being given or a deemed transfer notice arising, the

'A' Shares and the 'B' Shares shall rank pari passu in all respects but shall constitute separate classes of ordinary shares.

3. The special rights and restrictions attached to and imposed on the 'A' Shares, the 'B' Shares, the 'A' Preference Shares and the 'B' Preference Shares respectively are as follows:-

(A) Income 'A' Preference Shares

- (1) The 'A' Preference Shares shall confer upon the holders thereof as a class the right in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company to receive (exclusive of the advance corporation tax payable relative thereto) a fixed variable rate cumulative preferential dividend ("the 'A' Fixed Dividend") in respect of each 'A' Preference Share at the rate which for each of the Financial Years specified below is the rate per annum specified opposite that year:

<u>Financial Year</u>	<u>Rate</u>
1995	Base Rate minus 3% per annum
1996	Base Rate
1997 and thereafter	the aggregate of 3% per annum and Base Rate

compounded annually at that rate until paid in respect of each Financial Year or part thereof ending on or after 31st December 1994 of the amount paid up on each 'A' Preference Share.

- (2) The 'A' Fixed Dividend shall be paid in cash by two equal

payments on 1st July and 1st January of each year save that the first such payment shall be on 1st July 1994 in respect of the period from 1st January 1994.

- (3) Subject to the Company having profits available for distribution the 'A' Fixed Dividend shall accrue from day to day to the holders of the 'A' Preference Shares pro rata according to the number of 'A' Preference Shares held by each such Shareholder.

(B) Income: 'B' Preference Shares

- (1) The 'B' Preference Shares shall in respect of each Financial Year or part thereof ending on or after 31st December 1994 confer upon the holders thereof as a class the right in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company (other than the 'A' Preference Shares) to receive a fixed variable rate cumulative dividend (exclusive of the advance corporation tax payable relative thereto) ("the 'B' Fixed Dividend" and with the 'A' Fixed Dividend "the Fixed Dividends" and individually a "Fixed Dividend") for each Financial Year of an amount per share equal to the rate of the A Fixed Dividend for that Financial Year on the amount paid up on each 'B' Preference Share.
- (2) The 'B' Fixed Dividend shall be paid in cash by two equal payments on 1st July and 1st January of each year save that the first such payment shall be on 1st July 1994 in respect of the period from 1st January 1994.

(3) Subject to the Company having profits available for distribution the 'B' Fixed Dividend shall accrue from day to day to the holders of the 'B' Preference Shares pro rata according to the number of 'B' Preference Shares held by each such shareholder.

(C) Income: 'A' Preference Shares and 'B' Preference Shares

In the event that whether by reason of any principle of law or otherwise the Company is unable to pay in full on any such 1st July or 1st January or other due date for payment under Articles 3(A) and 3(B) (each of which dates is in this paragraph referred to as a "Dividend Date") any instalment of 'A' Fixed Dividend or 'B' Fixed Dividend to any of the holders of the 'A' Preference Shares or the 'B' Preference Shares respectively which would otherwise be required to be paid pursuant to Articles 3(A) and/or 3(B) on that Dividend Date to any of the holders of the 'A' Preference Shares or the 'B' Preference Shares (in this paragraph any such dividend being hereinafter called "Relevant Dividend") then the following provisions shall apply:-

- (a) on the due Dividend Date the Company shall pay to such holders on account of the Relevant Dividend the maximum sum (if any) which can then consistently with any such principle of law, be properly paid by the Company; and
- (b) on every succeeding Dividend Date the Company shall pay to such holders on account of the balance of the Relevant Dividend for the time being remaining outstanding, and until the Relevant Dividend shall have been paid in full, the maximum sum (if any) which on each such succeeding Dividend Date respectively can, consistently with any such principle of law, be properly paid by the Company, provided that for

the avoidance of doubt all arrears of dividend on the 'A' Preference Shares shall be met before any payment of dividend or arrears of dividend accrued on any other class of shares in the Company is made.

(D) Income: 'A' Shares and 'B' Shares

- (1) Without the prior written consent of the holders of the 'A' Preference Shares no dividends shall be declared or paid on the 'A' Shares or the 'B' Shares in respect of any Financial Year of the Company.
- (2) The profits of the Company available for distribution and resolved to be distributed to the extent that they are sufficient for the purpose shall be applied after the payment of all arrears and accruals of the 'A' Fixed Dividend and the 'B' Fixed Dividend, in accordance with Articles 3(A) to 3(C) in payment by way of dividend to the holders of the 'A' Shares and the 'B' Shares (pari passu in proportion to the amounts paid up or credited as paid up on the 'A' Shares and the 'B' Shares as if they were shares of the same class held by them respectively).

(E) Capital: General

In the event of a winding-up of the Company or other return of capital the assets of the Company remaining after payment of its debts and liabilities (exclusive of any debts which have become due in accordance with Articles 3(A), 3(B) or 3(C) and of the costs, charges and expenses of such winding-up) shall be applied in the following manner and order of priority:-

- (a) Firstly, in or towards paying to the holders of the 'A'

Preference Shares and 'B' Preference Shares as if they were one class (in proportion to the numbers of Preference Shares held by them) all unpaid arrears and accruals of the Fixed Dividend such arrears and accruals to be calculated down to and including the date of the return of capital irrespective of whether or not such unpaid arrears and accruals have become due and payable in accordance with any of the provisions of Articles 3(A), 3(B) or 3(C);

- (b) Secondly, in or towards paying to the holders of the 'A' Preference Shares and B Preference Shares as if they were one class (in proportion to the number of Preference Shares held by them) the nominal amount paid up or credited as paid on such shares including the amounts (if any) credited to share premium account in respect thereof;
- (c) Thirdly, in or towards paying to the holders of the 'A' Shares and the 'B' Shares (in proportion to the number of 'A' Shares and 'B' Shares held by them) the nominal amount paid up or credited as paid up on such shares including the amounts (if any) credited to share premium account in respect thereof;

(F) Voting

- (i) The holders of the 'A' Shares and the 'B' Shares shall be entitled to receive notice of and shall be entitled to attend either in person or by proxy any General Meeting of the Company and shall be entitled to vote at any such meeting on a poll on the basis of one vote for each such share held.
- (ii) The holders of the 'A' Preference Shares and the 'B' Preference Shares shall be entitled to receive notice of and

shall be entitled to attend either in person or by proxy any General Meeting of the Company but shall not be entitled to vote at any such meeting, unless:

- (a) at the date of the notice or requisition to convene the meeting either Fixed Dividend is six months in arrear (by reference to the payment dates stipulated in paragraphs (A) and (B) of this Article) or any Preference Shares due to be redeemed in accordance with paragraph (G) of this Article shall have remained unredeemed for a period exceeding 28 days from the date for redemption thereof (whether or not there were sufficient profits or other funds available out of which such dividends could be paid or such redemption could be made); or
 - (b) the business of the meeting is or includes the consideration of a resolution for winding-up the Company or a resolution for reducing the Company's share capital or a resolution varying, modifying altering or abrogating any of the rights, privileges, limitations or restrictions attached to either class of Preference Shares (in which case the holders of that class of Preference Shares shall be entitled to vote only on such resolution).
- (iii) If the voting rights set out in sub-Article (ii) arise in relation to either or both classes of Preference Share, then if the rights arise under sub-Article (ii)(a) at any meeting of shareholders or if the rights arise under sub-Article (ii)(b) in relation to the resolution mentioned there the holders of the Preference Shares shall, until due payment of all such dividends, or until all Preference Shares required

to be redeemed pursuant to paragraph (G) hereof have been so redeemed (as the case may be), be entitled to vote on a poll on the basis of one vote for each Preference Share held.

(G)(1) 'A' Preference Shares as Regards Redemption:-

- (a) Subject to the provisions of the Act and the proportionate redemption of the 'B' Preference Shares the 'A' Preference Shares shall be redeemed at par on the following dates in the following amounts, namely:-

<u>DATE</u>	<u>AMOUNT</u>
1st January 1996	£371,535
1st January 1997	£633,795
1st January 1998	£633,795
1st January 1999	£546,375

together with any arrears or accruals of the 'A' Fixed Dividend on such shares whether or not declared or earned, calculated down to and including each of the said redemption dates.

- (b) On the occurrence of a Listing Event or a Sale then the Company must immediately before concluding the Listing Event or Sale concerned redeem all of the 'A' Preference Shares at par together with the amounts (if any) credited to share premium account in respect thereof which then remain to be redeemed together with any arrears or accruals of the 'A' Fixed Dividend on such shares whether or not declared or earned calculated down to and including the redemption date.
- (c) Unless the holders of the 'A' Preference Shares otherwise resolve the 'A' Preference Shares (or such of them as shall at the relevant time not have been redeemed or repaid) shall become immediately redeemable at par and all arrears or

accruals of the 'A' Fixed Dividend whether earned or declared or not shall become immediately payable upon the happening of any of the following events:-

- (i) if an order is made or an effective resolution pursuant to a creditors voluntary liquidation is passed for the winding up of the Company or any Subsidiary;
- (ii) if a Receiver, Receiver and Manager, Administrative Receiver or Administrator is appointed or an encumbrancer takes possession of the whole or a substantial part of the property or undertaking of the Company or any Subsidiary;
- (iii) If a distress or execution in respect of a judgment is levied after the date hereof against any part of the property or undertaking of the Company or any Subsidiary;
- (iv) If the Company or any Subsidiary ceases to carry on business or is deemed for the purposes of the Insolvency Act 1986 to be insolvent;

In sub-paragraphs (i) to (iv) inclusive of this paragraph (c) "Subsidiary" shall mean a subsidiary contributing more than 25% of the turnover of the Group from time to time as shown in the audited consolidated accounts of the Group for the financial year or period immediately preceding the event in question.

- (d) The Company may either with the consent of a majority of the holders of the 'B' Preference Shares, or if the redemption of the 'B' Preference Shares is also accelerated in proportion, accelerate the redemption of the 'A' Preference Shares PROVIDED THAT the amounts redeemed early in any six

month period must not be less than £10,000 and any accelerated payments shall be applied to the tranches (in whole or in part) in reverse order of redemption under the provisions of Article 3(G)(1)(a).

- (e) The 'A' Preference Shares to be redeemed in accordance with sub-clauses (a) or (d) aforesaid, shall be selected as nearly as may be to ensure that the number of 'A' Preference Shares of each holder thereof is thereby reduced in the same proportion.
- (f) All 'A' Preference Shares when redeemed shall be cancelled and may not be re-issued.
- (g) Not less than one month's and not more than two month's notice of redemption shall be given by the Company to the registered holders of any 'A' Preference Shares to be redeemed.
- (h) The notice of redemption shall be in writing and shall fix the time and place in London England for such redemption and shall specify the particular shares to be redeemed. At the time and place so fixed, the registered holders of the 'A' Preference Shares to be redeemed shall be bound to deliver to the Company the certificate for such shares for cancellation, and thereupon the Company shall pay to (or to the order of) such holders all the monies payable in respect of the redemption of such shares, and such payment shall be made through a bank if the Company shall think fit. If any certificate so delivered to the Company shall include 'A' Preference Shares not redeemed on the occasion for which it is so delivered, the Company shall issue without charge a fresh certificate for such 'A' Preference Shares to the relative holder.

- (i) The 'A' Fixed Dividend payable on each of the 'A' Preference Shares becoming liable to be redeemed under the foregoing provisions shall cease to accrue as from the date of the expiry of the said notice of redemption unless upon the due delivery of the relative share certificate the Company shall default in its redemption obligations.

(G)(2) 'B' Redeemable Preference Shares as regards Redemption:-

- (a) Subject to the provisions of the Act, and the proportionate redemption of the 'A' Preference Shares, the 'B' Preference Shares shall be redeemed at par on the following dates and in the following numbers in issue on 31 December 1995:-

Date

1st January 1996	149,006
1st January 1997	253,057
1st January 1998	253,057
1st January 1999	223,510

together with any arrears or accruals of the 'B' Fixed Dividend on such shares whether or not declared or earned, calculated down to and including the said redemption date.

- (b) On the occurrence of a Listing Event or a Sale then the Company must immediately before concluding the Listing Event or Sale concerned redeem all of the 'B' Preference Shares at par together with the amounts (if any) credited to share premium account in respect thereof which then remain to be redeemed together with any arrears or accruals of the 'B' Fixed Dividend on such shares whether or not declared or earned calculated down to and including the redemption date.
- (c) The 'B' Preference Shares (or such of them as shall at the

relevant time not have been redeemed or repaid) shall become immediately redeemable at par and any arrears of dividend shall become immediately payable upon the happening of any of the following events:-

- (i) If an order is made or an effective resolution pursuant to a creditors voluntary liquidation is passed for the winding up of the Company or any Subsidiary;
- (ii) If a Receiver, Receiver and Manager, Administrative Receiver or Administrator is appointed or an encumbrancer takes possession of the whole or a substantial part of the property or undertaking of the Company or any Subsidiary;
- (iii) If a distress or execution in respect of a judgment is levied after the date hereof against any part of the property or undertaking of the Company or any Subsidiary;
- (iv) If the Company or any Subsidiary ceases to carry on business or is deemed for the purposes of the Insolvency Act 1986 to be insolvent;

In sub-paragraphs (i) to (iv) inclusive of this paragraph (c) "Subsidiary" shall mean a subsidiary contributing more than 25% of the turnover of the Group from time to time as shown in the audited consolidated accounts of the Group for the financial year or period immediately preceding the event in question.

- (d) The Company may accelerate the redemption of the 'B' Preference Shares PROVIDED THAT the amounts redeemed early in any six month period must not be less than £10,000 and any accelerated payments shall be deemed to be in respect of

the tranche (or part tranche) which is the latest due for redemption under the provisions of Article 3(G)(2)(a).

- (e) The 'B' Preference Shares to be redeemed in accordance with sub-clauses (a) or (d) shall be selected as nearly as may be to ensure that the number of 'B' Preference Shares of each holder thereof is thereby reduced in the same proportion.
- (f) The 'B' Preference Shares when redeemed shall be cancelled and may not be re-issued.
- (g) Not less than one month's and not more than two month's notice of redemption shall be given by the Company to the registered holders of any 'B' Preference Shares to be redeemed.
- (h) The notice of redemption shall be in writing and shall fix the time and place in London, England for such redemption and shall specify the particular shares to be redeemed. At the time and place so fixed, the registered holders of the 'B' Preference Shares to be redeemed shall be bound to deliver to the Company the certificate for such shares for cancellation, and thereupon the Company shall pay to (or to the order of) such holders all the monies payable in respect of the redemption of such shares, and such payment shall be made through a bank if the Company shall think fit. If any certificate so delivered to the Company shall include 'B' Preference Shares not redeemed on the occasion for which it is so delivered, the Company shall issue without charge a fresh certificate for such 'B' Preference Shares.
- (i) The 'B' Fixed Dividend payable on each of the 'B' Preference Shares becoming liable to be redeemed under the foregoing provisions shall cease to accrue as from the date of the expiry of the said notice of redemption unless the Company

shall default in its redemption obligations other than through the shareholders' failure to deliver up the relevant share certificates.

- (j) In the event that the Company is not able for whatever reason to redeem all the 'B' Preference Shares on 1st July 1995 those which the Company was then unable to redeem, shall be redeemed as soon as possible thereafter (but subject to the proportionate redemption of the 'A' Preference Shares at that time) with the number redeemed relative to each financial year being limited so that the redemption monies which when aggregated with any accruals of the 'B' Fixed Dividend, do not exceed one quarter of the distributable profits of the Company for that financial year.

4. Shareholders Class Consents

Without prejudice to the restrictions contained in these Articles as to the modification of the rights attached to classes of shares the consent or sanction of the holders of the 'A' Shares given in accordance with the provisions of Article 16 of Part II of these Articles shall be required in relation to the following items:-

- (1) to amend any provision of the Memorandum or Articles of Association of the Company or any of its subsidiaries;
- (2) to the calling of a meeting for the purposes of considering a resolution to wind up the Company or any subsidiary of the Company;
- (3) without the written consents of the Granville Director and the Schemes' Director for the Group or any member of it to make or commit to make capital expenditure in excess of £100.000 in aggregate unless included in the last annual

budget delivered both to Granville and the Schemes' Trustees pursuant to clause 5.1(a) of the Subscription Agreement and approved by Granville and the Schemes' Trustees or in relation to any single item not within such last annual budget in excess of £50,000. For the purpose of this sub-paragraph (3) capital expenditure shall include the capital value of all items purchased or leased on hire purchase, lease purchase, lease agreements and other form of credit sale or asset financing agreement;

- (4) for any member of the Group to make any material acquisition, disposal or change in the nature of its trade or business (as at the date hereof) or in the case of the Company from the trade or business of a holding company;
- (5) to create or implement any pension scheme bonus or profit sharing scheme in the Group;
- (6) to remove Price Waterhouse as auditors of the Company and if Price Waterhouse resign as auditors or are removed to appoint any eligible accountancy firm in their place;
- (7) to change the accounting reference date of the Company or any subsidiary from 31st December;
- (8) to appoint or remove any director to or from the Board of the Company or any subsidiary;
- (9) to appoint, increase the remuneration of or vary the service contract with any director or employee of the Company or any subsidiary whose total remuneration exceeds or would thereby exceed £50,000 per annum. For this purpose the expression "total remuneration" shall include salary pension contributions and benefits in kind (whether paid by or on behalf of the Company or subsidiary);
- (10) to enter into any transaction which is not either properly

ancillary to or in the normal and ordinary course of conducting its business, or any transaction which is not on an arm's length basis including any transaction which if the Company were listed on the Stock Exchange would constitute a transaction falling within Class 4 as defined from time to time for the purposes of the regulations of The Stock Exchange;

- (11) to declare or make any distribution by way of dividend on the Ordinary Shares out of the profits of the Company;
- (12) to acquire the whole or part of any undertaking or to acquire or dispose of any shares in the capital of any company or acquire or dispose of any undertaking or shares;
- (13) to lend money (otherwise than by way of a deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or to grant credit (except in the ordinary course of its business) or give any guarantee or indemnity;
- (14) to register any transfer of any shares in favour of any person firm or company other than in accordance with these Articles;
- (15) to make any alteration to the terms of any contract for services or service agreement or any increase in or variation in the basis of calculation of the remuneration (including any salary fee bonus or commission entitlement or arrangement or pension contribution) of any 'B' Shareholder who is a Director or of any person who is an Associate of a 'B' Shareholder;
- (16) to make any change in accounting policies or principles save as may be required from time to time to comply with changes in the law or with Statements of Standard Accounting

Practice;

- (17) to propose any resolution pursuant to the Provisions of ss.159-181 (inclusive) of the Act (Redeemable Shares - Purchase by a Company of its own shares);
- (18) to commence any action to wind-up or dissolve the Company or any of its subsidiaries;
- (19) to make any variation in the authorised or issued share or loan capital or create or grant or vary the terms of any options or other rights to subscribe for shares or to convert any loan or other obligation owed by the Company or a subsidiary into shares in the capital of the Company or any subsidiary;
- (20) to create any one or more mortgages, charges or incumbrances on any asset of the Company or any of its subsidiaries to secure an amount or amounts aggregating or exceeding at any point in time £250,000 or to give on behalf of either the Company or any of its subsidiaries any guarantee for such an amount or amounts;
- (21) to incorporate any new subsidiary of the Company for any purpose whatsoever;
- (22) to capitalise any undivided profits (whether or not the same are available for distribution and including profits outstanding to any reserve) or any sums standing to the credit of the Company's share premium account or capital redemption reserves;
- (23) to participate in any transaction which, assuming the Company or any subsidiary of the Company were listed on The Stock Exchange, would constitute a transaction falling within Class 1 as defined for the purposes of the requirements of The Stock Exchange concerning acquisitions

and realisations of assets by listed companies and their subsidiaries;

- (24) to sell, lease, transfer or otherwise dispose in any Financial Year of the Company of the whole or any significant part of the undertaking or assets of the Company or any of its subsidiaries or the sale or the disposal of a subsidiary, the net assets of which represent more than 25% of the net tangible assets attributable to the Company and its subsidiaries taken as a whole as shown in the latest available consolidated audited balance sheet of the Company and its subsidiaries;
- (25) to propose any resolution whereby the classification or status of the Company may be changed or any exercise of the powers conferred by section 719 of the Act;
- (26) to issue any shares in the capital of the Company from time to time.

BORROWING POWERS

- 5.1 Subject to Article 4 the Board may exercise all the powers of the Company to borrow or raise money and to mortgage or charge all or any part of the undertaking property and assets (present and future) and uncalled capital of the Company and subject to the Act to issue debentures, debenture stock and other securities or security for any debt, liability or obligation of the Company or any third party. The Board shall restrict the Borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount from time to time outstanding of

all Borrowings by the Group (exclusive of borrowings only by one member of the Group from another member of the Group and any intra-group loans indebtedness mortgages or charges) shall not without the previous consents in writing of the Granville Director and the Schemes' Director or the holders of not less than three-fourths of the 'A' Shares or the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the 'A' Shares to which the provisions of Article 16 of Part II of these Articles shall apply at any time thereafter exceed £2,500,000.

5.2 "Borrowings" shall mean all moneys borrowed by members of the group together with any fixed or minimum premium on redemption or repayment thereof and, without prejudice to the generality of the foregoing, shall be deemed to include:

- 5.2.1 any amounts raised by members of the Group under any acceptance credit and shall also include any amounts raised by way of acceptance (other than acceptances for the purchase of goods in the ordinary course of business);
- 5.2.2 the principal amount of any book debts of members of the Group which have been sold or agreed to be sold to a third party;
- 5.2.3 unless already taken into account the nominal amount of any share capital, and the principal amount of any indebtedness, the redemption or repayment whereof is guaranteed or secured or the subject of an indemnity by a member of the Group together with any fixed or minimum premium on redemption or repayment thereof;
- 5.2.4 the principal amount for the time being outstanding in respect of any debenture of a member of the Group and any

fixed or minimum premium on redemption or repayment thereof;

- 5.2.5 the nominal amount of any share capital of a Subsidiary (other than equity share capital) not for the time being beneficially owned by the Company or another Subsidiary together with any fixed or minimum premium on redemption or repayment thereof;
- 5.2.6 the aggregate amount remaining to be paid by members of the Group under any hire purchase agreement or credit sale agreement or unconditional sale agreement (as defined in the Consumer Credit Act 1974);
- 5.2.7 the aggregate amount remaining to be paid by the Company or any Subsidiary under any agreement for the lease hire or bailment of any moveable asset up to the earliest time at which the relevant agreement may be terminated without liability on the part of the Company or such Subsidiary; and
- 5.2.8 any outstanding deferred purchase price of an asset acquired other than in the ordinary course of trading;

But shall not include:-

- 5.2.9 borrowings by the Company from any wholly owned subsidiary, borrowings by one wholly owned subsidiary from another or by a wholly owned subsidiary from the Company;
- 5.2.10 that proportion of the borrowings of a partly owned subsidiary which corresponds to the proportion of its equity share capital not beneficially owned directly or indirectly by the Company (but only to the extent that the amount equivalent to such proportion exceeds borrowings if any from such partly owned subsidiary by the Company or another wholly owned subsidiary).

- 5.3 When the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained any of such moneys denominated for repayment (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London at 11.00 hours London time provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business) or to the extent that the repayment of such monies is specifically covered by a forward currency purchase contract at the rate of exchange specified therein.
- 5.4 A certificate or report by the auditors for the time being of the Company as to the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.
- 5.5 Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the Borrowing was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

SUBSIDIARY COMPANIES

6. The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiaries so as to secure (but as regards its subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that:-
- (a) no shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any such shares or securities otherwise than to the Company or one of its wholly owned subsidiaries; and
 - (b) neither the Company nor any of its subsidiaries transfers or disposes of any shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its wholly owned subsidiaries;

Without in either case the previous consent in writing or the holders of not less than three-fourths of the 'A' Shares or the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the 'A' Shares to which the provisions of Article 16 of Part II of these Articles shall apply.

VOTES OF MEMBERS

7. Save as specifically provided in these Articles and any special terms as to voting upon which any shares may be issued or may for the time being be held on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised corporate representative at a General Meeting of the Company shall have one vote and on a poll every

Member who is present as aforesaid or by proxy shall have one vote for every share of which he is the holder.

NUMBER OF DIRECTORS

8. Unless and until otherwise determined by Ordinary Resolution of the Company the number of Directors of the Company (other than alternate directors) shall be not less than two in number and not more than eight.

AGE OF DIRECTORS

9. No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary to give special notice under the Companies Act of any resolution appointing re-appointing or approving the appointment of a Director by reason of his age but where the Board convenes any General Meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for election or re-election who has at the date of such meeting attained the age of seventy years the Board shall give notice of his having attained such age in the notice convening the meeting or in any document sent therewith but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such Director thereat.

DIRECTORS SHAREHOLDING QUALIFICATION

10. No shareholding qualification shall be required for Directors.

DISQUALIFICATION OF DIRECTORS

- 11.1 Without prejudice to any of the provisions for disqualification of

Directors hereinafter contained the office of a Director shall be vacated if by notice in writing delivered to the office or tendered at a meeting of the Board his resignation is requested by all of the other Directors provided that: (a) this provision as to the vacation of office of a Director shall not apply in regard to the office as Director held by any Granville Director or Schemes' Director; and (b) if the resignation of any Ambazac Director or Copthall Director is requested pursuant to this provision, Ambazac and Copthall shall be entitled to appoint another person (other than the person whose resignation has been so requested) as the Ambazac Director or the Copthall Director (as the case may be).

- 11.2 In addition and without prejudice to Section 303 of the Act, the holders of the 'A' Shares (or a majority of them) may themselves convene an Extraordinary General Meeting of the Company by special notice given in accordance with the Act to all members to consider and if thought fit pass an ordinary resolution to remove any director (other than the Granville Director or the Schemes' Director) and if considered appropriate to appoint another in his stead.

PROVISION FOR EMPLOYEES

12. Subject to Article 4, the Board may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

PART II - GENERAL PROVISIONS

PRIVATE COMPANY

13. The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARE RIGHTS

14. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Ordinary Resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.
15. Subject to the Act and to any special rights conferred on the holders of any shares or class of shares any preference shares may, with the sanction of a Special Resolution be issued on terms that they are or at the option of the Company are liable to be redeemed. The terms and manner of redemption shall be provided for by alteration of these Articles.

MODIFICATION OF RIGHTS

16. Subject to the Act, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of any Extraordinary Resolution passed at a separate general meeting of the holders of such shares. To any

such separate general meeting all the provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by a representative or proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of such adjourned meeting one holder present in person or by representative or proxy may constitute a meeting.

17. The special rights conferred upon the holders of any shares or class of shares shall not unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares be deemed to be altered by the creation or issue of further shares ranking pari passu therewith.

SHARES

18. Subject to the provisions of the Act and these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
19. The Company may in connection with the issue of any shares

exercise all powers of paying commission and brokerage conferred or permitted by the Act.

20. Except as ordered by a Court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
21. Subject to the provisions of the Act and these Articles, the Directors are hereby unconditionally authorised to allot and issue relevant securities (as defined by sub-section (2) of Section 80 of the Act) in accordance with the provisions of the Subscription Agreement. This authority shall expire on the expiry of 5 years from the date of adoption of these Articles save that the Company may on the date of adoption of these Articles make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
22. The Directors are hereby empowered to allot equity securities (as defined by sub-section (2) of Section 95 of the Act) pursuant to the terms of the Subscription Agreement as if sub-section (1) of Section 89 of the Act did not apply thereto. The Company is hereby empowered to make an offer or agreement on the date of adoption of

these Articles which would or might require equity securities to be allotted after the expiry of the authority conferred by Article 21 of these Articles and the Directors may allot equity securities in pursuance of such offer or agreement as if such authority had not expired.

NOTICES

23.1 Every notice calling a General Meeting shall comply with the provisions of Section 372(3) of the Act, and all notices and other communications relating to a General Meeting which any Member is entitled to receive shall also be sent to the Auditor for the time being of the Company.

23.2 An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by at least twenty-one clear days' notice. All other Extraordinary General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed:-

23.2.1 in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and

23.2.2 in the case of any other Meeting by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

23.3 The notice shall specify the time and place of the Meeting and the general nature of the business to be transacted, and in the case of an Annual General Meeting, shall specify the Meeting as such.

- 23.4 Subject to provisions of the Articles and to any restrictions imposed on any share, the notice shall be given to all the Members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and Auditors.

RESOLUTIONS

24. Any such resolution in writing as is referred to in Regulation 53 of Table A may consist of several documents in the like form each signed by one or more of the Members (or their duly authorised representatives).
25. A Member of the Company may request at any time a replacement share certificate in respect of his Shares and the Company will issue the same upon payment of 10p to the Company by the relevant Member.

TRANSFERS - GENERAL

- 26.1 The Directors shall not register any transfer of Shares in the Company except in the circumstances permitted by Articles 26.2 and 27.
- 26.2 Any 'A' Share may be transferred to:
- (a) any Investor;
 - (b) any trustee of or unitholder or limited partner in any fund managed by any Investor or in which any Investor is the general partner;
 - (c) subject to the proviso to Article 27(A)(2), any holding company or subsidiary of or any subsidiary of any holding company of any Investor or any such trustee, unitholder or

- limited partner; or
- (d) any person or persons being a Schemes' Trustee or a nominee or nominees therefor; or
 - (e) any other financial institution or investment fund approved by the Board such approval not to be unreasonably withheld or delayed.

TRANSFERS TO TRUSTEES, NOMINEES, ASSOCIATED COMPANIES AND
OTHER THIRD PARTIES

- 27(A) (1) Without prejudice to Article 20 of these Articles, any Share held by a Member as nominee or trustee may be transferred to any other person or persons provided that the transferor certifies to the Company, and the Board is satisfied, that no beneficial interest in such Share passes by reason of the transfer and provided always that the provisions of this Article shall apply to any Share so transferred as if it were still held by the transferring member and the transferee shall be deemed to have issued a Sale Notice (as hereinafter defined) if the beneficial interest in such Shares does pass pursuant to any such transfer subsequently. The provisions of Article 27(B) of these Articles shall apply in relation to such a deemed Sale Notice.
- (2) Any Member who is a body corporate may transfer any Shares to its ultimate parent company or any other body corporate controlled, directly or indirectly, by its ultimate parent company or the Member Provided always that in the event of any such transferee ceasing to be controlled directly or indirectly by such ultimate parent company or by such Member and immediately prior to it so ceasing, such Shares shall be

- deemed to be subject to a deemed Sale Notice, to which the provisions of Article 27(B) of these Articles shall apply.
- (3) Any Share may be transferred at any time by a Member to any other person with the consent of all the other holders for the time being of the Shares.
- (4) Any Member who is an individual may transfer any Shares to the Trustees of a pension fund set up wholly or partly for the benefit of such Member Provided always that the said Trustees shall be deemed to hold the Shares for the benefit of the Member and shall give an undertaking to the Company that in the event of the Pension Fund ceasing to exist or to be for the benefit of such Member, such Shares shall be transferred back to the Member from whom such Shares were transferred and in the event of the death of the Member or the Member ceasing to be employed by the Company or any subsidiary a deemed Sale Notice pursuant to Article 27(C) in respect of such Shares shall be deemed to have been served by the Trustees.
- (5) Any Member who is an individual may transfer any Shares to the Trustees of a family settlement set up wholly or partly for the benefit of such Member and/or relatives of such Member and of which the said Member is settlor Provided always that the Trustees give an undertaking by deed to the Company that in the event of the death of the Member or the Member ceasing to be employed by the Company or any subsidiary a deemed Sale Notice pursuant to Article 27(C) in respect of such Shares shall be deemed to have been served by the Trustees.
- (6) Any Member who is an individual may transfer any shares to his wife or children over the age of 18 provided that in

the event of the death of the Member or the Member ceasing to be an employee of the Company a deemed Sale Notice pursuant to Article 27(C) in respect of such Shares shall be deemed to have been served by the holder of such shares.

TRANSFER BY SHAREHOLDERS - PRE-EMPTION RIGHTS

(B) Save as provided in Articles 26.2 and 27(A) the Shareholders shall not be entitled to transfer any Shares whether by way of sale or otherwise except in accordance with the following provisions of this Article 27(B):-

- (1) Any Shareholder wishing to transfer part or all of the Shares held by him (hereinafter referred to as the "Retiring Shareholder") shall first give a notice in writing (herein referred to as a "Sale Notice" which expression shall include a notice given in respect of any class of Shares) to the Company specifying the number and denoting numbers (if any) of the shares which the Retiring Shareholder wishes to sell ("the Sale Shares") which notice shall constitute the Company the agent of the Retiring Shareholder for the sale of the Sale Shares at Market Value (such value to be determined in accordance with the provisions of paragraph (7) of this Article 27(B)) and otherwise in accordance with the provisions of this Article 27(B). A Sale Notice may require that unless all the shares comprised in it are sold, none shall be sold.
- (2) On receipt of a Sale Notice given only in respect of 'B' Shares (hereinafter called a "'B' Sale Notice") the Company shall offer the Sale Shares at Market Value to all the other 'B' Shareholders in proportion as nearly as may be to the

nominal amount of their existing holdings of 'B' Shares in the Company. Such offer shall to the extent that the same is not accepted within 30 days be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the 'B' Shareholders who have accepted Sale Shares and if there be more than one such 'B' Shareholder in proportion as nearly as may be to their existing holdings of 'B' Shares in the Company. If the Company shall not within the space of 30 days after service of a 'B' Sale Notice have found 'B' Shareholders willing to purchase all of the Sale Shares the Company shall forthwith offer the Sale Shares not so accepted to the 'A' Shareholders at Market Value in proportion as nearly as may be to the nominal amount of their respective holdings of Ordinary Shares in the capital of the Company. Such offer shall to the extent that the same is not accepted within 30 days be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the 'A' Shareholders who have accepted Sale Shares and if there be more than one such 'A' Shareholder in proportion as nearly as may be to their existing holdings of Shares in the capital of the Company.

- (3) On receipt of a Sale Notice given only in respect of Preference Shares (hereinafter called "a Preference Sale Notice") the Company shall first offer the Sale Shares at Market Value to all the other holders of Preference Shares of that class in respect of which the Sale Notice is given in proportion as nearly as may be to the nominal amount of their respective existing holdings of such Preference Shares. Such offer shall to the extent that the same is

not accepted within 30 days be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the holders of Preference Shares of that class who have accepted Sale Shares and if there be more than one such holder in proportion as nearly as may be to their existing holdings of Preference Shares of that class. In respect of any Sale Shares not so accepted at Market Value within a further 30 days such Sale Shares shall be offered first to the holders of Preference Shares of the other class and then to the holders of Ordinary Shares in proportion as nearly as may be to the nominal amount of their existing holdings of Shares of the relevant class in the Company to each of which offers the preceding provisions of this Article 27(B)(3) shall apply mutatis mutandis.

- (4) On receipt of a Sale Notice given only in respect of 'A' Shares (hereinafter called an "'A' Sale Notice") the Company shall first offer the Sale Shares at Market Value to all the other 'A' Shareholders in proportion as nearly as may be to the nominal amount of their respective existing holdings of 'A' Shares such offer shall to the extent that the same is not accepted within 30 days be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the 'A' Shareholders who have accepted Sale Shares and if there be more than one such 'A' Shareholder in proportion as nearly as may be to their existing holdings of 'A' Shares in the Company and shall then offer the Sale Shares not so accepted at Market Value to the 'B' Shareholders in proportion as nearly as may be to the nominal amount of their existing holdings of

Ordinary Shares in the Company. Such offer shall to the extent that the same is not accepted within 60 days of such offer be deemed to be declined and any remaining Sale Shares which have not been accepted shall forthwith be offered at Market Value to the 'B' Shareholders who have accepted Sale Shares and if there be more than one such Shareholder in proportion as nearly as may be to their existing holdings of Ordinary Shares in the Company.

- (5) If the Company shall not within the time specified in Article 27(B)(2) or (4) after service of a Sale Notice find purchasers for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 27(B)(4) above the Retiring Shareholder shall be at liberty at any time within six months after the expiry of the said period to transfer such of the Sale Shares as were not accepted by Shareholders or in respect of which the sale was not completed as aforesaid to any person he may wish such person to be approved by the Granville Director and the Schemes' Director (or in the event that no such Granville Director or Schemes' Director has been appointed, by Granville and both of the Scheme Trustees respectively) and a majority of the holders of 'B' Shares measured in nominal value PROVIDED THAT such sale is completed at Market Value or any higher or (subject as provided below) lower price and that the terms of payment of the purchase price are no more favourable to the Purchaser than those offered by the existing Members AND PROVIDED FURTHER THAT no Sale Shares shall be sold at a lower price than Market Value without first serving a further Sale

Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 27(B) shall apply to such further Sale Notice save that the period for acceptance shall be reduced by 7 days in each case and that the Market Value shall be such lower price.

- (6) If the Company shall within the time periods set out in Articles 27(2) (3) (4) and (5) above find purchasing Members in respect of all or (except where the Sale Notice provides otherwise) any of the Sale Shares it shall give notice thereof to the Retiring Shareholder which notice shall provide that:-
- (a) the price for the Sale Shares shall be the Market Value thereof determined in accordance with Article 27(B)(7) (or the further proviso to Article 27(B)(5) where appropriate);
 - (b) subject to the proviso contained in Article 27(C) below the Retiring Shareholder shall have the right to revoke his Sale Notice and the purchasing Member(s) shall have the right to withdraw from the proposed purchase for a period of seven days of the said notice or within seven days of the date of the auditor's certificate referred to in such Article whichever is the later; and
 - (c) if the Retiring Shareholder does not revoke his Sale Notice and the purchasing Members do not withdraw pursuant to paragraph (b) above then they shall be bound to complete the sale and purchase within seven days of the end of the period of revocation or withdrawal specified in paragraph (b) above.
- (7) The Market Value of the Sale Shares shall be calculated on

the basis of a sale between a willing seller and a willing purchaser of the Sale Shares (as at the date of the Sale Notice) on the basis of shares in a Company which is a going concern without any adjustment for the fact that the shareholding being sold represents a majority or a minority interest and shall be certified by a firm of Chartered Accountants appointed by the Board, such appointment to be subject to the prior approvals of the Granville Director and the Schemes' Director. In so certifying the accountants shall act as experts and not as arbitrators (and the Arbitration Acts 1950 to 1979 shall not apply thereto) and their decision shall be final and binding upon the parties.

- (8) In the event of the Retiring Shareholder failing to carry out the sale of any of the Sale Shares after the expiry of the time limit for revocation the Directors may authorise some person to execute a transfer of the Sale Shares to the purchasing Members and the Company may give a good receipt for the purchase price of such Sale Shares and may register the purchasing Members as holders thereof and issue to them certificates for the same whereupon the purchasing Members shall become indefeasibly entitled thereto. The Retiring Shareholder shall in such case be bound to deliver up his certificate for the Sale Shares to the Company whereupon the Retiring Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Retiring Shareholder but without interest. If such certificate shall comprise any Shares which the Retiring Shareholder has not become bound to transfer as aforesaid the Company shall issue to the Retiring Shareholder a balance certificate for such

Shares.

- (9) The cost of obtaining a certificate pursuant to Article 27(B) above shall be borne as the accountants shall direct provided that if any Retiring Shareholder shall within twelve months of revoking a Sale Notice serve a further Sale Notice in respect of any of the Shares comprised in an earlier Sale Notice the cost of obtaining a certificate relating to such further Sale Notice shall be borne wholly by such Retiring Shareholder.
- (10) On the transfer of shares between existing members of the Company, if shares are transferred from a 'B' Shareholder to an 'A' Shareholder the 'B' Shares shall be automatically re-classified as 'A' Shares and vice versa.
- (11) No Transfer or other disposal of any of the 'A' Preference Shares or 'B' Preference Shares shall be permitted other than pursuant to Article 26.2 or 27 and the Directors shall not be obliged to register any other transfer of those shares.

DEEMED SALE NOTICE

- (C) In any case where a Director (who is also an employee or consultant of the Company or any of its subsidiaries) or an employee of the Company or any of its subsidiaries ceases (for whatever reason) to be either a director or employee or consultant (and is not continuing as either a director or employee of or consultant to the Company or any of its subsidiaries) or a corporate member has a resolution passed or a petition is presented for its liquidation, winding up, receivership or administration there shall be deemed to have been served a Sale Notice pursuant to Article 27(B) above in respect of their Relevant Shares (as defined in Article 27(D)) held

by him or it. The provisions of Article 27(B) above shall apply in relation to a deemed Sale Notice (whether the same is deemed to have been given pursuant to the foregoing provisions or to any other circumstances specified in these Articles in which a deemed Sale Notice is deemed to have been given) save that:

- (a) the provisions relating to revocation of a Sale Notice contained in Article 27(B)(6)(b) shall not apply and a Sale Notice deemed to be give in all the circumstances herein referred to shall not be revocable; and
 - (b) the Sale Shares shall be offered at the higher of (i) Market Value and (ii) the amount (inclusive of premium) paid up thereon.
- (D) For the purposes of Article 27(C) the expression "Relevant Shares" means 100 per cent of the shares held by such director, consultant, employee or corporate member (included any Shares held for him or it or at any time transferred by him pursuant to sub-paragraphs (1), (2), (4), (5) and (6) of Article 27(A) and any Shares held by the trustees of a settlement of which such Director consultant or employee or any relation of such director or employee (including people who are relations only by law) was either the settlor or a beneficiary) at the time of his ceasing (and not continuing) to be a Director, consultant or employee of the Company or any of its subsidiaries. However, in respect of a deemed Sale Notice where the Granville Director and/or the Schemes' Director exercises their respective right to approve a transfer pursuant to Article 27(B)(5) the right of the Granville Director and/or the Schemes' Director to approve the transfer of Shares to a third party shall no longer apply if within 30 days they have not found an alternative transferee at the same price.

- 28.1 Notwithstanding anything in Article 27 no sale or transfer of any Shares to any person whomsoever conferring the right to vote at general meetings of the Company which would result if made and registered in a person whether or not then a Member of the Company obtaining a Controlling Interest in the Company ("the Specified Shares") shall be made or registered without the previous written consent of the holders of the issued Ordinary Share Capital of the Company (or a majority of them) unless before the transfer is lodged for registration the proposed transferee or his nominees has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Ordinary Shares at the Specified Price (as hereinafter defined) which offer every Shareholder shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer) and to redeem all the Preference Shares in accordance with Article 3 or purchase such shares at a price equal to the redemption price.
- 28.2 Provided that the provisions of this Article shall not apply to the acquisition of Shares by a person who is at that time an existing Shareholder and the acquisition is made under the terms of a Sale Notice given pursuant to Article 27.
- 28.3 For the purpose of this Article:-
- 28.3.1 the expression "a Controlling Interest" shall mean Ordinary Shares conferring in the aggregate 50 per cent or more of the total voting rights conferred by all the Ordinary Shares in the capital of the Company for the time being in issue and conferring the right to vote at all General Meetings;

28.3.2 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; and

28.3.3 the "Specified Price" shall mean a price per Ordinary Share at least equal to to the highest price per Ordinary Share offered or paid or payable by the proposed transferee or transferees or his or their nominees for and of the Ordinary Shares which will be comprised in the Controlling Interest if the sale or transfer proceeds to the holders thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Specified Shares. In the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding.

PROCEEDINGS AT GENERAL MEETINGS

29(A) All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting with the exception of declaring a dividend, the consideration of the accounts, and the reports of

the Directors and auditors, the appointment of and the fixing of the remuneration of the auditors and the fixing of the remuneration of the Directors.

(B) Subject to Article 30 a quorum for a General Meeting of the Company shall be at least one 'A' Shareholder and one 'B' Shareholder present in person or by proxy.

30. If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place in London England as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting those present shall constitute a quorum.

31. It shall only be necessary to give a notice of any adjourned meeting to Granville and the Scheme Trustees and Regulation 45 of Table A shall be construed accordingly.

32. A poll may be demanded by the Chairman or by any Member present in person or by representative or proxy and entitled to vote and Regulation 46 of Table A shall be modified accordingly.

33. A Member for whom a receiver, curator bonis or other person in the nature of a receiver or curator bonis has been appointed by a Court in England and Wales or Scotland having jurisdiction in that behalf on the ground that a Member is incapable by reason of mental disorder of managing and administering his property and affairs may vote, whether on a show of hands or on a poll, by the person so appointed and that person may appoint a proxy to vote on a poll on

behalf of the Member.

34. Any corporation which is a Member of the company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company of which such corporation is a Member and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

DIRECTORS

- 35(A) Without prejudice to the obligation of any Director to disclose his interest in accordance with Section 317 of the Act a Director may vote as a Director in regard to any contract, transaction or arrangements in which he is interested, or upon any matter arising thereout, and if he does so vote shall be counted and his presence may be taken into account in determining whether a quorum is present when any such contract transaction or arrangement is under consideration and Regulation 94 of Table A shall be modified accordingly.
- (B) The quorum for a meeting of the Board of Directors shall be 4 at least one of whom shall be the Granville Director and one of whom shall be the Schemes' Director and the remaining two shall be executive directors of the Company. If no quorum is present within fifteen minutes from the time appointed for the meeting the meeting shall be adjourned and re-convened for the same time and place the next day, when those Directors present shall constitute a quorum.

36. The office of Director shall be vacated if the Director:-

- (i) becomes bankrupt or makes any arrangements or composition with his creditors generally; or
- (ii) ceases to be a director by virtue of any provisions of the Act or he becomes prohibited from being a Director by reason of any order made under either the Company Directors Disqualification Act 1986 or regulations made under the Insolvency Act 1986; or
- (iii) in the reasonable opinion of a majority of his fellow Directors becomes incapable by reason of mental disorder of discharging his duties as Director; or
- (iv) resigns his office by notice in writing to the Company; or
- (v) is removed by resolution under section 303 of the Act; or
- (vi) is removed in accordance with Article 11.

BOARD REPRESENTATION

37.1 Until the Listing Event (or if earlier the date upon which the relative Investors or its nominees together have ceased to have an interest in the Ordinary Share Capital of the Company):

- (a) Granville and the Granville Funds (or if only one continues to have an interest in the Ordinary Share Capital of the Company that one of them) shall be entitled to appoint a non-executive director of the Company; and
- (b) the Schemes' Trustees, (or if only one continues to have an interest in the Ordinary Share Capital of the Company that one of them) shall be entitled to appoint a non-executive director of the Company.

The following provisions shall have effect in relation to both the Schemes' Director and the Granville Director:-

37.1.1 any such appointment shall be effected by notice in writing

to the Company from Granville on behalf of the Investors in the case of the Granville Director or in the case of the Schemes' Director from the Schemes' Trustees who may each in like manner at any time and from time to time remove from office any director appointed by it pursuant hereto and appoint any person in place of any director who shall die or otherwise vacate or be removed from office in the same manner as set out above;

37.1.2 the Granville Director and the Schemes' Director shall each be entitled to a fee of such amount as may be agreed by the Board from time to time and be reimbursed all reasonable out of pocket expenses incurred in connection with his attending at Board meetings and acting on the Company's business against production of vouchers and receipts where available;

37.1.3 any person(s) nominated by the Investors pursuant to Article 37.1.1 above shall be entitled to attend meetings of the Board and forthwith after their respective appointment(s) the requisite statutory form shall be promptly filed with the Registrar of Companies;

37.1.4 reasonable notice (but not less than seven days' notice except in the case of emergency) shall be given to the Granville Director and the Schemes' Director of all meetings of the Board and committees of the Board specifying the major business to be transacted thereat and they shall be supplied with copies of all papers and documents to be considered thereat;

37.1.5 the Granville Director and/or the Schemes' Director shall, if their respective appointors so require, be appointed to the Boards of each member of the Group (but without any

increase in their respective annual fees); and

37.1.6 the Granville Director and the Schemes' Director shall each be at liberty from time to time to make such disclosures to the Investors on a confidential basis in relation to the business and affairs of the Group as he shall think fit.

37.2 So long as it is a Member of the Company each of Ambazac and Copthall shall be entitled to appoint a director of the Company and the provisions of Articles 37.1.1 to 37.1.6 (other than the fee referred to in Article 37.1.2 to which the appointee shall not be entitled) shall apply mutatis mutandis.

38(A) Any director may be writing under his hand appoint (1) any other Director, or (2) any other person, who is either an alternate for the Granville Director or the Schemes' Director or approved by the Board of Directors as hereinafter provided to be his Alternate; and every such Alternate 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 the Directors and in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors and to exercise all the powers rights duties and authorities of the Director appointing him. A Director may at any time revoke the appointment of an Alternate appointed by him and subject to such approval as aforesaid appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his Alternate shall thereupon cease and determine. A Director acting as Alternate shall have an additional vote at a meeting of Directors for each Director for whom he acts as Alternate but he shall count as only one for the purpose of determining whether a quorum be present.

(k) Every person acting as an Alternate shall be acting on behalf of the Director so appointing him and that Director shall be responsible to the Company for such Alternate's acts and defaults, and he shall be deemed to be the agent of or for the Director appointing him and the remuneration of any such Alternate shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the Alternate and the Director appointing him.

39. Subject to Article 4 the Directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company as the Directors may decide such appointment being (subject to Section 319 of the Act, if applicable) for such fixed term or without limitation as to period and on such terms as they think fit and a Director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company), if he ceases to hold the office of Director from any cause, ipso facto and immediately cease to hold such executive office.

DIVIDENDS

40. Subject to the provisions of the Act and the special rights conferred on the holders of any class of shares by these Articles, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members.

RESERVES

41. Subject to Article 3 the Board may before recommending any further

dividend (beyond the Fixed Dividends), set aside out of the profits of the Company at the discretion of the Board such sums as they think proper as a reserve or reserves which shall be applicable for any purpose to which the profits of the Company may be properly applied and pending such application, subject to Article 4(A), may also at their discretion either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. Subject as aforesaid, the Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

CAPITALISATION OF PROFITS

- 42(A) Subject to the special rights conferred on the holders of any shares or any class of shares, the Company may upon the recommendation of the Board at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares debentures or other obligations of the Company to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that for the

purposes of this Article a share premium account and a capital redemption reserve fund may be applied only in the paying up of unissued shares to be allotted to such Members credited as fully paid.

- (B) Subject as aforesaid, the Company may upon the recommendation of the Board at any time from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of the Company's reserve accounts or the credit of the profit and loss account which is not available for distribution by applying such sum in the paying up in full of unissued shares to be allotted as fully paid shares by way of capitalisation to the Members or any class of Members who would have been entitled to that sum if it were distributed by way of dividend, and in the same proportions and the Board shall give effect to such resolution.

43. Where any difficulty arises in regard to any distribution under the last preceding Article the board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

44. The Company is hereby authorised to purchase its own shares in accordance with the provisions of Section 162(1) of the Act.

45. Indemnity

Every Director, Managing Director, agent, auditor, secretary and other officers for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings relating to his conduct as an officer of the Company, 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 727 of the Act in which relief is granted to him by the Court.