

WRITTEN RESOLUTION

The Companies Act 1985 (the "Act") COMPANY LIMITED BY SHARES WRITTEN RESOLUTIONS OF

EXCHEQUER SOFTWARE LIMITED (the "Company")

Pursuant to section 381A of the Act

We, being all the members of the Company who at the date of this resolution are entitled to attend and vote at general meetings of the Company, hereby unanimously **RESOLVE** that the following resolutions be passed as written resolutions, Resolutions 1 to 3 having effect as ordinary resolutions and Resolutions 4 and 5 having effect as special resolutions of the Company in accordance with section 381A of the Act and agree that the said resolutions shall for all purposes be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held:

ORDINARY RESOLUTIONS

1. THAT the authorised share capital of the Company be increased by US\$20,000 from £50,000 to £50,000 and US\$20,000 by the creation of 2,000,000 "B" ordinary shares of US\$0.01 each having attached thereto the rights set out in Article 3.2 of the Articles of Association of the Company as proposed to be adopted by Special Resolution 5 set out below.
2. THAT the Directors be unconditionally authorised for the purposes of Section 80 of the Act, to allot shares up to the amount of the authorised share capital of the Company (£50,000 and US\$20,000) at any time or times during the period of five years from the date of this resolution provided that the Directors may, notwithstanding such expiry, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company before this authority expires.
3. THAT the capitalisation of the sum of £10,759.71 standing to the credit of the Company's Profit and Loss Account (where such sum shall be applied in paying up US\$19,899 in respect of the "B" ordinary shares of US\$0.01 at an exchange rate of £1 = US\$1.8494) in paying up in full at par 1,989,900 "B" ordinary shares of US\$0.01 each to be allotted and distributed credited as fully paid to and amongst the members in the proportion of 134 "B" ordinary shares of US\$0.01 each for every one ordinary share of £1 each held by the existing shareholders of ordinary shares of £1 each in the capital of the Company as a bonus issue be authorised.

SPECIAL RESOLUTIONS

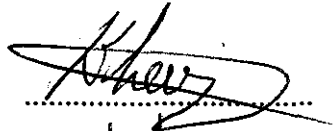
4. THAT in substitution for all existing authorities and subject to the passing of resolution 2 above, the Directors be hereby given the power pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) pursuant to the authority conferred by resolution 2 as if section 89(1) of the Act did not apply to the allotment provided that such power shall expire when the authority notwithstanding such expiry, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company before

if the resolution is not passed, the resolution shall be deemed to have been passed if the authority conferred by resolution 2 is revoked or expires, unless such authority is previously renewed, varied or revoked by the Company in general meeting.

5. THAT the draft regulations attached to this written resolution and initialled by the Chairman of the Board of Directors for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association.

Member's Name: EDUARDO LOIGORRI

Signature

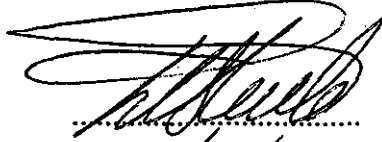


Date

17/11/2004

Member's Name: ROBERT STEELE

Signature



Date

17/11/04

Member's Name: ROBERT STEELE

THE COMPANIES ACT 1985
A PRIVATE COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION¹
OF
EXCHEQUER SOFTWARE LIMITED

1. PRELIMINARY

- 1.1 The Company is a Private Company and, subject as hereinafter provided and except where the same are varied or excluded by or inconsistent with these Articles, the regulations contained or incorporated by reference in Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter called "Table A") shall apply to the Company to the exclusion of all other regulations or articles of association and shall be deemed to form part of these Articles.
- 1.2 References herein to "Regulations" are to regulations in Table A unless otherwise stated.

2. DEFINITIONS

- 2.1 In these Articles unless the context otherwise requires:-

"the Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
"these Articles"	means the Articles of Association in their present form or as from time to time altered;
"the Board"	means the Board of Directors of the Company or a duly authorised committee thereof or the Directors present at a meeting of the Board of Directors of the Company or a duly authorised committee thereof, in each case at which a quorum is present;
"Controlling Interest"	means 51% or more of the Ordinary Shares and "B" Shares in the Company;
"Director"	means a Director of the Company;

¹ Adopted by written resolution on 17 November 2004

- “Eligible Employees” means an eligible employee as defined in Part 4 of schedule 5 to the Income Tax (Earnings & Pensions) Act 2003;
- “Member” means a member of the Company;
- “Relevant Agreement” any written agreement relating (in whole or in part) to the management of the Company which is binding from time to time on the Company and the Members and which (expressly or by implication) supplements and/or prevails over any provisions of these Articles;
- “Share” means a share in the capital of the Company of whatever class;
- “Transfer” the transfer of a share in the Company (including the assignment of the beneficial interest in, or the creation of any charges or other security interest over, a share and the renunciation or assignment of any right to receive or subscribe for a share);
- “Transfer Notice” the written notice deemed to be given to the directors by a proposing transferor.

2.2 The words or expressions the definitions of which are contained or referred to in the Act shall, unless otherwise stated or inconsistent with the context, be construed as having the same meanings (but excluding any statutory modification of the definition that is not in force on the date of adoption of these Articles).

2.3 The words importing the singular number shall include the plural and vice versa, words importing the masculine shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships.

2.4 A reference to an Article is a reference to an article of these Articles.

2.5 Headings and titles are inserted for convenience only. They do not affect the interpretation of these Articles.

3. SHARE CAPITAL

3.1 At the date of adoption of these Articles, the authorised share capital of the Company is £50,000 and \$20,000 divided into 49,700 ordinary shares of £1 each (“Ordinary Shares”) and 30,000 “A” ordinary shares of 1p each (“A” Shares”) and 2,000,000 “B” ordinary shares of \$0.01 each (“B” Shares”).

3.2 Except as expressly set out in these Articles, the Ordinary Shares and “B” Shares shall rank pari passu in all respects so that:

3.2.1 in respect of income each “B” Share shall be deemed to rank pari passu with an Ordinary Share as if the same constituted one class of shares;

- 3.2.2 in respect of voting each "B" Share shall be deemed to rank pari passu with an Ordinary Share as if the same constituted one class of shares;
 - 3.2.3 on a return of capital on a liquidation or otherwise, each "B" Share shall be deemed to rank pari passu with an an Ordinary Share as if the same constituted one class of shares; and
 - 3.2.4 on a sale of a Controlling Interest pursuant to Article 12 each "B" Share shall be deemed to rank pari passu with an Ordinary Share as if the same constituted one class of shares and the proceeds of sale shall, subject to Article 12.2.1, be divided amongst the holders of "B" shares and Ordinary Shares accordingly.
- 3.3 All shares in the capital of the Company shall be under the control of the Directors and the Directors may allot, grant options over, or otherwise deal with or dispose of the same to such persons and generally on such terms and in such manner as they think fit.
4. UNISSUED SHARES
- 4.1 The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.
 - 4.2 All unissued shares or securities of the Company not comprising relevant securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as it thinks proper.
 - 4.3 Pursuant to Section 91 of the Companies Act 1985, sub-section (1) of Section 89 and sub-sections (1) to (6) inclusive of Section 90 of that Act shall be excluded from applying to the Company.
 - 4.4 Any Shares for the time being unissued and any new Shares from time to time created shall, before they are issued, be offered by the Directors for subscription to all the shareholders of Ordinary Shares and all the shareholders of "B" Shares in proportion to the number of Ordinary Shares and/or "B" Shares held by each shareholder at that time on the basis that each "B" Share shall be deemed to rank pari passu with an Ordinary Share as if the same constituted one class of shares.

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5. SHARE WARRANTS

- 5.1 Subject to any restrictions for the time being imposed by law, the Directors on behalf of the Company may exercise the power of issuing warrants in respect of fully paid shares conferred by section 188 of the Act subject to the terms and conditions set out in this Article 5.
- 5.2 The bearer of a share warrant shall be subject to the terms and conditions from time to time set out in this Article 5 and such further terms and conditions (if any) as shall be annexed by the Directors to the share warrant on issue.
- 5.3 Subject to such terms and conditions as aforesaid and subject also to the provisions of the Act the bearer of a share warrant shall be deemed to be a member of the Company within the meaning of the Act and for the purposes of these Articles of Association except that share warrants shall not be taken into account as constituting or contributing to the qualification of a Director (if any).
- 5.4 The shares comprised in a share warrant shall be transferred by the delivery of the warrant, and the other provisions of these Articles as to transfer and transmission of shares shall not apply to such a transfer.
- 5.5 The conditions of issue of a share warrant are as follows:
- 5.5.1 A warrant shall only be issued on a request in writing signed by the registered holder of the shares in respect of which it is to be issued being delivered to the registered office of the Company together with payment to the Company of the stamp duty payable on the warrant (if any) and such fee (not exceeding £10 for each warrant) as shall from time to time be fixed by the Directors.
- 5.5.2 A warrant shall be executed by two Directors of the Company, or one Director of the Company and the Company Secretary.
- 5.5.3 The Directors shall determine the number of shares represented by each warrant and its form and content. The distinctive numbers (if any) of the shares it represents shall be specified in the warrant.
- 5.5.4 The Directors shall secure that, on the issue of a warrant, the Company complies with the provisions of section 355 of the Act with respect to the making and deletion of entries in the register of members.
- 5.5.5 No person shall, as bearer of a warrant, be entitled to attend, speak at, vote at or requisition any general meeting of the Company, or any meeting of the holders of a class of its share capital, unless before the day fixed for the meeting or in advance of the requisition (as the case may be) he produces a certificate from a banker, solicitor, or other person approved for this purpose by the Directors, stating that the warrants are deposited with the signatory, are held to the order of the depositor, and will remain so until the close of the meeting or any

adjournment of the meeting. The names of joint owners of any warrant shall not be accepted for this purpose.

- 5.5.6 Coupons payable to bearer, in such language and form, payable at such places and within such period after advertisement as the Directors shall determine, and providing for the payment of dividends on the shares represented by the warrants, may be attached to and issued from time to time in respect of warrants. Every coupon shall be distinguished by the serial number of the warrant to which it belongs, and by a number indicating its place in the series of coupons attributable to the warrant.
- 5.5.7 When any dividend is declared to be payable on the shares represented by a warrant, the Directors shall advertise the declaration.
- 5.5.8 The Company, notwithstanding any notice or knowledge it may have, shall not be bound by, or (save as required by law or ordered by a court of competent jurisdiction) to recognise any legal or equitable right or interest in respect of any shares comprised in a warrant except the right of the bearer to the shares specified in the warrant, and of the bearer of any advertised coupon to the payment of the dividend to which it relates.
- 5.5.9 If the bearer of a warrant delivers it up to the Company for cancellation, and pays the stamp duty (if any) payable on the issue of a new warrant, and such fee not exceeding £10 as shall from time to time be fixed by the Directors, they may if they think fit issue to him one or more warrants to bearer for the shares specified in the warrant delivered up; but the Directors shall not issue any new warrant for any share for which a warrant has been previously issued unless that warrant, together with all unadvertised coupons included in respect of it shall have been delivered up for cancellation, except subject to such guarantee or indemnity as the Directors may require.
- 5.5.10 If a person can prove to the satisfaction of the Directors that he was the bearer of a warrant which has been destroyed, and pays the stamp duty (if any) payable on any issue of a new warrant, and such fee not exceeding £10 as shall from time to time be fixed by the Directors, the Directors shall issue to him one or more warrants to bearer for the shares specified in the warrant destroyed, subject to such guarantee or indemnity as the Directors may require.
- 5.5.11 Subject to Article 5.5.13, if the bearer of a warrant surrenders it to be cancelled, and lodges with it at the registered office of the Company a declaration requesting registration as a member in respect of the shares specified in the warrant, stating his name and address, and pays the registration fee fixed from time to time by the Directors, he shall be entitled to have his name registered as a member of the Company in respect of the shares specified in the surrendered warrant; but if the Directors shall have received any notice of any claim by any other

person in respect of the warrant, they may refuse to register the person surrendering it.

5.5.12 The provision of paragraph 5.5.4 above applies equally on the surrender of a warrant under paragraph 5.5.11 above.

5.5.13 The bearer of a warrant shall not be entitled to surrender the warrant for shares in registered form before the earlier of 6 months from the date of issue of the warrant or the occurrence of a Specified Event as detailed in Article 5.5.14 below.

5.5.14 The Company may on written notice to the bearers of warrants from time to time request that the warrants be surrendered and cancelled, and that such bearer registers as a member in respect of the shares specified in the warrant on or immediately prior to the occurrence of any of the following events (each a "Specified Event"):

- (a) a third party arms length offer to acquire a Controlling Interest in the Company as detailed in Article 12.1 below; or
- (b) a determination by the Directors of the Company to proceed with a listing (and, as appropriate, admission to trading) of the entire issued share capital of the Company on a recognised investment exchange (within the meaning of the Financial Services and Markets Act 2000); or
- (c) a general offer for the entire issued share capital of the Company.

The provisions of Articles 5.5.11 and 5.5.12 shall apply to the surrender of a warrant under this Article 5.5.14.

6. LIEN

The lien conferred by Regulation 8 shall also attach to fully paid shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all moneys presently payable by him or his estate to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. Regulation 8 shall be modified accordingly.

7. "A" SHARES

7.1 The following restrictions shall apply to the holding of "A" Shares:

7.1.1 The "A" Shares shall:

- (a) be non-voting shares and accordingly the holder of the "A" Shares shall not be entitled to vote at general meetings of the Company;
- (b) be subject to the rights and obligations on transfer as set out in articles 8, 9, 10, 11 & 12;
- (c) have the limited rights to the capital of the Company as set out in Article 13;
- (d) have the limited rights to dividends as set out in Article 23;

but otherwise shall rank *pari passu* in all respects with the Ordinary Shares.

8. TRANSFER OF "A" SHARES

- 8.1 The Directors may, in their absolute discretion, and without assigning any reason therefore, decline to register any transfer of any "A" Share, whether or not it is a fully paid Share.
- 8.2 The directors shall refuse to register the Transfer of any "A" Share unless the Transfer is permitted by, or is made pursuant to and in accordance with Article 9 or Article 10 or Article 11 or the provisions of any Relevant Agreement. The directors shall also refuse to register the Transfer of any Share which is prohibited under Article 14.3 or the provisions of any Relevant Agreement.
- 8.3 If a Member or other person entitled to Transfer an "A" Share at any time attempts to deal with or dispose of the "A" Share or any interest in the "A" Share otherwise than in accordance with the provisions of Articles 9 or 10 or any Relevant Agreement or in contravention of Article 11 he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such share.
- 8.4 Where a Transfer Notice in respect of any Share is deemed to have been given under any provision of these Articles or under any Relevant Agreement and the circumstances are such that the directors are unaware of the facts giving rise to the deemed Transfer Notice (the "Relevant Facts"), the deemed Transfer Notice shall be deemed to be received by the Directors on the date on which the Directors receive actual notice of the Relevant Facts.
- 8.5 A Member shall not be entitled to transfer part only of the "A" Shares held by him for the time being.

9. PERMITTED TRANSFERS OF "A" SHARES

- 9.1 Any Member may at any time Transfer all or any of his "A" Shares to any other Member who is also the holder of Ordinary Shares and/or "B" Shares.

9.2 Any Member may at any time Transfer all or any of his Shares to any person with the prior written consent of all the holders of Ordinary Shares and "B" Shares (and for this purpose a Transfer made in accordance with the provisions of a Relevant Agreement shall be deemed to have the written consent of all holders of Ordinary Shares and "B" Shares).

9.3 A transfer of any Share pursuant to this Article shall only be treated as a permitted transfer for the purposes of these Articles if it is a Transfer of the entire legal and beneficial interest in the Share free from all liens, charges and other encumbrances.

10. PRE-EMPTION RIGHTS RELATING TO "A" SHARES

10.1 Except as provided elsewhere in these Articles or a Relevant Agreement, before transferring or agreeing to transfer any "A" Share(s) or any interest in a "A" Share(s) the Member proposing the Transfer (the "proposing transferor") shall give the Directors written notice ("Transfer Notice") that the proposing transferor desires to Transfer the "A" Shares specified in the Transfer Notice (the "Transfer Shares").

The Transfer Notice shall:

10.1.1 specify that the proposing transferor desires to transfer all of the "A" Shares held by him and not some only;

10.1.2 constitute the Directors as the proposing transferor's agent for the sale of all (but not some only) of the Transfer Shares (together with all rights attaching to them at the date of the Transfer Notice or at any time afterwards) to the persons and in the order set out in this Article 10.

10.1.3 confirm that the price to be paid for the Transfer Shares shall be the sum of 1p per Transfer Share (the "Transfer Price");

10.1.4 be deemed to contain a condition ("Total Transfer Condition") that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold.

10.2 Once given a Transfer Notice may not be withdrawn without the prior written consent of all the holders of Ordinary Shares and "B" Shares.

10.3 The Transfer Shares shall be offered at the Transfer Price first to the holders of Ordinary Shares and "B" Shares as nearly as may be in proportion to the number of Ordinary Shares and "B" Shares (as if the Ordinary Shares and "B" Shares constituted one class of shares) held by them respectively. The offer shall be made by notice in writing ("First Offer Notice") within seven days after the receipt by the directors of the Transfer Notice. The First Offer Notice shall specify the time and date by when the Member's written acceptance of the offer must be communicated to the directors ("First Acceptance Date"). The First

Acceptance Date must not be less than twenty-one days nor more than forty-two days after the date of the First Offer Notice.

- 10.4 If by the First Acceptance Date purchasing Members (being holders of Ordinary Shares and "B" Shares) have not been found for some or all of the Transfer Shares ("Unsold Shares") the following provisions of this Article shall apply in respect of those "A" Shares unsold (the "Unsold Shares"):

10.4.1 provided the Company is then able to comply in all respects with the requirements of the Act regarding payment by the Company for the purchase of its own Shares; and

10.4.2 subject to Members holding a majority of the Ordinary Shares and "B" Shares agreeing in writing that the Company is able to fund the Transfer Price for the Unsold Shares without material detriment to its normal business activities and the Company's prospects; and

10.4.3 subject to the Company first obtaining all necessary clearances from the English taxation authorities in connection with such purchase; and

10.4.4 subject (unless the proposing transferor otherwise elects) to the Transfer Price paid by the Company for any Unsold Shares being taxable as a capital payment in the hands of the proposing transferor,

then the directors shall call a general meeting (the "GM") to be held not more than 28 days after the date of the notice of the GM (or such other period as the Act may specify), at which it shall be proposed as a special resolution that the Company purchase at the Transfer Price all of the Unsold Shares that remain unsold and the special resolution shall be duly passed as a special resolution.

- 10.5 If the Company is unable to acquire the Unsold Shares or does not complete the acquisition of the Unsold Shares within twenty-one days following the GM then the Directors shall offer the Unsold Shares at the Transfer Price to the holders of "A" Shares as nearly as may be in proportion to the number of "A" Shares held by them respectively. The offer shall be made by notice in writing ("Third Offer Notice") and shall specify the time and date by when the Member's written acceptance of the offer must be communicated to the Directors ("Third Acceptance Date"). The Third Acceptance Date must not be less than twenty-one days nor more than forty-two days after the date of the Third Offer Notice.

- 10.6 If following the Third Acceptance Date there remain "A" Shares unsold then the majority of the holders of Ordinary Shares and "B" Shares (the "Majority Members") shall have 60 days from the date that the Directors become aware that there remain Unsold Shares ("Relevant Date") in which to nominate a third party who is willing and able to purchase the remaining Unsold Shares (the "Unclaimed Shares") at the Transfer Price; Provided that if any such nominated third party purchaser shall fail to complete any such purchase in accordance with this Article the Members making the nomination shall be jointly and severally liable to complete such purchase in place of that nominated third party purchaser.

The Majority Members must notify the proposing transferor and the Directors of their intention to exercise their rights under this Article 10.6 within 10 working days of the Relevant Date and shall provide the proposing transferor and the Directors of such evidence as they may from time to time request to demonstrate that the Majority Members are genuine in their search for a third party purchaser and not seeking to delay the disposal of the Transfer Shares.

10.7 Directors to give Sale Notice to proposing transferor

Not later than seven days after the later of:

10.7.1 the date on which the Directors are notified of the acceptance by a Purchasing Member of the last Unsold Share;

10.7.2 if applicable, the date of the GM;

10.7.3 if applicable, the expiry of the 60 day period referred to in Article 10.6

the Directors shall give notice in writing (the "Sale Notice") to the proposing transferor specifying (i) the number, if any, of the Transfer Shares to be purchased by the holders of Ordinary Shares and/or "B" Shares, (ii) the number, if any, of the Transfer Shares to be purchased by the Company (iii) the number, if any of the Transfer Shares to be purchased by the holders of "A" Shares and (iv) the number, if any, of the Transfer Shares to be purchased by a nominated third party purchaser, together with the names of the Purchasing Members and/or the nominated third party purchaser and the number of the Transfer Shares to be purchased by each of them.

10.8 Directors' authority to execute transfers and receive purchase price on behalf of proposing transferor

If in any case the proposing transferor defaults in transferring any Transfer Shares the Directors may receive the Transfer Price on his behalf, and may authorise some person to execute a transfer of such Transfer Shares in favour of the Purchasing Members. The receipt of the Directors for the Transfer Price shall be a good discharge to the Purchasing Members. The Directors shall pay the Transfer Price (less any amount due from the proposing transferor) into the Company's bank account to be held by the Company on trust for the proposing transferor until claimed by the proposing transferor.

11. TRANSFER OF "A" SHARES - RELEVANT EVENTS

11.1 Meaning of Relevant Event

For the purposes of Article 11.2 a "Relevant Event" means:

11.1.1 the Member who is the holder of an "A" Share(s) becoming bankrupt;
or

11.1.2 the Member who is the holder of an "A" Share(s) dying; or

- 11.1.3 the happening of any such event as is referred to in paragraph (c) of Regulation 81; or
- 11.1.4 a Member making any arrangement or composition with his creditors generally; or
- 11.1.5 where an employee of the Company acquires "A" Shares pursuant to the Schedule 5 Income Tax (Earnings & Pensions) Act 2003 and such Member ceases to be an Eligible Employee or Director of the Company or otherwise commits a material breach of the terms of any Relevant Agreement.

11.2 Effect of the happening of a Relevant Event

Upon the happening of any Relevant Event the Member in question shall be deemed to have immediately given a Transfer Notice in respect of any "A" Shares registered in the name of that Member and the provisions of Article 10 shall apply. For the avoidance of doubt, the Transfer Price of the Transfer Shares shall be the sum of 1p per share.

12. THIRD PARTY PURCHASER OFFER TO BUY CONTROLLING INTEREST

- 12.1 If a third party ("Offeror") makes an arms length offer ("Third Party Offer") to acquire a Controlling Interest in the Company and notice of the Third Party Offer has been given to all the Members ("Third Party Offer Notice") and one of more of the Members who alone or jointly hold not less than 51% of the Ordinary Shares and "B" Shares ("Majority Capital Partners") wish to accept the Third Party Offer then the provisions of Articles 12.2 to 12.4 (inclusive) shall apply.
- 12.2 All of the Members, including the holders of "A" Shares, shall be bound to participate in the sale of the Shares to the Offeror and shall, if requested by the Offeror, be parties to any sale agreement giving effect to the sale of shares to the Offeror. Provided that:
 - 12.2.1 the purchase price to be paid to the holders of "A" Shares shall, subject to the provisions of any Relevant Agreement, be the sum of 1p per "A" Share;
 - 12.2.2 the liability of each Member under any warranties and indemnities given to the Offeror shall, as between the Members:
 - (a) be limited to the extent of the Member's percentage holding of Shares; and
 - (b) not exceed the total Purchase Price received by the Member;
 - 12.2.3 the purchase price to be paid to the holders of "B" Shares and Ordinary Shares shall be paid in accordance with Article 3.2.4.

- 12.4 For the purposes of Article 12, if a Member ("Defaulting Member") refuses or neglects to sign the sale agreement and sell his Shares in accordance with this Article any Director shall be constituted the attorney of the Defaulting Member, with full power on his behalf and in his name to sign the sale agreement and to execute, complete and deliver relevant share transfers and other documents required pursuant to the sale agreement and the Director may give a good discharge for the purchase money.

13. CAPITAL RIGHTS ATTRIBUTABLE TO "A" SHARES

Unless otherwise determined in a Relevant Agreement, the rights to the capital of the Company shall be limited in the case of the holders of "A" Shares to the sum of 1p per "A" Share.

14. TRANSFER OF SHARES - CONSEQUENTIAL PROVISIONS

14.1 Entire legal and beneficial interest in Shares

An obligation to transfer a Share under the provisions of Articles 10, 11 and 12 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrances.

14.2 Waiver of provisions of Articles 10, 11 and 12.

The provisions of Articles 10, 11, and 12 may be waived in whole or in part in any particular case with the prior written consent of all the Members who hold Ordinary Shares and "B" Shares.

14.3 Prohibited transfers

Notwithstanding anything else contained in these Articles no Share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

15. FORFEITURE

The liability of any Member in default of payment of a call shall, if the Board so directs, also include any costs and expenses suffered or incurred by the Company in respect of such non-payment and the powers conferred on the Board by Regulation 18 and the provisions of Regulation 21 shall be extended accordingly.

16. TRANSFER OF ORDINARY SHARES AND "A" SHARES

The Board may, in its absolute discretion, and without giving any reason therefore, decline to register a transfer of any Ordinary Share, "B" Share or "A" Share, whether or not it is a fully paid share. Regulation 24 shall not apply to the transfer of Ordinary Shares, "B" Shares or "A" Shares.

17. TRANSMISSION OF SHARES

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The Board may at any time give notice requiring any person entitled to an "A" Share by reason of the death or bankruptcy of the holder thereof to elect either to be registered himself in respect of the share or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with. Regulation 31 shall be modified accordingly in respect of "A" Shares, but Regulation 31 shall apply without modification in respect of Ordinary Shares and "B" Shares.

18. PROCEEDINGS AT GENERAL MEETINGS

- 18.1 If within half an hour from the time appointed for a general meeting, a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting, the meeting shall be dissolved. Regulation 41 shall not apply to the Company.
- 18.2 A poll may be demanded at any general meeting by any Member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

19. DELEGATION OF DIRECTORS' POWERS

- 19.1. Any committee of the Board may consist of one or more co-opted persons other than Directors on whom voting rights may be conferred as members of the Committee but so that:
- (i) the number of co-opted members shall be less than one-half of the total number of members of the committee; and
 - (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors

Regulation 72 shall be modified accordingly.

20. APPOINTMENT AND RETIRMENT OF DIRECTORS

- 20.1 The minimum number of Directors shall be one and in the event of there being a sole Director, he shall have all the powers and be subject to all the provisions herein conferred on the Directors and he or any alternate director appointed by him shall alone constitute a quorum at any meeting of the Directors. Regulations 64, 89 and 90 shall be modified (and all other Regulations in these Articles relating to Directors shall be construed) accordingly.
- 20.2 The Directors shall not be subject to retirement by rotation and accordingly;-

- (i) Regulations 73 to 75 inclusive, Regulation 80 and the last sentence of Regulation 84 shall not apply to the Company;
- (ii) Regulation 76 shall apply but with the deletion of the words "other than a director retiring by rotation";
- (iii) Regulation 77 shall apply but with the deletion of the words in brackets ("other than a director retiring by rotation at the meeting");
- (iv) Regulation 78 shall apply but with the deletion of the words "and may also determine the rotation in which any additional directors are to retire"; and
- (v) Regulation 79 shall apply but with the deletion of the words "and shall not be taken into account in determining the directors who are to retire by rotation at the meeting".

21. DIRECTORS

- 21.1 The Directors shall be entitled to such remuneration (if any) by way of fee as shall from time to time be determined by the Company in General Meeting. Unless and until so determined, remuneration shall be at such rate as the Board shall from time to time determine. Such remuneration shall be deemed to accrue from day to day. The Directors (including alternate directors) shall also be entitled to be paid their reasonable travelling, hotel and other expenses of attending and returning from meetings of the Company or otherwise incurred while engaged on the business of the Company or in the discharge of their duties. Regulations 82 and 83 shall not apply to the Company.
- 21.2. Any Director, who, by request, performs special services or goes or resides abroad for any purposes of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director shall receive such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine which shall be charged as part of the Company's ordinary working expenses.
- 21.3 Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-
 - 21.3.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 21.3.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is in any way interested;

21.3.3 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

21.3.4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

21.3.5 shall be entitled to vote and be counted in the quorum on any matter concerning Articles 21.3.1 and 21.3.4 above.

For the purposes of this Article 21.3:-

- (i) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
- (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (iii) an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force when this Article becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

21.4 Regulation 86, and 94 to 96 inclusive shall not apply to the Company.

22. PROCEEDINGS OF DIRECTORS

22.1 An alternate director who is himself a Director and/or who acts as an alternate director for more than one Director shall be entitled, in the absence of his appointor(s), to a separate vote or votes on behalf of his appointor(s) in addition (if he is himself a Director) to his own vote. Regulation 88 shall be modified accordingly.

23. DIVIDENDS

23.1. Subject to article 23.2, 23.3 dividends shall be declared and paid according to the amounts paid up or credited as paid up on the shares on which the dividend is paid. Regulation 104 shall be construed accordingly.

- 23.2 The "A" Shares shall have dividend rights separate to that of the Ordinary Shares and "B" Shares.
- 23.3 Notwithstanding the declaration of any dividend in favour of the holders of Ordinary Shares, "B" Shares or the holders of warrants, the holders of "A" Shares shall have no automatic right to a dividend.
- 23.4 Any dividend to be declared (if any) in favour of the holders of "A" Shares shall be determined by the holders of Ordinary Shares and "B" Shares sitting in General Meeting.
- 23.5 The Directors shall not be required to pay any dividend declared to the holder of a warrant until such person has produced such proof of identity and/or proof that he is the holder of the warrant as the Directors may in their sole discretion require.

24. NOTICES

A notice served by post shall be deemed to be given at the expiration of twenty-four hours (or, where second class mail is employed, forty-eight hours) after the time when the cover containing the same is posted. Regulation 115 shall be modified accordingly.

25. INDEMNITY

Subject to the provisions of the Companies Act 1985 but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties, or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. Regulation 118 shall not apply to the Company.

26. TELEPHONE MEETINGS OF THE DIRECTORS

- 26.1 For the purposes of regulation 88, a conference of the Directors, notwithstanding that at the time it is held the Directors participating in the conference ("the Participating Directors") are not present together in the same place, shall be deemed to constitute a meeting of the Participating Directors provided that:

- 26.1.1 all of the Participating Directors are, at the time of such conference, in direct simultaneous oral communication with each other, whether by way of telephone, audio-visual link or other form of telecommunication,

and have agreed to hold the meeting in the manner described in this Article 26; and

- 26.1.2 the meeting is in all other respects duly convened and constituted and for these purposes references in these Articles to meetings of the Directors shall, in so far as they relate to the proceedings or powers of the Directors, be construed accordingly.

27. OVERRIDING PROVISIONS

- 27.1 Notwithstanding the provisions of these Articles the Directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement.
- 27.2 Where the approval, agreement or consent of any Member or Director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that Member or Director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

R. P. Gilling

CHAIRMAN

17. 11. 04