

PART II: SUMMARY OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

There are two principal groups of changes being made to the Company's articles of association. The first deals with changes in contemplation of the implementation of the final part of the Companies Act 2006 which comes into force on 1 October 2009. The second deals with the changes needed to implement the Plan. In addition, the opportunity has been taken to bring clearer language into the New Articles and in certain areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business Innovation and Skills ("BIS").

A. COMPANIES ACT 2006 AMENDMENTS

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause, which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further, the 2006 Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 10(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the Shareholders.

2. Articles which duplicate statutory provisions

Those provisions in the Current Articles which replicate provisions contained in the 2006 Act, are in the main removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution.

3. Change of name

Currently, a company can only change its name by special resolution. Under the 2006 Act a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

4. Authorised share capital and unissued shares

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. The Directors will still, however, be limited as to the number of shares they can at any time allot, as they will continue to require authority under the 2006 Act from Shareholders to allot shares (save in respect of allotments pursuant to the Share Option Schemes).

5. Redeemable shares

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares other than the A Ordinary Shares, but if it did so, the Directors would need Shareholders' authority to issue new shares in the usual way. The A Ordinary Shares proposed to be issued by the Company as part of the Partner Share Plan will be redeemable and convertible as summarised in section B below.

6. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the law currently in force, a company requires specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions.

Under the 2006 Act, a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

7. Vacation of office by Directors

The Current Articles specify the circumstances in which a Director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by BIS.

8. Provision for employees on cessation of business

The 2006 Act provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

9. Use of seals

A company currently requires authority in its articles to have an official seal for use abroad. After 1 October 2009, such authority will no longer be required. Accordingly the relevant authorisation has been removed in the New Articles.

10. Transfer of shares

Under the 2006 Act, a company must either register a transfer or give the transferee notice of, and reasons for, its refusal to register the transfer. The New Articles reflect these requirements.

11. Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the 2006 Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

B. PARTNER SHARE PLAN AMENDMENTS

1. Rights attaching to the A Ordinary Shares

The New Articles set out the rights attaching to the A Ordinary Shares which will be issued under the Partner Share Plan. In summary, these are as follows:

- (a) the A Ordinary Shares participate on a return of capital as if they had been converted into such number of Ordinary Shares as they would have been converted into, had they been converted prior to the return of capital in accordance with the provisions summarised in paragraph (d) of Part III of this document;
- (b) the A Ordinary Shares do not carry any right to a dividend or to vote at any meeting of the Company;
- (c) the A Ordinary Shares are transferable pursuant to a takeover or with the prior consent of the Company;
- (d) at any time prior to 30 days following the third anniversary of the issue of the A Ordinary Shares, these may be redeemed for cash at the option of the Board. Further details of the price payable on such redemption are set out in Part III of this document; and
- (e) at any time after the third anniversary of the allotment of the A Ordinary Shares, the Board may elect to convert each such A Ordinary Share into a proportion of an Ordinary Share and a proportion of a Deferred Share as is calculated pursuant to the provisions of the New Articles. Further details of the basis of such calculation is set out in Part III of this document. If such A Ordinary Share has not been redeemed or converted by the expiry of 30 days following the third anniversary of their issue, it will automatically be redeemed for cash in accordance with these provisions.

2. Rights attaching to the Deferred Shares

The New Articles also set out the rights attaching to the Deferred Shares. In summary, such shares:

- (a) carry no right to a dividend, to vote at general meetings of the Company or to participate on a return of capital;
- (b) are transferrable only with the prior consent of the Board; and
- (c) may be bought back by the Company for an aggregate price of £1.00.

3. Exit events

On the occurrence of a takeover of the Company, a winding up of the Company or the sale by the Company of a substantial part of the business and assets of the Group (being defined as such business and assets as represent 80% or more of the Group's turnover), the Board may, at its discretion, determine that the A Ordinary Shares then in issue be redeemed for cash or converted into Ordinary Shares and

Deferred Shares, in the same manner as detailed in paragraph 1(e) above. Further details of the price payable on such a redemption and the calculations applicable to determine the number of Ordinary Shares and Deferred Shares to be issued on such a conversion, are set out in Part III of this document.

4. Compulsory conversion

The New Articles set out what happens to the A Ordinary Shares held by a holder of A Ordinary Shares who ceases to be a Partner before the end of the relevant three year period. Further details of such provisions are set out in Part III of this document.

5. Variation of rights

The New Articles contain class right provisions which provide that the rights attaching to the A Ordinary Shares shall only be deemed to be varied by the alteration of those provisions of the New Articles summarised in paragraphs 1, 3 or 4 above.

PART III: SUMMARY OF PARTNER SHARE PLAN

The key terms of the rules of the Plan, which will be operated by the Board, are as follows:

(a) Eligibility

The Company engages the services of key individuals as members in its operating limited liability partnerships (the "Partners"). The participants in the Plan will be Partners within the Group or senior employees of the Group, selected to participate at the discretion of the Board. Board executives, however, will not participate in the Plan.

(b) Awards of A Ordinary Shares

Eligible Partners and senior employees selected to participate in the Plan, will be offered the opportunity to subscribe for A Ordinary Shares in the Company (an "Award"). The intention is to make the first Awards in October 2009. Awards will be made annually thereafter in July each year and will be based on individual and financial performance in the preceding financial year.

A payment will be required by the participants in return for the issue of the A Ordinary Shares of not less than the market value of such A Ordinary Shares at the date of issue, as the Directors believe that market value is the appropriate price to be paid by participants under the Plan. The Plan will include the flexibility to allow participants to purchase further A Ordinary Shares on a voluntary basis. The amount of any additional purchases will be at the discretion of the Board, but again will be at a subscription price of not less than the market value of such shares.

(c) Rights of the A Ordinary Shares

The A Ordinary Shares will be a new class of share, created for the purpose of the Plan and will be unquoted shares. The terms of the new A Ordinary Shares will be governed by the New Articles (proposed to be adopted by Resolution 10(b) at the AGM) and will be issued under the rules of the Plan. These terms include that the A Ordinary Shares will not carry votes or rights to dividends and will not be transferable (other than pursuant to a takeover or with the consent of the Board).

The A Ordinary Shares will only share in the value of the Company if the price of the Ordinary Shares as at the date of redemption or conversion of each Award exceeds a fixed share price ("Hurdle"). The Hurdle will be set at the date on which the relevant A Ordinary Shares are allotted ("Award Date") and will be at a premium likely to be in the range of between 15 and 20% to the share price of the Ordinary Shares at the Award Date.

(d) Conversion of A Ordinary Shares

At any time prior to the expiry of 30 days of the third anniversary of the relevant Award Date, the A Ordinary Shares issued on that Award Date may be redeemed for cash at the discretion of the Board.

If any of the A Ordinary Shares are redeemed, Partners will receive for each such A Ordinary Share an amount equal to the excess of the quoted share price of an Ordinary Share (calculated as the average of the mid market prices over the 5 preceding business days) over the Hurdle, subject to the limits of the Plan.

If converted, each A Ordinary Share will convert into a proportion of an Ordinary Share and a proportion of a Deferred Share, in such a way to ensure that the Partner will, following conversion, hold Ordinary Shares and Deferred Shares with an aggregate value equal to the excess of the share price of the Ordinary Shares (calculated as the average of the mid market prices over the 5 business days preceding the conversion date) over the relevant Hurdle for that Award, subject to the limits of the Plan. Following such conversion, the Company will apply for the new Ordinary Shares to be immediately listed on the Alternative Investment

Market of the London Stock Exchange. The Ordinary Shares issued on a conversion will rank pari passu with the Ordinary Shares save for any dividend whose record date is prior to the date of the conversion of the relevant A Ordinary Shares.

(e) Dilution

The number of A Ordinary Shares held by participants in the Plan, when aggregated with the Ordinary Shares issued or over which an option has been granted which is exercisable within the next ten years pursuant to the Share Schemes, shall not exceed ten per cent of the issued ordinary share capital of the Company on any particular day.

The total Award in any year to any one Partner will be forecast by the Company on maturity to represent no more than 100% of their annual remuneration as at the relevant Award Date.

(f) Ceasing to be a partner within the Group

Within three years of the Award Date, if a participant ceases to be a Partner as a result of death, illness, disability or permanent incapacity through ill health as determined by the Board, retirement with the consent of the Board or at the discretion of the Board any other reason, the Board shall, at its discretion, determine either that all or any of the A Ordinary Shares held by the participant (which have not previously been redeemed) shall be redeemed or converted automatically following the procedure outlined above (save that the number of A Ordinary Shares redeemed or converted will be decreased in proportion to the time under the usual 3 year performance period for which such A Ordinary Shares have been held, unless the Board determines otherwise) or that the participant shall be entitled to retain all of his A Ordinary Shares. Any remaining A Ordinary Shares not redeemed or converted or retained by the Partner at the discretion of the Board, shall automatically convert into Deferred Shares.

Any A Ordinary Shares retained by the participant after ceasing to be a Partner will be held by that Partner for the remainder of the three year period from the Award Date (subject to any earlier redemption at the discretion of the Board) and then be redeemed or converted in accordance with the New Articles and the Plan.

If a participant ceases to be a Partner for any other reason, all A Ordinary Shares held at the date of cessation, including any further A Ordinary Shares which the Partner has purchased personally, will be automatically converted into Deferred Shares.

The Company shall have the option to buy back any Deferred Shares in issue as a result of the application of the conversion procedure for an aggregate price of £1.00.

(g) Takeover of the Company

On a takeover of the Company or other specified exit events, the Board has a discretion to determine that any outstanding A Ordinary Shares be redeemed for cash or converted into Ordinary Shares and Deferred Shares in the same way as described above, save that calculation for the redemption or conversion will be based on an average of the mid market price of the Ordinary Shares over the 5 preceding business days to the date of the relevant exit event.

Failing any such redemption or conversion, any A Ordinary Shares retained by the participant will be held by that Partner for the remainder of the three year period from the Award Date (subject to any earlier redemption at the discretion of the Board) and then be redeemed or converted in accordance with the New Articles and the Plan.