

Number 1785819

THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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NEW  
ARTICLES OF ASSOCIATION  
(Adopted by Special Resolution  
passed on 12 December 2002)  
- of -  
VITALITY GROUP LIMITED

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**1. PRELIMINARY**

- 1.1 The regulations contained in Table A in the Companies (Tables A-F) Regulations 1985 (as amended prior to the adoption of these Articles) ("**Table A**") shall apply to the Company save in so far as they are excluded or varied hereby or to the extent inconsistent herewith.
- 1.2 The definitions and other interpretation provisions of the Schedule to these Articles shall apply.

**2. SHARES**

- 2.1 The authorised share capital of the Company as at the date of the adoption of these Articles is £1,800,000 divided into 1,800,000 Ordinary Shares.
- 2.2 Except as otherwise expressly provided in these Articles, the Ordinary Shares shall rank pari passu in all respects.

**3. INCOME AND CAPITAL**

- 3.1 Subject to Article 5, any profits resolved to be distributed in any financial year or period shall be distributed amongst the holders of the Ordinary Shares, pari passu as if the same are one and the same class of share, pro rata to the number of Ordinary Shares respectively held by them.
- 3.2 On a return of assets on liquidation or otherwise, the assets of the Company remaining after payment of its debts and liabilities and available for distribution to holders of Ordinary Shares shall be distributed between the holders of the Ordinary Shares (as if one and the same class) pro rata to the number of Ordinary Shares respectively held by them.

**4. VOTING RIGHTS**

- 4.1 Except as expressly provided below each holder of Ordinary Shares present in person or by proxy or other voting representative permitted by these Articles shall be entitled on a show of

hands to one vote and on a poll to one vote for every Ordinary Share of which he is the holder.

- 4.2 For so long as any Privileged Relation and/or Family Trust of a Relevant Executive or former Relevant Executive shall hold shares in the Company and such Relevant Executive or former Relevant Executive shall be physically able to do so and none of the circumstances in Article 17.2(B) or 17.2(C) apply to him, all votes attaching to the shares so held shall only be voted by or under direction of such a Relevant Executive or former Relevant Executive, except to the extent otherwise agreed from time to time by Majority Consent.
- 4.3 Unless otherwise agreed by Majority Consent, no member shall be entitled to exercise any voting rights attaching to his shares during any period in which a Mandatory Transfer Notice may be required to be given in respect of them or whilst a Mandatory Transfer Notice has been given or deemed given in respect of them and has not expired.
- 4.4 Unless otherwise agreed by Majority Consent, following his Leaving Date, neither a Leaver nor any Relevant Member of his may exercise any voting rights attaching to his or their Relevant Shares.

## **5. CONSENTS**

- 5.1 Subject to Article 5.2, Qualifying Consent shall be required before the Company or any other member of the Group shall:
  - (A) create, allot or issue any further shares or grant any options or rights in respect thereof or otherwise alter or re-organise the share capital of the Company or vary the rights attaching thereto;
  - (B) make or permit any material alteration to the general nature of the business carried on by it from time to time (including the cessation of business other than as a result of the transfer of business between members of the Group);
  - (C) make any alteration to its Memorandum and Articles of Association (except in respect of a wholly owned subsidiary of the Company) which adversely effects the class rights of any particular class of share;
  - (D) pass any resolution or seek any order or take any steps with a view to the liquidation, winding up or striking off dissolution or administration or receivership of any solvent member of the Group or the equivalent in any other jurisdiction (other than in respect of a dormant company);
  - (E) make or provide any loan or financial facility other than (i) credit given in the ordinary course of business or (ii) loans to the Company or any subsidiary thereof and (iii) loans not exceeding £1,000 in the aggregate to any individual director or employee by way of advance to cover reasonable business expenses (iv) by way of season ticket loan to any individual director or employee;
  - (F) give any guarantee suretyship or indemnity or similar liability in respect of the obligations of any person firm or company other than the Company or a wholly owned subsidiary thereof; or
  - (G) enter into any agreement, commitment or arrangement to do any of the foregoing.
- 5.2 Notwithstanding Article 5.1, the Company may, with Majority Consent and otherwise in accordance with the Shareholders Agreement and these Articles:

- (A) acquire the share and/or loan capital of another company or any business or undertaking or other assets for any consideration including, without limitation, the allotment and issue of share and/or loan capital in the Company; or
- (B) allot and issue shares pursuant to Article 7;

PROVIDED THAT the Company may not do or agree to do any of the foregoing unless in the reasonable opinion of the Majority Director acting in good faith it is considered to be in the best interests of the Company and its shareholders generally and that the intention is not to dilute any particular holder of shares.

5.3 Article 7 shall not apply to any allotment or issue pursuant to Article 5.2(A).

## **6. AUTHORITY TO ALLOT**

6.1 Subject to Article 5.1, the unissued shares in the capital of the Company for the time being shall be under the control of the Directors, who are hereby generally and unconditionally authorised to allot, grant options over, or otherwise dispose of or deal with any unissued shares and relevant securities (as defined in Section 80(2) of the Act) to such persons, on such terms and in such manner as they shall think fit, but subject to any agreement binding on the Company and to the other provisions of these Articles.

6.2 The authority contained in Article 6.1 insofar as the same relates to relevant securities (as defined aforesaid) shall, unless revoked or varied in accordance with Section 80 of the Act:

- (A) be limited to a maximum nominal amount of shares equal to the amount of the authorised but unissued share capital of the Company immediately following the time of the passing of the resolution adopting these Articles; and
- (B) expire on the fifth anniversary of the date of the passing of such resolution but without prejudice to any offer or agreement made before that anniversary which would or might require the exercise by the Directors after such anniversary of their powers in pursuance of the said authority.

6.3 In exercising their authority under this Article the Directors shall not be required to have regard to Section 89(1) or (insofar as the exclusion of the application of such sub sections is permitted by the Act) Section 90(1) to (6) (inclusive) of the Act which provisions shall be excluded from applying to the Company.

## **7. NEW SHARE ISSUES**

7.1 Subject to Articles 5, 7.2 and 7.3 and to the Shareholders Agreement and (subject thereto) as may otherwise be agreed by Qualifying Consent, any unissued shares (whether forming part of the original share capital or not) shall, before they are issued, first be offered as follows to the members:

- (A) the offer shall be made by notice in writing to all the members specifying the number and class and subscription price of the shares on offer limiting the time (not being less than twenty-one days or such shorter period as may be agreed by Qualifying Consent) within which the offer may be accepted;
- (B) acceptances shall be given to the Company by notice in writing and in such acceptance the applicant shall state the number of the shares on offer which he is willing to subscribe for;

- (C) after the end of such offer period or after the Company shall have received notice of the acceptance or as the case may be refusal of such offer from every offeree (whichever shall be the earlier event) the Directors shall allot the offered shares first to and amongst the applicants who are registered as holders of the then issued Ordinary Shares and to the extent there is competition between them, pro-rata according to the number of Ordinary Shares in respect of which they are respectively registered as holders and secondly (if any of the offered shares shall remain after such applicants have been satisfied in full) to and amongst the remaining applicants and, to the extent there is competition between them, pro rata to the number of shares of the Company other than Ordinary Shares in respect of which they are respectively registered as holders.

PROVIDED THAT no applicant shall be obliged to take more than the maximum number of offered shares specified by him in his application as aforesaid

- 7.2 If all or any of the unissued shares to which Article 7.1 applies are not taken up in accordance with the provisions of Article 7.1 the Directors may offer such shares to a third party (to be approved by Majority Consent) and, subject to these Articles and to the provisions of the Act, such shares shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that:

- (A) no such shares shall be issued more than three months after the expiry of the period for acceptance of the last offer of such those shares made under Article 7.1 unless the procedure set out in Article 7.1 is repeated in respect of such shares;
- (B) no such shares shall be issued at a price less than that at which they were offered in accordance with Article 7.1; and
- (C) if the Directors are proposing to issue such shares wholly or partly for non-cash consideration, the cash value of such consideration shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its members.

- 7.3 Article 7.1 shall not apply to Ordinary Shares to be allotted under any express provision of the Shareholders Agreement.

- 7.4 The provisions of Article 7.1 shall not apply to the grant of a Permitted Option nor to the allotment of Ordinary Shares on exercise thereof but subject always to the terms of any Qualifying Consent relevant to the Subscription Rights concerned.

## **8. VARIATION OF RIGHTS**

- 8.1 Subject to clause 5.1, if at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied modified abrogated or cancelled only with the approval of an extraordinary resolution passed at a separate class meeting of the holders of the issued shares of that class, or with the consent in writing of a Majority of that class (or such higher percentage as may be required by the Act).

- 8.2 The provisions of these Articles regulations relating to general meetings shall apply to every separate general meeting referred to in Article 8.1, but the necessary quorum shall be two persons at least holding or representing by proxy or corporate representative three quarters or more in nominal value of the issued shares of the class and that any holders of shares of the class present in person or by proxy may demand a poll and on a poll each share concerned

shall carry one vote PROVIDED THAT where there is only one holder of the issued shares of the relevant class a quorum shall be that holder alone present in person or by proxy or corporate representative.

- 8.3 For the avoidance of doubt, the variation modification abrogation or cancellation of this Article or of any provision of these Articles which contains or affects any class rights shall (save as expressly provided herein) require the consent aforesaid of the holders of shares of the class or classes concerned to be effective.
- 8.4 In exercising any class rights as the holder of any particular class of share such holder shall be entitled to exercise such rights in its absolute discretion as it sees fit including for the avoidance of doubt without regard to the interests of any other holder of the same class of shares or the rights of holders of that particular class as a whole.

## **9. LIENS AND OTHER CAPITAL PROVISIONS**

- 9.1 The Company shall have a first and paramount lien on all shares standing registered in the name of any person indebted or under liability to the Company and a right of set off against all moneys payable by the Company on or in respect of the same, 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 whether in respect of those shares or otherwise.
- 9.2 If any PAYE or income tax and/or national insurance contribution (or similar or substituted tax) liability and/or related interest penalties, fines, costs and expenses (together "**employee related tax liability**") becomes payable by the Company and/or any subsidiary thereof by reference to any shares held or disposed of by any member (even if the employee or director or former employee or director of the Company or other relevant Group member by reference to which the relevant employee related tax liability arises or arose is a person other than that member) the member concerned shall be liable on demand by the Company and without right of reimbursement from the Group, to make payment to the Company of such amount as on an after tax basis will meet the employee related tax liability concerned and the lien referred to in Article 9.1 shall extend, as security for any such amount payable, to the shares concerned and to any proceeds for sale or other disposal thereof. On a Sale or Flotation the Company shall without limitation be irrevocably appointed as attorney and authorised on behalf of any such member to make such arrangements as are necessary for any such amounts payable by him under this Article 9.2 to be directly paid to the Company or relevant member of the Group out of any proceeds of sale which are payable for such shares on such Sale or under the Flotation arrangements.
- 9.3 Subject to the provisions of Part V of the Act and to the rights of the holders of the respective classes of shares of the Company, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder; purchase its own shares (including any redeemable shares); and make a payment in respect of the redemption or purchase otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Section 171 of the Act.

## **10. TRANSFERS - GENERAL**

- 10.1 No shares or any interest therein shall be transferred and the Directors shall not register any transfer of shares in the Company other than a Permitted Transfer and, subject only to Article 11.3, the Directors shall be obliged to register a Permitted Transfer.
- 10.2 For the purposes of the provisions of these Articles relating to transfer of shares, a transfer of shares includes a renunciation of any allotment of shares or of any Subscription Rights and any other disposition of any interest in any share (or the income or capital or other rights

referable thereto) whether legal beneficial or otherwise (including the entry into any option or other agreement (conditionally or otherwise) for the possible sale or transfer thereof or grant of any security thereover) and whether or not for consideration or by written disposition or otherwise.

- 10.3 Any transfer or purported transfer of any share or of any interest therein made otherwise than in accordance with these Articles shall be void and of no effect whatsoever. In addition the Directors shall be at liberty by notice in writing to the registered holders thereof to disenfranchise any shares which are the subject of a transfer not made in accordance with these Articles until such time as the Directors (acting reasonably) are satisfied that the provisions of these Articles relating to transfer of shares have been complied with.
- 10.4 The transferor of any share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

## **11. SPECIAL TRANSFER RESTRICTIONS**

- 11.1 No transfer of any shares or any interest therein shall be made or registered without Qualifying Consent except:
- (A) pursuant to acceptance of an offer made and completed under and in accordance with Article 14.1 or Article 14.2 (Tag Along and Drag Along); or
  - (B) to a bare nominee, to a Permitted Family Transferee, to a Permitted Corporate Transferee or to the trustees of an Employee Trust, in each case in accordance with Article 12 and with Majority Consent; or
  - (C) where required and made in accordance with Article 13 (Mandatory Transfers).
- 11.2 No transfer of any shares or any interest therein shall be made or registered, without Qualifying Consent:
- (A) in breach of the Shareholders Agreement or any deed of adherence thereto; or
  - (B) in favour of a Competitor or any nominee thereof.
- 11.3 The Directors may in their absolute discretion and shall if required by any Majority Director, and without assigning any reason therefor, decline to register (i) any transfer of any share over which the Company has a lien; (ii) any transfer to more than four transferees; (iii) any transfer comprising shares of more than one class; (iv) any transfer of any share which is not fully paid to a person of whom the Directors do not approve; or (v) any transfer to an infant bankrupt or person suffering from mental disorder as that expression is used in Regulation 81(c) of Table A; or (vi) any transfer made otherwise than in accordance with Regulation 24(a) of Table A.

## **12. EXPRESSLY PERMITTED TRANSFERS**

- 12.1 The provisions of this Article 12 are subject to the restrictions in Article 11.
- 12.2 Subject to Article 14, any share may be transferred at any time by a member to any other person with Qualifying Consent.
- 12.3 Without prejudice to Regulation 5 of Table A, any share may be transferred to a person to be held as bare nominee and any shares held by a member as bare nominee may be transferred to any other person or persons provided, in either such case, that the transferor and transferee

certify to the Company and the Directors (including any Majority Director) are satisfied that no beneficial interest in such shares passed by reason of the transfer.

12.4 Subject to Article 12.5, the following transfers of shares shall be permitted and constitute Permitted Family Transfers for the purposes of these Articles:

- (A) a transfer of shares by their absolute beneficial owner, being an individual ("**the Original Member**") or his personal or other legal representatives, to a Privileged Relation of his or to trustees to be held on Family Trusts of his;
- (B) a transfer of any shares transferred under Article 12.4(A) and/or any Related Shares thereof:
  - (1) to the Original Member or any Privileged Relation of his; or
  - (2) by the trustees of the Family Trust concerned to new or continuing trustees thereof;
- (C) a transfer of any shares held on the Adoption Date and/or thereafter acquired by the trustees of a Family Trust of an Approved Beneficiary and/or any Related Shares thereof:
  - (1) to the Approved Beneficiary or any Privileged Relation of his; or
  - (2) to new or continuing trustees of such Family Trust.

12.5 If a member holds shares as a result of an earlier transfer under Article 12.4 that member may only transfer such shares and/or any Related Shares thereof under Article 12.4 to a person to whom the member who originally transferred him the shares could have transferred them under Article 12.4.

12.6 Any member which is a body corporate may transfer all or any of its shares to a Permitted Corporate Transferee.

12.7 If a member holds shares as a result of an earlier transfer under Article 12.6, that member may only transfer such shares and/or any Related Shares thereof under Article 12.6 to a person to whom the member who originally transferred him the shares could have transferred them under Article 12.6.

12.8 Any shares may be transferred to the trustees of an Employees Trust or by the trustees of an Employees Trust to any beneficiary hereunder and the trustees of an Employee Trust may grant options in favour of any such directors or employees, provided in any such case such transfer or option is effected or granted in accordance with the terms of such trust and has been approved by Majority Director Consent.

### 13. MANDATORY TRANSFERS

13.1 Subject to Article 13.2, if a person becomes a Leaver or is given or gives notice to terminate his employment or engagement in circumstances where he will as a result become a Leaver:

- (A) he and each Relevant Member of his shall, if and to the extent required by the Directors or any Majority Director by notice in writing given to him (or his personal representative, as appropriate) at any time and from time to time during the period of eighteen months following his Leaving Date, give a Mandatory Transfer Notice or Notices in respect of all or any of his or their Relevant Shares;



- (B) he shall, if he subsequently becomes registered or unconditionally entitled to be registered as the holder of shares in the Company pursuant to a right or opportunity made available to him prior to his becoming a Leaver, be deemed (unless otherwise agreed by all the Directors with Qualifying Consent) to have served a Mandatory Transfer Notice in respect of all such shares, upon becoming so registered or entitled.
- 13.2 The Company may from time to time agree in writing, with Qualifying Consent, to exclude any one or more particular individuals and/or any of his or their Relevant Members from the provisions of Article 13.1, whether generally or in respect of a designated proportion of his or their Relevant Shares.
- 13.3 If a Family Trust ceases for any reason to be a Family Trust any shares held by such trust shall be transferred (either directly or upon trust) to the Original Member or Approved Beneficiary whose Family Trust it is or to Privileged Relation(s) of that Original Member or Approved Beneficiary within twenty one days of that event failing which the trustees shall be deemed to have given a Mandatory Transfer Notice (in respect of all such shares held by the trustees) at such time thereafter as the Directors of the Company or any Majority Director shall notify it in writing.
- 13.4 If any person holding shares as a bare nominee as contemplated by Article 12.3 ceases to be such a nominee and shall fail within twenty-one days of such event to transfer all the shares concerned to the original beneficial owner then such person shall be deemed to have given a Mandatory Transfer Notice in respect of such shares at such time thereafter as the Directors of the Company or any Majority Director shall notify in him in writing.
- 13.5 A person entitled to shares in consequence of the death bankruptcy receivership or liquidation of a member shall be bound at any time within eighteen months of becoming so entitled, if and when called upon in writing by the Directors or a Majority Director so to do, to give a Mandatory Transfer Notice in respect of all shares then registered in the name of the deceased or insolvent member unless such person is, or shall (within twenty-one days of becoming so entitled) transfer such shares to, a person to whom shares may be transferred pursuant to Article 12. Regulations 29 to 31 inclusive of Table A shall be modified accordingly.
- 13.6 If a Corporate Member ("**the Relevant Company**") makes a transfer of shares under Article 12.6 to a Permitted Corporate Transferee and the transferee ceases thereafter to be a person to whom the Relevant Company could (if it was still a member) transfer shares under Article 12.6, that transferee shall (to the extent it continues to hold them) within twenty-one days of written request of the Directors or any Majority Director transfer the shares so transferred to it and any Related Shares thereof to the Relevant Company or to a continuing Permitted Corporate Transferee thereof. If such requested transfer is not made, a Mandatory Transfer Notice will be deemed to be given by the transferee, in respect of the shares and Related Shares concerned, at the end of the twenty-one day period referred to above.
- 13.7 If the Directors become aware that any shares are held by or for a Competitor they may with Majority Director Consent (and will if so required in writing by a Shareholder Majority) require, by written notice, the holder of the shares concerned to give a Mandatory Transfer Notice in respect of all or any of those shares either immediately or within such period as shall be specified in that notice.
- 13.8 For the purpose of ensuring that a transfer of shares is in accordance with the provisions of these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Directors may (and shall if required by a Majority Director) from time to time require any member or past member (including any one or more of joint holders of shares) or the legal personal representatives or the trustee in bankruptcy of any member or any person named as a transferee in any instrument of transfer

lodged for registration, to furnish to the Company such information and evidence as the Directors (including any Majority Director) may reasonably think fit regarding any matter which they may reasonably deem relevant to such purpose.

- 13.9 If any information or evidence requested under Article 13.8 is not provided to the reasonable satisfaction of the Directors (including any Majority Director) within fourteen days after such a request, the Directors may (and will if required by any Special Director) refuse to register the transfer in question or (in case no transfer is in question) require by notice in writing that a Mandatory Transfer Notice is given in respect of the shares concerned. If such information or evidence discloses that in the reasonable opinion of the Directors a Transfer Notice ought to have been given in respect of any shares the Directors may (and will if required by any Majority Director) by notice in writing require that a Mandatory Transfer Notice is given pursuant to these Articles in respect of the shares concerned.
- 13.10 Where under the provisions of these Articles a Mandatory Transfer Notice is required to be given in respect of any shares but it is not given within a period of fourteen days of demand therefor being made or within any other period specified it shall, be deemed to have been given on the fourteenth day after such demand is made or at the end of the relevant specified period, as appropriate.

#### **14. TAG ALONG AND DRAG ALONG**

- 14.1 Subject to Article 14.5, no sale or transfer of any shares ("**the Specified Shares**") shall be made which would result if made and registered (when taken together with all other proposed contemporaneous sales or transfers of shares in the Company) in a person or persons obtaining a Controlling Interest in the Company unless the proposed transferee or transferees or his or their nominees has or have made a Qualifying Offer, as provided below, to purchase all of the issued shares of the Company (including those to be issued on exercise of Subscription Rights).
- 14.2 If any Qualifying Offer which is proposed to be made under Article 14.1 is approved by Majority Consent for the purposes of this Article 14.2 (even if including the purchaser or any persons connected with it or acting in concert with it) ("**the accepting shareholders**") then the holders of the other shares (including those who become such holders through exercise of Subscription Rights) shall be deemed hereby to appoint such person as shall be appointed for this purpose by a Shareholder Majority as their attorney for the purposes of receiving and accepting and executing any documents on their part required under the terms of the offer (including any further powers of attorney to enable the purchaser of their shares to vote them pending registration of their transfer) and Article 15.1 shall apply mutatis mutandis for these purposes.
- 14.3 A Qualifying Offer for the purposes of Article 14.1 shall be in writing and:
- (A) be made bona fide and in good faith;
  - (B) be unconditional or subject to a condition that if its conditions are not satisfied the proposed sale or transfer of the Specified Shares will not proceed;
  - (C) be open for acceptance for at least twenty-one days from its date, which shall be specified therein; and
  - (D) be made at the Specified Price, as defined below.
- 14.4 For the purpose of this Article the expression "**the Specified Price**":

- (A) means in the case of any shares and subject as provided below, a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for the Specified Shares of the same class or, where the shares to be offered for are not of the same class as the Specified Shares, a price confirmed by the Board as being in its reasonable opinion at least equal to their Fair Value at the date the Qualifying Offer is made; and
- (B) shall include an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as in addition to the price paid or payable for the Specified Shares.
- 14.5 Article 14.1 shall not apply to any sale or transfer of shares under any of Articles 12.3 to 12.8 inclusive, or to a transfer of shares to a company the majority of the voting rights of which are owned or controlled by the transferees of a transfer pursuant to any of Articles 12.3 to 12.8 inclusive.
- 14.6 Article 15 shall not apply to any transfer of shares made under this Article 14.
- 14.8 In the event of disagreement as to the calculation of the Specified Price for the purposes of this Article such disagreement shall, if not resolved within fourteen days of it arising, be referred to an umpire (acting as expert and not as arbitrator) nominated by 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 on application by any such party) whose decision shall be final and binding (in the absence of manifest error) and the costs of such umpire shall be borne as he shall direct or, in default of such a direction, by the Company to the extent permitted by law or otherwise equally by the parties to the disagreement.
- 15. THIRD PARTY TRANSFERS**
- 15.1 Subject to Articles 11, 12 and 14, no shares or any interest therein shall be transferred or disposed of whether by way of sale or otherwise except in accordance with the following provisions of this Article 15.
- 15.2 Every holder of shares or person entitled to be registered in respect of a share or shares of the Company who intends to transfer or dispose of any share or shares registered in his name and/or to which he is so entitled or any interest therein ("**the Proposed Transferor**") shall give notice in writing to the Directors of such intention ("**a Transfer Notice**").
- 15.3 A Transfer Notice shall specify the number and class of shares which the Proposed Transferor intends to transfer and where a Transfer Notice is given or deemed given in respect of shares of more than one class a separate Transfer Notice shall be deemed to have been given in respect of each such class of share.
- 15.4 A Voluntary Transfer Notice may provide as a condition ("**a Total Transfer Condition**") that unless all the shares specified or deemed comprised therein are sold to persons found by the Company pursuant to this Article none shall be sold, and except as hereinafter provided, a Transfer Notice once given or deemed to be given shall not be revocable without the written consent of the Board including the Majority Director (if any) in office at the time.
- 15.5 A Transfer Notice shall constitute the Company the agent of the Proposed Transferor to sell all the shares specified or deemed comprised therein ("**the Offered Shares**") in accordance with the provisions of this Article.

15.6 Upon the expiry of seven days after determination of the Transfer Value of the Offered Shares as provided below and, provided the Proposed Transferor shall not have withdrawn the Transfer Notice as permitted in Article 15.15, the Directors shall forthwith by notice in writing inform:

- (A) each of the members (other than the Proposed Transferor); and
- (B) such employees or proposed employees of any Group Company and/or the trustees of such Employees Trust or Trusts as the Directors shall agree with Qualifying Consent and/or as shall be required by the Majority Director;

of the number of and the price (being the Transfer Value) of the Offered Shares and invite each member or (where appropriate) other persons referred to in Article 15.6(B) ("**Priority Offerees**") to whom such notice is given to apply in writing to the Company within twenty one days of the date of despatch of the notice (which shall be specified therein) for such maximum number of the Offered Shares (being all or any thereof) as he shall specify in such application.

15.7 The Directors shall, within seven days after the end of the twenty one day period referred to in Article 15.6, notify the Proposed Transferor of the number of Offered Shares (if any) for which they have found a purchaser or purchasers pursuant to Article 15.6 and, if the Directors have found such a purchaser or purchasers in respect of some only of the Offered Shares and the Transfer Notice properly contained a Total Transfer Condition, the Proposed Transferor shall be entitled to withdraw the Transfer Notice (in whole but not in part) within five days of such notification.

15.8 During the three months following the end of the period of seven days referred to in Article 15.7 the Proposed Transferor (whether or not the Transfer Notice has been withdrawn under that paragraph) may (subject to Article 11) transfer to any person or persons at any price per share (not being less than the Transfer Value thereof determined aforesaid) any share not allocated in accordance with the provisions of this Article, except that if he has withdrawn the Transfer Notice under Article 15.7, he may not sell some only of the Offered Shares except with the Majority Consent.

15.9 If within the period of twenty-one days referred to in Article 15.6 applications are found for all or (except where the Transfer Notice is withdrawn under Article 15.7) any of the Offered Shares, the Directors shall allocate the Offered Shares (or so many of them as shall be applied for as aforesaid):

- (A) first to and amongst the applicant Priority Offerees in such proportions as the Directors shall agree with Qualifying Consent and, secondly (if any such Offered Shares remain after such applicants have been satisfied in full), to and amongst the remaining applicants as provided in Articles 15.9(B) and 15.9(C);
- (B) except to the extent Article 15.9(A) applies, first or, as the case may be, next, to and amongst the applicants who are registered in respect of shares of the same class as the Offered Shares treating equity shares as one and the same class for this purpose (and to the extent there is competition between such applicants, pro rata according to the number of shares of such class of which they are registered as holders); and
- (C) lastly (if any of the Offered Shares shall remain after all applicants under Articles 15.9(A) and 15.9(B) have been satisfied in full) to and amongst the remaining applicants (and, to the extent there is competition between such remaining applicants, pro rata according to the number of the shares of the Company of whatever class in respect of which they are registered as holders)

PROVIDED THAT no applicant shall be obliged to take more than the maximum number of Offered Shares applied for by him as aforesaid and that all requisite adjustments shall be made in the event that any applicant allocated Offered Shares shall fail to complete the purchase of the same when required in accordance with this Article.

- 15.10 The Directors shall forthwith give notice in writing of the allocations of Offered Shares made pursuant to Article 15.9 (an "**Allocation Notice**") to the Proposed Transferor and to the persons to whom Offered Shares have been allocated and (provided that the aggregate number of shares so allocated coincides with the number of shares notified to the Proposed Transferor pursuant to Article 15.7) the Proposed Transferor shall thereupon be bound to transfer the shares allocated upon payment of the Transfer Value thereof. An Allocation Notice shall state the names and address of the purchasers and the number of shares agreed to be purchased by them respectively and the purchases shall be completed at such place and such time as shall be specified by the Directors in such Notice being not less than seven days nor more than twenty eight days after the date of such Notice.
- 15.11 If the Proposed Transferor having become bound as aforesaid makes default in accepting payment of the purchase price for any Offered Share or, as the case may be, in transferring the same, the Directors or any Majority Director may receive such purchase money and may nominate some person to execute an instrument of transfer of such share in the name and on behalf of the Proposed Transferor and thereafter when such instrument has been duly stamped the Directors shall cause the name of the transferee to be entered in the Register of Members as the holder of such share and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor. The receipt of the Directors or any Majority Director for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after his name has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 15.12 Where a Mandatory Transfer Notice is given pursuant to Article 13.1 (or when it could have been so required) by a Bad Leaver and/or by a Relevant Member of a Bad Leaver or pursuant to Article 13.7, the Transfer Value shall not exceed 70% of the Fair Value (as defined below) of the Offered Shares, unless otherwise agreed by Qualifying Consent.
- 15.13 Subject to Article 15.12, the Transfer Value per share of any shares to be transferred pursuant to the provisions of these Articles shall be such sum as may be agreed between the Proposed Transferor and the Directors (with Majority Consent or the written consent of any Majority Director then in office) within twenty-eight days of the service or deemed service upon the Company of a Transfer Notice in which the Offered Shares are comprised or, in default of such agreement, such sum as the Determining Accountant shall report in writing as being in his opinion the fair value thereof on the Relevant Date (as defined below) ("**the Fair Value**") on the following basis:
- (A) assuming a sale as between a willing vendor and a willing purchaser of the whole of the issued shares of the Company in the open market;
  - (B) by attributing to each class of shares such proportion of the sum calculated above as the Determining Accountant shall consider appropriate; and
  - (C) by determining the Transfer Value per share of the Offered Shares by dividing the total value determined as aforesaid of the issued shares of the same class as (and including) the Offered Shares by the number of shares of such class then in issue and therefore without discount or increase because the shares constitute a minority or majority shareholding.

15.14 For the purposes of Article 15.13:

- (A) the "**Determining Accountant**" shall be an chartered accountant appointed by agreement between the parties within seven days following the expiration of the period of twenty-eight days referred to in Article 15.13 or, failing such agreement, such valuer as is appointed (on the application of the Proposed Transferor or the Directors) by the President for the time being of the Institute of Chartered Accountants in England and Wales;
- (B) the "**Relevant Date**" shall mean:
  - (1) in the case of a Voluntary Transfer Notice, the date on which it was given; or
  - (2) the Leaving Date of the relevant Leaver, where a Mandatory Transfer Notice is given by a Leaver or a Relevant Member of a Leaver pursuant to Article 13.1 or when it could have been so required; and
  - (3) in the case of any other Mandatory Transfer Notice, the date on which it was given or (if earlier) first required to be given under these Articles; and
- (C) the Determining Accountant shall be deemed to be acting as an expert and not as arbitrator and his report shall be in writing and addressed and produced to the Proposed Transferor and the Company and shall be final and binding, in the absence of manifest error therein. The Directors shall procure that any report required hereunder is obtained with due expedition and (save as provided in Article 15.15) the cost of obtaining such report shall be borne by the Company.

15.15 In the case of a Voluntary Transfer Notice where the Transfer Value is required to be determined by the Determining Accountant under Article 15.13, the Proposed Transferor shall have the right (at any time before the expiry of ten days after issue of the report by the Determining Accountant as to the Transfer Value of the Offered Shares and even if the Determining Accountant has not been appointed at the time) to withdraw the Transfer Notice by giving notice of such withdrawal to the Directors in writing and in such event he shall be responsible for the costs and expenses of the Determining Accountant referred to in Article 15.14 insofar as incurred prior to the date the Transfer Notice was withdrawn.

15.16 Upon receipt of a written application from any member holding shares in the Company, and subject to payment by him of the costs thereby incurred, the Directors shall request the Auditors to state the sum which in their opinion is the Fair Value of the share or shares being the subject of such application and such statement shall be certified in writing by the Auditors (acting as experts and not as arbitrators). Any member holding shares in the capital of the Company shall be entitled at any time to make an application to the Directors in pursuance of this Article and such application shall not be deemed to constitute a notice of his intention to transfer shares within the meaning of these Articles.

## 16. GENERAL MEETINGS

16.1 All general meetings of the Company shall be held within the United Kingdom and no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and at all times throughout the meeting thereafter.

16.2 Two members present in person or by proxy (or, being a corporation, by representative) shall be a quorum provided that, subject to Article 16.3, the member(s) present represent a Majority.

- 16.3 If at an adjourned meeting a quorum for the purposes of Article 16.2 is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved, unless the meeting was adjourned for fourteen days or more and written notice of such adjournment was given to the members within five days of the adjournment, whereupon the quorum at any such adjourned meeting shall be any two members present in person or by proxy (or, being a corporation, by representative). Regulation 41 of Table A shall be read and construed accordingly.
- 16.4 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the Chairman or by any member present in person or by proxy. On a show of hands votes may be given either personally or by proxy.
- 16.5 Unless a poll is demanded as provided in Article 16.4, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 16.6 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.
- 16.7 Subject to the Act, a resolution in writing signed by all the members for the time being entitled to vote shall be as effective for all purposes as a resolution duly passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more members. In the case of a corporation the resolution may be signed on its behalf by a Director thereof or by its duly appointed or duly authorised representative.

## **17. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 17.1 Subject to the Act and unless and until the Company by special resolution shall otherwise determine, there shall be no maximum number of Directors and there shall be no minimum number of Directors.
- 17.2 The office of a Director shall be vacated if:
- (A) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
  - (B) he becomes bankrupt or insolvent or makes any arrangement or composition with his creditors; or
  - (C) he is, or may be, suffering from mental disorder and either:
    - (1) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - (2) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

- (D) (not being precluded from so doing by the terms of any contract with the Company) he resigns the office of Director by notice in writing to the Company; or
- (E) in accordance with these Articles, he is removed from office by a resolution duly passed pursuant to Section 303 of the Act or by Extraordinary Resolution (but without prejudice to any right he may have to damages by reason of such removal); or
- (F) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office is vacated; or
- (G) he is removed from office pursuant to Article 18.

## **18. MAJORITY DIRECTOR**

- 18.1 A Shareholder Majority shall be entitled (so long as it includes Andrew Deacon and/or Permitted Family Transferees of his) to appoint one or more Directors one of whom shall be the Majority Director and to remove from office any person so appointed (and subject to removal) to appoint another person in his place.
- 18.2 Any appointment or removal of a director under this Article shall be by instrument in writing signed by the relevant appointor(s) and/or Andrew Deacon given to any officer of the Company (not being the director the subject of the notice) or to the Company at its registered office and shall take effect on and from the date on which such instrument is so given. Any officer receiving such a notice shall promptly supply a copy of it to the Company.
- 18.3 A director appointed under this Article may appoint any person as an alternate pursuant to Article 20 without the approval of a resolution of the Directors.
- 18.4 A Majority Director shall be entitled to be a member of any committee of the Board and also to be appointed to the boards of such of the other members of the Group as he shall require.
- 18.5 For so long as the right to appoint a Director under this Article subsists, upon a poll being taken in connection with a resolution of the Company in General Meeting to remove such a Director or to restrict or delete this Article, the members entitled to appoint the same shall be entitled to exercise such total number of votes in respect of their holdings of Ordinary Shares as shall equal twice the total number of votes cast on such resolution by all other shareholders of the Company.
- 18.6 If no Majority Director is in office his powers under Articles 11 to 15 inclusive may be exercised and enjoyed by a Shareholder Majority.

## **19. DIRECTORS MEETINGS**

- 19.1 The quorum necessary for the transaction of business of the Directors shall be two, at least one of whom shall (if he is in office or unless he otherwise agrees in writing) be a Majority Director or his alternate.
- 19.2 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that (unless otherwise agreed by all the Directors at the time as regards the meeting concerned) all meetings of the Directors shall be held within the United Kingdom. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Save in the case of an emergency and unless all the Directors (or their duly appointed alternates) shall agree to the holding of a meeting by shorter notice, at least seven days' notice of every meeting of Directors shall be given either in



writing or by facsimile or other similar means of visible communication to each Director, unless absent from the United Kingdom and he has failed to leave an address at which he may be contacted by facsimile or other similar visible communication.

- 19.3 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting whether in person or by means of such type of communication device, to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.
- 19.4 At any meeting of the Directors each Director (or his alternate Director if the Director himself is not present) present at the meeting shall be entitled to one vote. In the case of an equality of votes at any meeting the Majority Director shall have a casting vote. Regulation 88 of Table A shall be modified accordingly.
- 19.5 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors, but so that the expression "**Director**" in this Article shall not include an alternate Director.
- 19.6 Subject to the provisions of Section 317 of the Act a Director (including an alternate Director) may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. A Director shall also be capable of voting in respect of such contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company or of the arrangement of the terms thereof and may be counted in the quorum at any meeting at which any such matter is considered.

## **20. ALTERNATE DIRECTORS**

- 20.1 Each Director shall have the power at any time to appoint as an alternate Director either another Director or (except in the case of a Director appointed under Article 18) any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld), and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.
- 20.2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.
- 20.3 An alternate Director shall (subject to his giving to the Company an address at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors and of any committee of the Directors of which his appointor is a member and to attend and to vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all General Meetings.
- 20.4 The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his

appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.

- 20.5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

## **21. BORROWING POWERS OF DIRECTORS**

- 21.1 Subject as otherwise provided in these Articles, the Directors may exercise all the powers of the Company to borrow money, whether in excess of the nominal amount of the share capital of the Company for the time being issued or not, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of these Articles and of the Act, to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **22. NOTICES**

- 22.1 Every Director of the Company and every alternate Director shall, upon supplying the Company with an address for the giving of notices therefor, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director or alternate Director shall not invalidate the proceedings at the general meeting convened by such notice.
- 22.2 A notice may be given (i) by the Company to any member or Director either personally or by sending it by first class post (airmail if abroad) or Royal Mail Special Delivery post or by facsimile or other means of visible communication to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him or (ii) to the Company for the purpose of these Articles by like method at its registered office for the time being.
- 22.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of forty-eight hours after the letter containing the same is posted. Where a notice is sent by facsimile or other means of visible communication, service of the notice shall be deemed to be effected forthwith.
- 22.4 Notwithstanding anything else provided in these Articles, any Director who has not given an address for service to the Company shall not be entitled to notices hereunder.

## **23. INDEMNITY**

- 23.1 Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Sections 144 and 727 of the Act, in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. This Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

- 23.2 The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust or which he may be guilty in relation to the Company.

## SCHEDULE

### (Definitions and Interpretation)

1. The following provisions of Table A shall not apply to this Company viz: Regulations 3, 24, 35, 39, 40, 46, 47, 50, 53, 54, 64 to 69 (inclusive) and 73 to 77 (inclusive), the last two sentences of Regulation 79 and Regulations 80, 81, 88, 89, 93 to 98 (inclusive) 115 and 118.

2. In these Articles (including this Schedule) unless the context otherwise requires:

**"Act"** means the Companies Act 1985

**"Adoption Date"** means the date of the passing of the resolution adopting these Articles

**"Approved Beneficiary"** means any person who, in relation to a Family Trust, is approved as such from time to time by the Board with Majority Director Consent

**"associated company"** means, in relation to a company, a subsidiary or holding company for the time being of such company or a subsidiary for the time being of such a holding company

**"Auditors"** means the auditors for the time being of the Company

**"Bad Leaver"** means any Leaver who is not a Good Leaver

**"the Board"** means the board of directors for the time being of the Company or any duly constituted and authorised committee thereof

**"business day"** means a day (not being a Saturday or Sunday) on which banks generally are open for business in London

**"Competitor"** means any person who, in the reasonable opinion of the Board (including any Majority Director) or a Shareholder Majority, carries on or is interested, directly or indirectly, in any business which competes, directly or indirectly, with any business carried on by the Group or who is connected with or an associated company of such a person

**"Controlling Interest"** means an interest (within the meaning of Schedule 13 Part 1 and Section 324 of the Act) in shares which confer in the aggregate more than sixty per cent of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue and conferring the right to vote at all general meetings

**"Employees Trust"** means any trust established by the Company or another member of the Group (with any consent required under Article 5) to acquire and hold shares in the capital of the Company for the benefit of employees and/or former employees of the Group and/or their dependants

**"Fair Value"** means the fair value of any shares in the Company determined as provided in Article 15.13

**"Family Trust"** means in relation to any Original Member or Approved Beneficiary a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on intestacy) under which:

- (a) no immediate beneficial interest in the shares in question is for the time being vested in any person other than the Original Member or Approved Beneficiary or Privileged Relations of his; and

- (b) no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the Original Member or Approved Beneficiary or Privileged Relations of his

and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of any exercise of a power or discretion conferred thereby on any person or persons

**"Flotation"** means the effective admission of any part of the equity share capital of the Company to the Official List of the UK Listing Authority and trading on The London Stock Exchange or the grant of effective permission by The London Stock Exchange for dealings to take place in the same on the Alternative Investment Market or the commencement of dealings in the same on any other recognised investment exchange (as defined in Part XVIII of the Financial Services and Markets Act 2000) (whichever is the earlier)

**"Good Leaver"** means:

- (a) a Leaver who becomes a Leaver because following the first anniversary of the Adoption Date or, if later, the date on which he first became a Relevant Executive:
  - (i) the member of the Group by whom he is employed or engaged ceases to be a member of the Group; or
  - (ii) he ceases to be employed by the Company or any member of the Group as a result of the sale or other disposal by the Company or such member of the Group of its business or that part of its business in which he was employed; or
  - (iii) he dies or retires at normal retirement age; or
  - (iv) he is dismissed or resigns because he has suffered a physical or mental deterioration which, in the opinion of the Shareholder Majority is sufficiently serious to prevent him from duly performing his normal duties as a Relevant Executive; or
  - (v) he is dismissed by the Company or any member of the Group, in breach of his contract of employment or engagement, by or with the consent of a majority of the members of the Board and who has not subsequently breached any restrictive covenants or confidentiality obligations by which he is bound under the terms of his engagement by any member of the Group or under the Shareholders Agreement or under any agreement under which he has sold assets to any member of the Group; or
- (b) does not fall within any of the foregoing categories but nevertheless the Board, with Qualifying Consent, designates him as a Good Leaver for the purposes of these Articles.

**"Group"** means the Company and its subsidiaries and subsidiary undertakings for the time being

**"Leaver"** means any person who ceases or (as the case may be) will cease (through having given or been given notice) to be a Relevant Executive in circumstances where he does not or (as the case may be) will not continue immediately thereafter to be a Relevant Executive in any capacity

**"Leaving Date"** means the date on which the Leaver concerned became a Leaver or, where he was given or gave notice to terminate his employment or engagement, the date when such notice was given, if earlier

**"Majority"** means as regards members of a class or classes of shares, a majority by reference to the number of shares of such class or classes held and not by reference to the number of members holding shares of such class or classes

**"Majority Consent"** means the written consent of a Shareholder Majority

**"Majority Director"** means where he is in office as a Director, Andrew Deacon, or in any other case any Majority Director appointed pursuant to Article 18

**"Majority Director Consent"** means the express written consent of the Majority Director in office at the relevant time or, where there is no Majority Director in office or the Majority Director in office is unable to unwilling or unavailable to provide any consent for the purposes of these Articles, a Majority Consent.

**"Mandatory Transfer"** means any transfer of shares required pursuant to Article 13 or which is given by any person at a time when he could be required under Article 13 to make such a transfer

**"Mandatory Transfer Notice"** means a Transfer Notice given or deemed to be given pursuant to Article 13 or given by a person at a time when he could be required under Article 13 to give such a Transfer Notice

**"Ordinary Shares"** means Ordinary Shares of £1 each in the capital of the Company

**"Original Member"** means an Original Member as defined in Article 12.4

**"Permitted Family Transfer"** means a Permitted Family Transfer as defined in Article 12.4 and references to a **"Permitted Family Transferee"** shall be construed accordingly

**"Permitted Corporate Transferee"** means in relation to any member which is a body corporate, any associated company for the time being thereof

**"Permitted Option"** means any Subscription Right:

- (a) outstanding on the Adoption Date; or
- (b) granted after the Adoption Date with Qualifying Consent

**"Permitted Transfer"** means a transfer of shares permitted by Articles 10 to 15 (inclusive)

**"Privileged Relation"** means in relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants in direct line of such member and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant

**"Qualifying Consent"** means the written consent of the holders of at least 85 per cent of the issued Ordinary Shares and any such consent shall where required by these Articles be binding upon all the members whether or not a signatory thereto

**"Related Shares"** means in relation to any shares, any shares issued in respect of such shares by way of capitalisation or bonus issue or acquired in exercise of any right or option granted or arising by virtue of them

**"Relevant Executive"** means a director or employee of, or a consultant to, the Company or any member of the Group

**"Relevant Member"** means, in relation to a particular Relevant Executive or Leaver, and unless otherwise agreed by Qualifying Consent that Relevant Executive or Leaver and any member to whom such Relevant Executive or Leaver (or his personal representatives) has made or at the relevant time could if he held shares in the Company make a Permitted Family Transfer (assuming for these purposes that any restrictions on such a transfer in the Shareholders Agreement or relevant to Mandatory Transfer Notices do not apply);

**"Relevant Shares"** means any shares in the Company for the time being held by a Relevant Member and/or in respect of which a Relevant Member is unconditionally entitled to be registered as the holder

**"Sale"** means the sale or transfer of any Ordinary Shares (excluding any acquisition of shares by way of Permitted Transfer) constituting at least ninety per cent of the equity share capital of the Company to a single purchaser (or to one or more purchasers as part of a single transaction) or the acquisition (whether or not as part of a single transaction but excluding any acquisition of shares by way of Permitted Transfer) of Ordinary Shares constituting such an interest by any person or group of persons who are connected persons of each other and who did not previously hold such an interest

**"Shareholder Majority"** means the holders of a Majority of the Ordinary Shares

**"Shareholders Agreement"** means the Shareholders Agreement entered into on or about the Adoption Date between, inter alios, the Company and the Shareholders therein mentioned and, as from time to time amended supplemented or novated

**"Subscription Rights"** means any rights (whether under options, warrants, on conversion of any indebtedness or otherwise) to call for the allotment or issue of shares in the Company

**"Transfer Notice"** means a Voluntary Transfer Notice or a Mandatory Transfer Notice, as the case may be

**"the Transfer Value"** means the value attributable to the shares comprised in any Transfer Notice determined as provided in Article 15

**"Voluntary Transfer"** means any transfer of shares other than a Mandatory Transfer;

**"Voluntary Transfer Notice"** means a Transfer Notice other than a Mandatory Transfer Notice.

3. In these Articles references to a document being executed include references to its being executed under hand or under seal or as a deed or by any other method and references to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.

4. In these Articles words denoting the singular number include the plural number and vice versa, words denoting the masculine gender include the feminine gender and words denoting persons include corporations.
5. Where the context so admits, words or expressions contained in these Articles bear the same meaning as in the Act as in force on the Adoption Date.
6. Except where expressly stated references in these Articles to any provision of any enactment or of any subordinate legislation (as defined by Section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.
7. References in these Articles to a "**connected person**" of any person and "**control**" shall mean any connected person thereof and control for the purposes of Sections 839 and 840 of the Income and Corporation Taxes Act 1988 as in force on the Adoption Date.
8. References to the amount "**paid up**" on a share shall include all amounts credited as paid up thereon including any premium.
9. References in these Articles to a "**dormant subsidiary**" of the Company are references to any subsidiary of the Company which at the relevant time is dormant for the purposes of Section 250(1)(a) or (b) of the Act as in force on the Adoption Date.
10. The headings in these Articles are inserted for convenience only and shall not affect their construction.