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(1) BDML (HOLDINGS) LIMITED

ARTICLES OF ASSOCIATION

Adopted on 7 June 1999
and amended on 11 November 2001



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Company No. 03675407

COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BDML (HOLDINGS) LIMITED

adopted by Special Resolution of the Company
passed on 7 June 1999 and amended by Written Resolution of the Company passed on
1 November 2001

1. **Preliminary**

These Articles together with the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("**Table A**") shall apply to the Company save insofar as such regulations are excluded or varied hereby.

2. **Definitions and Interpretation**

2.1 In these Articles the following words and expressions shall (except where the context otherwise requires) have the following meanings:

- 2.1.1 "**Anniversary**" means the anniversary of the Commencement Date;
- 2.1.2 "**A Share Determined Price**" shall have the meaning set out in Article 12.2.2;
- 2.1.3 "**A Ordinary Share**" means an A ordinary share of £1 in the capital of the Company;
- 2.1.4 "**A Ordinary Shareholder**" means a registered holder of any A Ordinary Shares;
- 2.1.5 "**Accounting Period**" means an accounting reference period of the Company being initially the period commencing on the date of incorporation of the Company and ending on 31 December 1999 and thereafter each twelve

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2.1.4 "**A Ordinary Shareholder**" means a registered holder of any A Ordinary Shares;

2.1.5 "**Accounting Period**" means an accounting reference period of the Company being initially the period commencing on the date of incorporation of the Company and ending on 31 December 1999 and thereafter each twelve

month period ending on each succeeding 31 December or such other date as is notified to the Registrar of Companies from time to time;

- 2.1.6 **"Auditors"** means the auditors from time to time of the Company;
- 2.1.7 **"Bank"** means Lloyds TSB Bank Plc whose registered office is situated at 71 Lombard Street, London EC3P 3BS~~The Royal Bank of Scotland plc~~;
- 2.1.8 **"B Share Determined Price"** shall have the meaning set out in Article 12.2.2;
- 2.1.9 **"B Ordinary Share"** means a B ordinary share of £1 in the capital of the Company;
- 2.1.10 **"B Ordinary Shareholder"** means a registered holder of any B Ordinary Shares;
- 2.1.11 **"Beneficial Owner"** shall have the meaning set out in Article 8.2.1;
- 2.1.12 **"Board"** means all the Directors of the Company from time to time including the Investor Director;
- 2.1.13 **"Cessation Date"** shall have the meaning set out in Article 10.2;
- 2.1.14 **"Commencement Date"** means the date of the adoption of these Articles;
- 2.1.15 **"the Companies Act"** means the Companies Act 1985 (as amended);
- 2.1.16 **"Compulsory Vendors"** shall have the meaning set out in Article 10.2;
- 2.1.17 **"Connected Person"** shall have the meaning ascribed to it in Section 839 of the Income and Corporation Taxes Act 1988;
- 2.1.18 **"Consultancy Agreement"** means as defined in the Shareholders' Agreement;
- 2.1.19 **"credited as paid up"** means amounts paid up or credited as paid up on the relevant share including any premium;
- 2.1.20 **"Deemed Notice Date"** shall have the meaning set out in Article 10.4;

2.1.21 **"Default"** shall mean an event of default by the Company pursuant to the Term Loan;

2.1.21.22 **"Directors"** means the directors from time to time of the Company;

2.1.22.1.23 **"Employee Priority Notice"** shall have the meaning set out in Article 11.1;

2.1.23.1.24 **"Employee Shares"** shall have the meaning set out in Article 11.2;

2.1.24.1.25 **"Entire Share Value"** shall have the meaning set out in Article 9.1.3.2;

2.1.25.1.26 **"Equity Shares"** means the A Ordinary Shares and the B Ordinary Shares and any shares derived therefrom whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise for the time being in issue;

~~2.1.26~~ **"Event of Default"** shall have the meaning given to it in the Facility Agreement

2.1.27 **"Equity Shareholder"** means a registered holder of an Equity Share;

2.1.28 **"Event"** means the earliest to occur of a Sale or a Listing or a sale or listing of the issued share capital of the Company's wholly owned subsidiary, Sabre Insurance Company Limited or any intermediate holding company of Sabre Insurance Company Limited;

2.1.28.1.29 **"Facilitation Fee"** shall have the meaning set out in the Shareholders' Agreement

2.1.29.1.30 **"Facility Agreement"** shall have the meaning set out in the Shareholders' Agreement;

2.1.30.1.31 **"Family Trust"** means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations and 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 individual Beneficial Owner or his Privileged Relations;

2.1.312.1.32 "FSA" means The Financial Services Act 1986 and every statutory modification or re-enactment thereof for the time being in force;

2.1.322.1.33 "Group" means the Company and its subsidiary undertakings from time to time and references to a "member of the Group" or a "Group member" shall be construed accordingly;

2.1.332.1.34 "Interest Commission" shall have the meaning set out in the Shareholder's Agreement;

2.1.342.1.35 "Independent Expert" means an umpire (acting as an expert and not as an 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;

2.1.36 "**Insurance Regulator**" means the Treasury, the Financial Services Authority and any other body, organisation or person to whom the Treasury may delegate from time to time powers and duties of responsibility under the Insurance Companies Act 1982 as well as any subordinate legislation;

2.1.352.1.37 "Letter of Credit" shall have the meaning given to it in the Shareholders' Agreement;

2.1.362.1.38 "Listing" means the admission of all or any of the Equity Shares to the Official List of the Stock Exchange or the grant of permission by the Stock Exchange to deal in the same on any recognised investment exchange (as that term is defined in the FSA);

2.1.39 "**Loan Notes**" means the £2,900,000 5% plus 5% Fixed Rate Unsecured Subordinated Redeemable Seven Year Loan Notes of the Company constituted by a Deed Poll dated ~~16~~ November 2001;

2.1.372.1.40 "Managers" means Alexander Dunn, Keith Morris and Angus Ball;

2.1.382.1.41 "Mandatory Transfer Notice" shall have the meaning set out in Article 9.1.1;

2.1.392.1.42 "**Member**" means a holder of any share in the capital of the Company as stated in its Register of Members from time to time;

2.1.402.1.43 "**Minority Shareholder**" shall have the meaning set out in Article 12.4;

2.1.412.1.44 "**New Employee**" shall have the meaning set out in Article 11.1;

2.1.422.1.45 "**Offer Time**" shall have the meaning set out in Article 12.2.2;

2.1.432.1.46 "**Offer Trigger Shares**" shall have the meaning set out in Article 12.2.1;

2.1.442.1.47 "**Original Undertaking**" shall have the meaning set out in Article 8.1.1;

2.1.452.1.48 "**persons acting in concert**" shall have the meaning ascribed to it in the City Code on Takeovers and Mergers;

2.1.462.1.49 "**Principal Sum**" means the principal sum together with all accrued interest and default interest thereon outstanding from time to time in respect of the Term Loan;

2.1.472.1.50 "**Privileged Relation**" means in relation to a Member a parent or spouse of that Member and all lineal descendants of that Member ~~or any such Member or his lineal descendants~~ or any person who is married to any such lineal descendent;

2.1.482.1.51 "**Proposing Transferee**" shall have the meaning set out in Article 9.1.2;

2.1.492.1.52 "**Proposing Transferor**" shall have the meaning set out in Article 9.1.1;

2.1.502.1.53 "**PR's**" shall have the meaning set out in Article 10.6;

2.1.512.1.54 "**Purchasers**" shall have the meaning set out in Article 9.1.9;

2.1.522.1.55 "**Purchasing Group**" shall have the meaning set out in Article 12.1;

2.1.56 "**Redeemable Preference Share**" means a cumulative redeemable preference share of £1 in the Company;

2.1.57 "**Redemption Monies**" shall have the meaning set out in Article 4.3.2;

2.1.532.1.58 "Sale" means the completion of any transaction or series of transactions whereby any person or Connected Persons or group of persons acting in concert (excluding a Member or a Beneficial Owner at the Commencement Date or a person or persons deriving title therefrom and to whom such Member or Beneficial Owner or person deriving title therefrom have transferred Shares pursuant to Articles 8, 9 (excluding only Article 9.1.11) or 10) purchases or otherwise acquires or obtains not less than 75 per cent in nominal value of the Equity Shares;

2.1.542.1.59 "Sale Price" shall have the meaning set out in Article 9.1.2 or, as the case may be 9.1.3;

2.1.552.1.60 "Sale Shares" shall have the meaning set out in Article 9.1.1;

2.1.562.1.61 "Share" means a share in the capital of the Company;

2.1.572.1.62 "Shareholders' Agreement" means an agreement made on the Commencement Date between (1) the Company (2) the A Ordinary Shareholder at the Commencement Date (3) and the B Ordinary Shareholders at the Commencement Date as amended by an investment agreement and deed of variation dated ^{1 November} 2001;

2.1.582.1.63 "Share Class Value" shall have the meaning set out in Article 9.1.3.2;

2.1.592.1.64 "the Stock Exchange" means London Stock Exchange plc Limited;

2.1.602.1.65 "Term Loan" shall have the meaning set out in the Shareholders' Agreement;

2.1.612.1.66 "Third Party Price" shall have the meaning set out in Article 12.2;

2.1.622.1.67 "Total Transfer Condition" shall have the meaning set out in Article 9.1.1;

2.1.632.1.68 "Transferee Undertaking" shall have the meaning set out in Article 8.1.1;

2.1.642.1.69 "Transfer Notice" shall have the meaning set out in Article 9.1.1;

2.1.652.1.70 "Trigger Price" shall have the meaning set out in Article 12.2.1;

~~2.1.662.1.71~~ "Trustee in Bankruptcy" shall have the meaning set out in Article 10.6.

2.2 In these Articles, where the context admits:

2.2.1 words and phrases which are defined or referred to in or for the purposes of the Companies Act or Table A have the same meanings in these Articles unless the context otherwise requires;

2.2.2 sections 5, 6, 8 and 9 and Schedule 1 to the Interpretation Act 1978 apply in the same way as they do to statutes.

2.2.3 reference to a statutory provision includes reference to:

2.2.3.1 any order, regulation, statutory instrument or other subsidiary legislation at any time made under it for the time being in force (whenever made);

2.2.3.2 any modification, amendment, consolidation, re-enactment or replacement of it or provision of which it is a modification, amendment consolidation, re-enactment or replacement;

2.2.4 reference to a regulation is to a regulation of Table A, and reference to an Article is to a provision of these Articles;

2.2.5 reference to a gender includes the other genders, and reference to the singular includes the plural and vice versa;

2.2.6 headings are for ease of reference only and shall not affect the construction or interpretation of these Articles.

3. Share Capital

The authorised share capital of the Company at the last date of ~~amendment~~ adoption of these Articles is ~~£400,000~~ 300,000 divided into:

3.1 30,000 A Ordinary Shares; ~~and~~

3.2 270,000 B Ordinary Shares; ~~and~~

3.3 100,000 Redeemable Preference Shares.

4. Share Rights

Regulation 2 shall not apply to the Company. The rights and restrictions attaching to the ~~Equity~~ Shares shall be as follows:

4.1 As regards income

4.1.1 The profits of the Company which are available for lawful distribution in respect of each Accounting Period will be firstly applied in paying a dividend equivalent to 10% of the amount credited as paid up on the Redeemable Preference Shares;

4.1.2 The following will apply in respect of the dividends payable upon the Redeemable Preference Shares referred to in Article 4.1.1:

4.1.2.1 one half of the dividends will be paid in cash and one half will be accrued until the earliest to occur of the Bank having been paid off in full, an Event or the seventh anniversary of the issue of the Redeemable Preference Shares when such half will be paid in cash;

4.1.2.2 the dividends will accrue on a daily basis;

4.1.2.3 all such dividends will be fixed and will be paid by one instalment on 28 February ("Due Date") in each year in respect of the 12 month period ending on those dates, and the first of each such payments will be made on the first Due Date after the issue and allotment of the Redeemable Preference Shares;

4.1.2.4 the dividend upon the Redeemable Preference Shares will be cumulative. Notwithstanding anything contained in Regulations 102 to 108 (inclusive), the Company does not need to declare them. Any such dividend, as increased pursuant to Article 4.1.3.2 will become a debt due from and (to the extent not accrued) immediately payable by the Company to the Member or Members to whom it is payable on the date or dates set out in Article 4.1.2.5 without any requirement for a recommendation of the Directors or a resolution of the Members in general meeting in respect of that dividend;

4.1.2.5 for the purposes of Article 4.1.2.4 the date or dates on which any such dividend will become a debt will be:

(a) the Due Date, if such a debt can lawfully arise on such date or dates; or

(b) otherwise as soon afterwards as such debt can lawfully arise.

4.1.3 If the Company fails to pay in full any of the dividends set out in Article 4.1.1 on any Due Date:

4.1.3.1 on the Due Date in question (but subject to Articles 4.1.3.3 and 4.1.4) the Company will pay to the relevant Members on account of the relevant dividends the maximum sum (if any) which can lawfully be paid by the Company;

4.1.3.2 the whole amount of any unpaid dividend will be increased by two (2)% per annum above the rate specified in Article 4.1.1 (such amount accruing on a daily basis from the Due Date until the date or dates of actual payment);

4.1.3.3 all arrears of dividends payable in cash will be carried forward and on each succeeding Due Date the Company will pay on account of any outstanding balance, such amount as can then lawfully be paid, and this procedure will continue until such time as the relevant arrears of dividends payable in cash have been paid in full.

4.1.14.1.4Any further profits which either the Board or the Company may determine to distribute (in any event not exceeding the amount recommended by the Directors) in respect of any Accounting Period shall be applied so that a percentage thereof being in any event not less than 10% but otherwise as calculated in accordance with the following formula set out in Article 4.1.5 shall be distributed to the B Ordinary Shareholders pro rata their holdings of B Ordinary Shares and the balance thereof shall be distributed to the A Ordinary Shareholders pro rata their holdings of A Ordinary Shares.

4.1.24.1.5If on or prior to a distribution being made in accordance with Article 4.1.2 the Term Loan or any part thereof has been repaid then subject only to the Company having at such time complied in full with its obligations arising

under and pursuant to the Consultancy Agreement the percentage rights set out in Article 4.1.4 as being attributable to the B Ordinary Shares as a class shall be increased by a percentage rate of 0.8% for every one per cent of the maximum Principal Sum advanced to and repaid by the Company since the Commencement Date (and pro rata in those proportions for repayments in aggregate amounting to less than one complete per cent) to the intent and effect that after applying such revised percentage rate to the B Ordinary Shares as a Class pursuant to Article 4.1.4 the balance of such distribution to be made pursuant thereto shall be distributed to the A Ordinary Shareholders pro rata their holdings of A Ordinary Shares provided that while any of the Loan Notes are outstanding the maximum percentage rights set out in Article 4.1.4 as being attributable to the B Ordinary Shares as a class shall not exceed 40%.

4.2 As regards capital

4.2.1 On a return of assets whether in a winding-up or reduction of capital or otherwise (except in the case of the redemption of Shares of any class or the purchase by the Company of its own Shares) the assets and retained profits of the Company available for distribution among the members shall be applied firstly in distributing to the holders of the Redeemable Preference Shares an amount equal to the amount paid upon the Redeemable Preference Shares (together with any arrears and accruals of Preference Dividend) and thereafter in distributing to the B Ordinary Shareholders pro rata their holdings of B Ordinary Shares a percentage thereof equal to the percentage that would apply to the B Ordinary Shares as a class if at the time of the distribution made pursuant to this Article 4.2 a distribution was also to be made pursuant to Articles 4.1.4 and 4.1.5 and the balance thereof shall be distributed to the A Ordinary Shareholders pro rata their holdings of A Ordinary Shares.

4.3 As regards redemption of the Redeemable Preference Shares

4.3.1 All issued Redeemable Preference Shares will be redeemed immediately upon the date of an Event unless, in the case of a Sale, an offer has been accepted by all the Members holding Redeemable Preference Shares at a

price per share which is not less than the Redemption Monies which would otherwise have been payable on redemption at that time.

4.3.2 The amount payable on the Redeemable Preference Shares as a class will be a sum equal to the result of the following formula:

$$\frac{(0.5 - 0.1) x (z - y)}{(1 - 0.1)}$$

together with all arrears and accruals of dividend upon the Redeemable Preference Shares (whether earned or declared or not) calculated down to the redemption date in question ("**Redemption Monies**"), where:

z = the value of Sabre Insurance Company Limited at the time of the proposed Event calculated either by the purchase price offered for that company (net of any taxation and any relevant transaction costs arising in the circumstance of the Event being a sale or listing of Sabre Insurance Company Limited or any intermediate holding company of Sabre Insurance Company Limited) which has given rise to the proposed Event or its market value as calculated on a proposed listing of that company giving rise to the proposed Event or as agreed between the holders of the B Ordinary Shares and the holders of the Preference Shares prior to a Sale or a Listing or in default of agreement as ascertained as being the fair value of that Company by an Independent Expert in a manner as set out in Article 9.1.3.2 (with such amendments as are necessary to give effect to this calculation (mutatis mutandis))

y = the aggregate of the total principal sum of Loan Notes outstanding at the date of the Event and the nominal value of the Redeemable Preference Shares in issue at the date of the Event

4.3.3 If the Company is unable lawfully to redeem out of distributable profits any of the Redeemable Preference Shares due to be redeemed, it will effect such redemption as soon afterwards as it is lawfully able to so redeem them and "redemption date" shall be construed accordingly.

4.3.4 On the redemption date:

4.3.4.1 the Redemption Monies (to the extent that they do not already constitute the same) will become a debt due and payable by the Company to the Members holding Redeemable Preference Shares;

4.3.4.2 each of the Members holding Redeemable Preference Shares whose shares are to be redeemed will deliver to the Company the share certificate(s) for such shares and the Company will cancel the same;

4.3.4.3 the Company, subject to receipt of the relevant share certificate or an indemnity in lieu of the share certificate in a form reasonably satisfactory to the Company, will pay the Redemption Monies to the relevant Members holding Redeemable Preference Shares;

4.3.4.4 the dividend upon the Redeemable Preference Shares will cease to accrue in respect of any Redeemable Preference Shares due to be redeemed on that date unless, on presentation of the share certificate(s) or an indemnity in lieu of the share certificate(s), the Company fails to make payment of the Redemption Monies, in which case the dividend upon the Redeemable Preference Shares will continue to accrue until the actual date of payment; and

4.3.4.5 any redemption of some but not all of any Redeemable Preference Shares will be made amongst their holders pro rata as nearly as possible to their respective holdings of Redeemable Preference Shares.

4.3.5 Notwithstanding any other terms of these Articles, any redemption of the Redeemable Preference Shares and payment of dividends thereon shall be subject to the Company and/or any subsidiaries which are insurance undertakings maintaining a margin of solvency and other solvency requirements required for the Company and/or the relevant subsidiaries as imposed by or as set out in the rules made by the Insurance Regulator from time to time.

4.34.4 As regards voting

4.3.14.4.1 Either on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised

representative not being himself a Member entitled to vote, or on a poll every Member who is present in person or by proxy or (being a corporation) is present by a duly authorised person shall:

4.3.1.14.4.1.1 to the extent that such Member is a holder of A Ordinary Shares be entitled to exercise such percentage of the votes exercisable at general meetings of the Company as his holding of A Ordinary Shares bears to the total number of A Ordinary Shares then in issue and on the basis that the A Ordinary Shareholders shall together only be entitled to exercise a percentage of all the votes exercisable at such general meeting as equals the percentage which would apply to the A Ordinary Shares as a class under Article 4.1 as if a dividend was declared or paid at such general meeting pursuant to Articles 4.1.4 and 4.1.5; and

4.3.1.24.4.1.2 to the extent that such Member is a holder of B Ordinary Shares be entitled to exercise such percentage of the votes exercisable at general meetings of the Company as his holding of B Ordinary Shares bears to the total number of B Ordinary Shares then in issue and on the basis that the B Ordinary Shareholders shall together only be entitled to exercise a percentage of all the votes exercisable at such general meeting as equals the percentage which would apply to the B Ordinary Shares as a class under Article 4.1 as if a dividend was declared or paid at such general meeting pursuant to Articles 4.1.4 and 4.1.5; and

regulation 54 of Table A shall not apply to the Company provided always that where an ~~Event of Default~~ arises at any time when more than 50% of the Term Loan remains outstanding the percentage rights attaching to the B Ordinary Shares under Articles 4.1, 4.2 and 4.3 shall until such time as the ~~Event of Default~~ is remedied (otherwise than by recourse to the enforcement by the Bank of its security under the Letter of Credit) revert to 10 per cent.

4.4.5 **As regards consents of the B Ordinary Shareholders**

4.4.5.1 Subject to Article 4.5.2 and for so long as the voting rights attaching to A Ordinary Shares as a class pursuant to Article 4.3 are greater than 10 per cent

of the votes exercisable at general meetings of the Company and there are any B Ordinary Shares in issue the Company shall not without the written consent or sanction of the B Ordinary Shareholders given in accordance with the provisions of Article 5:

4.4.1.14.5.1.1 save as set out in these Articles modify or vary the rights attaching to the Equity Shares, or any of them or;

4.4.1.24.5.1.2 reduce, or pass any resolution to reduce all or any of its share capital or any amount standing to the credit of its share premium account or capital redemption reserve fund or reduce any uncalled liability in respect of partly paid shares;

4.4.1.34.5.1.3 pass any resolution to alter its memorandum or articles of association;

4.4.1.44.5.1.4 make any distribution payment or return of capital to any Member (otherwise than in accordance with the terms of these Articles); or

4.4.1.54.5.1.5 capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of any reserve) or any sums standing to the credit of its share premium account or capital redemption reserve fund; or

4.4.1.64.5.1.6 make any distribution payment or return of an income nature to any shareholder otherwise than in accordance with the terms of these Articles; or

4.4.1.74.5.1.7 breach any of the provisions of these Articles or the Shareholders' Agreement; or

4.4.1.84.5.1.8 vary the authorised or issued share capital of the Company or any subsidiary undertaking (other than a wholly owned subsidiary undertaking); or

4.4.1.94.5.1.9 create or grant any options or other rights to subscribe for or to convert into or issue any Shares or other securities in the capital of

the Company or any subsidiary undertaking (other than a wholly owned subsidiary undertaking); or

4.4.1.104.5.1.10 permit any subsidiary to issue (other than to the Company or a wholly owned subsidiary of the Company) any shares; or

4.4.1.114.5.1.11 dispose of any Shares or permit any subsidiary to dispose of any shares (other than to the Company or a wholly owned subsidiary of the Company); or

4.4.1.124.5.1.12 take any steps to wind up the Company; or

4.4.1.134.5.1.13 make any material changes in the nature of the business of the Company or any subsidiary, or dispose of the whole or a substantial part of the business and undertaking of the Company or any Subsidiary; or

4.4.1.144.5.1.14 register the transfer of Shares in the circumstances set out in Article 12.1.

4.4.24.5.2 The rights vesting in the B Ordinary Shareholders by virtue of the application of Article 4.5.1 shall cease to apply on and from the date upon which the Company is notified by the Bank of an ~~Event of Default~~. If however the ~~Event of Default~~ is capable of being remedied and is remedied without recourse by the Bank to its security under the Letter of Credit then as and from the time when such ~~Event of Default~~ is remedied the rights vesting in the B Ordinary Shareholders by virtue of Article 4.1.1 shall be reinstated and thenceforth continue to apply.

4.54.6 **As regards consents of the A Ordinary Shareholders**

So long as the voting rights attaching to the B Ordinary Shares as a class pursuant to Article 4.4 are equal to or greater than 50 per cent of the votes exercisable at general meetings of the Company but are less than 90 per cent of the votes exercisable at general meetings of the Company and there are A Ordinary Shares in issue the Company shall not without the written consent or sanction of the A Ordinary Shareholders given in accordance with Article 5 do any of those matters set out in Articles 4.5.1.1 to 4.5.1.14 (inclusive). On and from the time at which the voting rights attaching to the B Ordinary Shares as a class pursuant to Article 4.4 are equal

to or exceed 90% the aforementioned requirement to obtain the written consent or sanction of the A Ordinary Shareholders to those matters set out in Articles 4.5.1.1 to 4.5.1.14 shall lapse and be of no further force and effect.

4.6.4.7 **Appointment of Directors by the A Ordinary Shareholders**

4.6.14.7.1 For so long as the percentage rights attaching to the A Ordinary Shares as a class pursuant to Article 4.4 equal or exceed 50 per cent the A Ordinary Shareholders as a class shall have the right at any time and from time to time to appoint one person as a non-executive director of the Company but so that at all meetings of the Board such director so appointed by the A Ordinary Shareholders shall have one vote in excess of all other Directors' votes exercisable in relation to any resolution proposed at that meeting of the Board. Regulation 88 of Table A shall be modified accordingly.

4.6.24.7.2 On and from the time that and for so long as the percentage rights attaching to the A Ordinary Shares as a class pursuant to Article 4.4 are less than 50 per cent the A Ordinary Shareholders shall continue to have the right to appoint one person as a non-executive director of the Company but so that at all meetings of the Board such director so appointed by the A Ordinary Shareholders shall have one vote only in relation to any resolution proposed at that Meeting of the Board. An officer appointed pursuant to this Article 4.7 and removed as aforesaid or otherwise in accordance with this Article shall have no claim whatsoever against the Company for loss of office or otherwise howsoever arising otherwise than in circumstances where such Director holds an executive office with the Company under a written service agreement approved by the Board and then only in respect of and under the terms of such service agreement.

4.6.34.7.3 Any appointment pursuant to Articles 4.7.1 or 4.7.2 shall be effected by notice in writing to the Company by the A Ordinary Shareholders who may in like manner at any time and from time to time remove from office any such Director appointed pursuant either to Article 4.7.1 or 4.7.2 and appoint any person in place of any such Director so removed or dying or otherwise vacating office as a Director appointed pursuant either to Article 4.7.1 or 4.7.2.

4.6.4.7.4 Subject to Section 303 of the Companies Act on any resolution to remove a Director appointed by the A Ordinary Shareholders the A Ordinary Shares held by the A Ordinary Shareholders shall together carry one vote in excess of fifty per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed and if any such Director appointed by the A Ordinary Shareholder is removed pursuant to Section 303 of the Companies Act or otherwise the A Ordinary Shareholders may reappoint him or any other person as a Director.

4.6.5.7.5 The right of the appointment and removal of a Director set out in the foregoing provisions of this Article 4.7 shall be exercised by the holders of not less than 75 per cent of the A Ordinary Shares in issue from time to time.

4.7.4.8 **Appointment of Directors by the B Ordinary Shareholders**

4.7.14.8.1 The B Ordinary Shareholders as a class shall have the right at any time and from time to time to appoint up to three persons as Directors of the Company but so that not more than three persons shall hold office under this Article at any one time.

4.7.24.8.2 Any such appointment pursuant to Article 4.8.1 shall be effected by notice in writing to the Company by the B Ordinary Shareholders who may in like manner at any time and from time to time remove from office any such Director appointed pursuant to Article 4.8.1 and appoint any person in place of such Director so removed or dying or otherwise vacating office as a Director appointed pursuant to Article 4.8.1.

4.7.34.8.3 Subject to Section 303 of the Companies Act on any resolution to remove a Director appointed pursuant to Article 4.8.1 the B Ordinary Shares held by the B Ordinary Shareholders shall together carry one vote in excess of fifty per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed and if any such Director appointed pursuant to Article 4.8.1 is removed pursuant to Section 303 of the Companies Act or otherwise the B Ordinary Shareholders may reappoint him or any other person as a Director.

~~4.7.4.4.8.4~~The right of the appointment and removal of a Director set out in the foregoing provisions of this Article 4.8 shall be exercised by the holders of not less than 50 per cent of the B Ordinary Shares in issue from time to time.

~~4.7.5.4.8.5~~Upon the occurrence of an Event of Default the provisions of Articles 4.8.1 to 4.8.4 (inclusive) shall cease to apply and shall not be reinstated unless the Event of Default (being capable of remedy) is remedied otherwise than by recourse (in whole or in part) to the enforcement by the Bank of its security under the Letter of Credit.

5. **Modification of Rights**

5.1 **Class Rights of the A Ordinary Shares and the B Ordinary Shares and the Redeemable Preference Shares**

The special rights attached to the A Ordinary Shares and the B Ordinary Shares and the Redeemable Preference Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) with the written consent of the holders of not less than fifty per cent of the issued shares of that class, or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply except that:

- 5.1.1 the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class (provided that where all the shares of a class are registered in the name of one holder that holder present in person or by proxy may constitute a meeting);
- 5.1.2 every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him;
- 5.1.3 any holder of shares of the class present in person or by proxy may demand a poll; and
- 5.1.4 at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

6. Issue of New Shares

The provisions of Sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company.

7. Transfers of Shares - General

7.1 The Redeemable Preference Shares shall not be transferable save for transfers made pursuant to Article 8.

7.17.2 Save for transfers of Equity Shares made pursuant to Articles 8 and/or 10 or otherwise with the prior written consent of the holders of not less than 90 per cent in nominal value of the issued Equity Shares for the time being no B Ordinary Shares shall be transferred until after the Term Loan has been repaid in full in accordance with the terms of the Facility Agreement and the Interest Commissions and the Facilitation Fee have been paid in full and no A Ordinary Shares shall be transferred until the percentages attaching to the A Ordinary Shares under Articles 4.1, 4.2 and 4.3 have fallen below 50 per cent.

7.27.3 The first sentence of Regulation 24 shall not apply to the Company. Without prejudice to the remaining provisions of Regulation 24 and notwithstanding the provisions of Articles 8 and 9 the Directors shall not register any transfer of shares in the Company to any person who is either in their absolute discretion considered to be a competitor of the Group or who is otherwise a minor, or who for any other reason does not have legal capacity to transfer shares, or otherwise except pursuant to a transfer permitted by the following provisions of these Articles.

7.37.4 **For the purposes of:**

7.3.17.4.1 ensuring that a transfer of Shares is permitted under these Articles;⁵ or

7.3.27.4.2 ensuring that no circumstances have arisen whereby a Member may be bound or required to give or is deemed to have given a Transfer Notice; or

7.3.37.4.3 ascertaining when a Transfer Notice should have been or is deemed to have been given hereunder the Directors may from time to time require any Member, the PR's of any deceased Member, the trustee in bankruptcy of any Member, the receiver, administrative receiver or liquidator of any corporate Member, or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the

Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after request the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) may resolve to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned. If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a Member may be bound or required to give or be deemed to have given a Transfer Notice the Directors may resolve by notice in writing to require that a Transfer Notice be given in respect of the Shares concerned. Any such resolution of the Directors shall be binding upon the Members concerned who shall be bound to give a Transfer Notice in respect of the shares concerned forthwith upon receipt of the said notice from the Directors.

7.47.5 A Transfer Notice shall be deemed to be given (if not actually given) at the expiry of 7 days after the Directors have required the same to be given pursuant to Article 7.4.3 and the provisions of these Articles relating to Transfer Notices shall take effect accordingly.

7.57.6 A Transfer Notice given or deemed to be given pursuant to this Article or Articles 8 or 10 shall not be capable of revocation (except with the written approval of the Directors. Subject as provided to the contrary in this Article or Articles 8 and/or 10, the provisions of Article 9 shall apply to any Transfer Notice given or deemed to be given under or pursuant to this Article or Articles 8 or 10.

7.67.7 In any case where a Member (or his PR's) has or have been required to give or has or have been deemed to have given a Transfer Notice pursuant to the provisions of this Article or Articles 8 or 10 and subsequently becomes the holder of (or is deemed pursuant to Article 10 to be the holder of) further Shares by virtue of the holding of any Shares comprised in such Transfer Notice (whether by way of rights or bonus issue conversion transfer or otherwise howsoever) the Directors may at any time thereafter determine in their absolute discretion that he (or his PR's) as appropriate shall be deemed to have served a Transfer Notice pursuant to this Article or Articles 8 or 10 (as appropriate) in respect of such further Shares.

8. Permitted Transfers of Shares

8.1 Group Transfers

- 8.1.1 Any Shares held by an undertaking ("**Original Undertaking**") may be transferred to any other undertaking ("**Transferee Undertaking**") **PROVIDED ALWAYS** that each and any such Transferee Undertaking is a holding company or a subsidiary of that Original Undertaking or of its holding company ("**a group undertaking**").
- 8.1.2 If any Transferee Undertaking ceases to be a group undertaking in relation to the Original Undertaking then such Transferee Undertaking shall within 7 days of such cessation transfer any shares in the Company held by it to the Original Undertaking or to an undertaking which, in relation to the Original Undertaking, is a group undertaking.
- 8.1.3 In the event of any default of Articles 8.1.1 and 8.1.2 above the Original Undertaking or (as the case may be) the Transferee Undertaking shall be deemed to have served a Transfer Notice in respect of all such shares **PROVIDED ALWAYS** that the price shall be the issue price (including any premium).

8.2 Nominees

- 8.2.1 Any Shares may be transferred by their beneficial owner ("**the Beneficial Owner**") to a person shown to the reasonable satisfaction of the Board to be a nominee for the Beneficial Owner only.
- 8.2.2 Where any Shares have been allotted on the Commencement Date to a nominee of a Beneficial Owner or after the Commencement Date are transferred to a nominee pursuant to Article 8.2.1 any such nominee may transfer any shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Board to be a nominee for the Beneficial Owner only.
- 8.2.3 Where a person to whom any Shares have been transferred as a nominee pursuant to this Article 8.2 ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction

of the Board to be a nominee for the Beneficial Owner only and in default thereof he shall be deemed to have given a Transfer Notice in respect thereof provided that the price shall be the issue price (including any premium therefor).

8.3 To Privileged Relations and Trustees

8.3.1 Any Shares may be transferred by a Beneficial Owner who is an individual:-

8.3.1.1 to a Privileged Relation of such Beneficial Owner;

8.3.1.2 to trustees to be held upon Family Trusts.

8.3.2 Where any Shares have been transferred to Privileged Relations or trustees pursuant to Article 8.3.1 or allotted to trustees to be held upon Family Trusts for a Member, the Privileged Relation or the trustees as the case may be may transfer any such shares to a person or persons who are:-

8.3.2.1 the trustees for the time being (on a change of trustee) of the Family Trusts in question and/or;

8.3.2.2 the Beneficial Owner or any Privileged Relation of the Beneficial Owner.

In any case where a Member proposing to transfer Shares under this Article 8.3 ("**the Proposing Transferor**") holds those shares as a result of an earlier transfer authorised under this Article 8.3 from another Member ("**the Original Member**") the Proposing Transferor may only transfer those Shares to a person to whom the Original Member could have transferred such shares under this Article 8.3.

8.4 Where Shares are held by trustees on a Family Trust and any such Shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 8.3.2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 8.3.2 and in default thereof the trustees shall be deemed to have given a Transfer Notice in respect of the shares in question provided that the price shall be the issue price (including any premium)therefor.

9. Pre-Emption Rights on Transfer

9.1 Except in the case of a transfer prohibited or permitted by Article 7 or 8, the right to transfer or otherwise dispose of a Share or any interest in or arising from a Share (or an option, warrant or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the following restrictions and provisions, namely:

9.1.1 Before transferring or disposing of any Share or any interest in or arising from any Share or any rights attaching thereto, the person proposing to transfer or dispose of the same (a "**Proposing Transferor**") shall give a notice in writing (a "**Transfer Notice**") to the Company specifying the Shares, interest and/or rights of which the Proposing Transferor wishes to dispose. Notwithstanding that a Transfer Notice specifies that the Proposing Transferor wishes to dispose only of an interest in or arising from, and/or any right(s) attaching to, the Shares referred to therein, the Transfer Notice shall (regardless of any provisions in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Proposing Transferor for the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the "**Sale Shares**") at the Sale Price in accordance with the provisions of this Article. Except in the case of any Transfer Notice which a Member is bound to give or is deemed to have given pursuant to these Articles (a "**Mandatory Transfer Notice**"), a Transfer Notice may include a condition (a "**Total Transfer Condition**") that if all the Sale Shares (of whatever class) are not sold to Members and/or such other persons as are referred to in Articles 9.1.3 and 9.1.5 , then none shall be so sold. If a Total Transfer Condition is included then any offer of Sale Shares shall be made subject to Article 9.1.8. Shares of different classes may not be included in the same Transfer Notice (other than a Mandatory Transfer Notice).

9.1.2 Except in the case of a Mandatory Transfer Notice, if the Proposing Transferor is proposing to transfer all his legal title to, beneficial ownership of and all other interests and rights attaching to the Sale Shares the Transfer Notice may state, in addition to details of the Sale Shares:

9.1.2.1 the name or names of a person or persons (such person or persons being hereinafter referred to as the "**Proposing Transferee**") to whom the Sale Shares (or an interest or right therein or arising therefrom) are proposed to be transferred if the Sale Shares are not acquired by Purchasers (as hereinafter defined); and

9.1.2.2 the entire consideration per Share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling a cash price per share which is so expressed and which is reasonably commensurate with the entire consideration);

and in such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the price is a bona fide price (not inflated for particular reasons) agreed between the Proposing Transferor and the Proposing Transferee at arms length and in good faith, the said price shall be the Sale Price.

9.1.3 In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in Article 9.1.2.2 or in any case which does not fall within Article 9.1.2:

9.1.3.1 if not more than 15 days after the date on which the Transfer Notice was given or was deemed to be given, the Proposing Transferor and the Directors have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Proposing Transferor, then such price shall be the Sale Price (subject to the deduction therefrom of any net dividend or other distribution declared or made after such agreement and prior to the said date);

9.1.3.2 otherwise, upon the expiry of 15 days after the date on which the Transfer Notice was given (or the date on which the Company became aware that the same had been deemed or had become required to be given) the Directors shall request an Independent Expert to determine (in accordance with the following provisions) and report the sum per Share considered by them to be the fair value of the Sale Shares. The sum per Share so determined and reported

shall be the Sale Price. The Independent Expert shall act at the cost and expense of the Company as an expert and not as an arbitrator and his determination shall (in the absence of manifest error) be final. For the purposes of these Articles, the fair value of Sale Shares shall be the market value thereof on the date of such Transfer Notice and shall be calculated by the Independent Expert on the following basis:-

- (a) by ascertaining the aggregate value of the entire Equity Share capital in issue on the date of the Transfer Notice in question on the basis that the Equity Share capital comprises one class of share ranking pari passu inter se and that there is a sale of all of the Equity Shares in issue on that basis by a willing seller to a willing buyer ("**the Entire Share Value**"); and
- (b) then ascertaining the value of the entire class of Share of which the Sale Shares form part by calculating the percentage of voting rights attaching to such Sale Shares in accordance with Article 4.3 of the Articles ("**the Share Class Value**") as against the value of a percentage of the Entire Share Value as at the date of the Transfer Notice in question 4.1; and
- (c) then dividing the Share Class Value by the number of Shares of the same class as the Sale Shares in issue at the date of the Transfer Notice in question.

9.1.4 Within 14 days after the receipt by the Company of a Transfer Notice or, in a case falling within Article 9.1.3, the agreement or determination of the Sale Price, the Sale Shares shall simultaneously with the application of Article 9.1.4 be offered to the Company which shall have a period of 14 days during which the Directors may resolve that:

9.1.4.1 the Company shall purchase the Sale Shares pursuant to the provisions of Part V of the Act, in which case the Chairman of the Board shall determine a timetable for such purchase and all parties

and Members shall adhere thereto and in the case of a transfer of the A Ordinary Shares the timetable will not be for a period of more than 28 days from the end of the 14 days period referred to in Article 9.1.4 unless the prior written consent of the A Ordinary Shareholder has been obtained; or

9.1.4.2 (to the extent that the Sale Shares are B Ordinary Shares) the Company shall make or keep such Shares available for the persons referred to in Article 11.

9.1.5 Subject to Articles 9.1.4 and 9.1.6 the Sale Shares shall be offered in writing by the Company to all Members (other than the Proposing Transferor) holding Shares of the same class as those comprised in the Transfer Notice and next (if and in so far as either not accepted following such offer or to the extent that Article 9.1.33 or 9.1.34 applies) be offered in writing by the Company to all other Members (other than the Proposing Transferor). If and to the extent that following application of Article 9.1.5 there are Sale Shares in respect of which there has not been an acceptance the Sale Shares then remaining shall next be offered in writing by the Company to such person or persons (if any) as the Directors think fit. Each such offer shall be made within 14 days after the last date for acceptances in respect of the preceding offer, as specified in Article 9.1.7.

9.1.6 The Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in Articles 9.1.4 and 9.1.5 is made.

9.1.7 Any such offer as is required to be made by the Company pursuant to Article 9.1.4 or 9.1.5 shall state that the offer must be accepted within 14 days or in default will lapse. Following any offer if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the percentage rights of Shares held by each acceptor arising on application of Article 4.3 as the same applies at the time of such allocation (or in the case of any such offer made to persons who are not already Members on such basis as the Directors shall determine) provided that no

acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this Article shall continue to apply mutatis mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly.

- 9.1.8 If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied.
- 9.1.9 If the Company shall, pursuant to the foregoing Articles, find Members or other persons (hereinafter called "**Purchasers**") to purchase some or (if Article 9.1.8 shall apply) all of the Sale Shares and shall give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment of the Sale Price, to transfer such Shares to the respective Purchasers. Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him or them and the purchase shall be completed at a place and time to be appointed by the Directors not being less than 3 days nor more than 10 days after the date of such notice.
- 9.1.10 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser hereunder, the Directors shall authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Shares. The receipt of the Company 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 the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 9.1.11 If by the foregoing procedure the Company shall not find Purchasers willing to purchase some or (if Article 9.1.8 shall apply) all of the Sale Shares, the Company shall give notice in writing thereof to the Proposing Transferor within 7 days after the last date for acceptances pursuant to the preceding provisions of this Article 9. The Proposing Transferor, at any time thereafter

up to the expiration of 30 days from the date of such notice, shall, subject to Article 7.3, be at liberty to transfer those of the Sale Shares not purchased by Purchasers or all the Sale Shares (as the case may be) to the Proposing Transferee or, where the Transfer Notice is a Mandatory Transfer Notice or does not contain details of a Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price. The Directors may require the Proposing Transferor to provide evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate, allowance or indulgent terms whatsoever to the purchaser thereof and, if not so satisfied, may refuse to register the instrument of transfer.

10. Transfers by B Ordinary Shareholders on ceasing to be a Director or Employee and Transfers on Death, Bankruptcy or permanent incapacity

10.1 If an employee or director of the Company or any of its subsidiary undertakings ("**the relevant individual**") ceases for any reason (including death or bankruptcy) to be an employee or director of the Company or any of its subsidiary undertakings and is not continuing as either a director or employee of the Company or any of its subsidiary undertakings and:

10.1.1 the relevant individual is a holder of B Ordinary Shares (whether solely or jointly with any other person); and/or

10.1.2 the relevant individual has established a Family Trust which holds B Ordinary Shares; and/or

10.1.3 any B Ordinary Shareholder holds B Ordinary Shares as the nominee of the relevant individual; and/or

10.1.4 B Ordinary Shares are held by a Privileged Relation or other permitted transferee of the relevant individual; and/or

10.1.5 B Ordinary Shares are held by a company the majority of the issued share capital of which is beneficially owned by the relevant individual or a Privileged Relation, Family Trust or other permitted transferee of the relevant individual

- 10.2 then unless within two months after the date on which the relevant individual ceases to be a director or employee as aforesaid ("**the Cessation Date**") the Board otherwise resolves (with the consent of the Investor Director) that there shall be deemed to have been served a Transfer Notice by any of the holders of B Ordinary Shares referred to in this Article (or their PR's in the case of their death) ("**the Compulsory Vendors**") in respect of all of their shares in the Company (howsoever acquired) as the Board may decide.
- 10.3 If any person is deemed to have given a Transfer Notice under Article 10.1 in respect of any shares other than B Ordinary Shares the Transfer Notice shall be deemed to include all such other Shares which shall be offered to the other shareholders in accordance with the provisions of Article 9.
- 10.4 A Transfer Notice deemed to have been given under this Article 10.4 shall be deemed to have been given on the date falling two calendar months after such Compulsory Vendor ceases to be an employee or director the Company or any of its subsidiary undertakings and is not continuing as either a director or employee of the Company or any of its subsidiary undertakings unless prior to that date the Board resolves (with the consent of the Investor Director) that no Transfer Notice shall be deemed to have been given pursuant to Article 10.1} ("**the Deemed Notice Date**").
- 10.5 The price for the Sale Shares shall be the fair value of the Sale Shares as determined in accordance with Article 9.1.3.
- 10.6 Without prejudice to Article 10.1 if (after the two month period stipulated in Article 10.2) a majority of the Directors so resolve they may at any time give notice to the legal personal representatives of a deceased member ("**PR's**") or the trustee in bankruptcy of a member ("**Trustee in Bankruptcy**") requiring such person to elect either to be registered himself or to give a Transfer Notice in respect of the shares to which he/they become entitled in consequence of the death or bankruptcy of any member. *If such notice is not complied with within 14 days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the PR's or Trustee in Bankruptcy and the Company may give a good receipt for the purchase price of such shares, register the purchaser or purchasers as the holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. In any such case the PR's or*

Trustee in Bankruptcy shall be bound to deliver up the certificates for the shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest.

- 10.7 For the avoidance of doubt where an individual is employed by and/or serves as a director of a company which is a subsidiary undertaking of the Company Article 10 shall apply upon that company ceasing to be within the Group and the individual not continuing to be an employee or director of any member of the Group.

11. Warehousing of Shares

- 11.1 If a Transfer Notice is given or deemed to be given pursuant to Article 9.1.1 in respect of B Ordinary Shares only then the Board may within the 21 day period set out in Article 9.1.4 give written notice to the Company (an "**Employee Priority Notice**") requiring that all or any of the Shares to which such Transfer Notice relates should be made or kept available for a period not exceeding three months either for any person or persons who is or are (an) existing Director(s) and/or employee(s) of the Company or of any of its subsidiaries or a person or persons (whether or not then ascertained) who it is proposed should be appointed as (a) Director(s) and/or employee(s) of the Company or a subsidiary whether or not in place of the person by whom the relevant Transfer Notice was given or deemed to be given ("**a New Employee**") and stating the proportions in which such shares are to be offered to each New Employee, and the provisions of Article 11.2 shall apply.

- 11.2 If an Employee Priority Notice is given then in relation to the Shares the subject thereof ("**the Employee Shares**") the provisions of Article 9.1.4.2 shall apply and the Employee Shares shall within 3 months thereafter either:-

11.2.1 be offered to the person(s) (and in the case of more than one, the proportions) specified in the Employee Priority Notice (conditional, in the case of any prospective Director and/or employee upon the taking up of his proposed appointment with the Company or any of its subsidiaries (if not then taken up)); or

11.2.2 if the relevant Employee Priority Notice so requires, be offered to not less than two persons designated by the Board to be held (in the event of their acquiring the Employee Shares) on trust for a New Employee as and when

appointed (but so that payment for the Employee Shares shall only be made at the time when the same are transferred to a New Employee and not on transfer to the persons holding such Employee Shares on trust or (if earlier) within six months of the date of the Employee Priority Notice).

- 11.3 If on the expiry of 3 months after the date of the Employee Priority Notice any Employee Shares have not been transferred to a person or persons specified in Article 11.1 such Shares shall forthwith be offered by the Company to its Members in accordance with the provisions of Article 9.1.5 which, together with Articles 9.1.6 to 9.1.11, shall apply mutatis mutandis.

12. Minority Share Sale

- 12.1 No sale or transfer shall be made or registered if the same would result in a person or persons acting in concert who are not Members or Beneficial Owners of Shares at the Commencement Date (or otherwise persons deriving title therefrom and to whom such Member or Beneficial Owner or persons deriving title therefrom have transferred Shares pursuant to Article 8, 9 (excluding only Article 9.1.11) or 10) ("**the Purchasing Group**") holding or increasing their shareholding in the Company to 75% or more of the Equity Shares, unless before the sale is made or the transfer is lodged for registration, the Purchasing Group has made a written offer, which shall have remained open for at least 21 days, to purchase all of the Equity Shares in issue immediately before such sale or transfer at the Third Party Price and the proposed sale or transfer is approved by either the relevant Equity Shareholders pursuant to Articles 4.5 or 4.6 (as the case may be).

- 12.2 For the purposes of this Article 12 the expression "Third Party Price" shall mean:

12.2.1 in the case of Shares of the same class as the Shares whose proposed transfer has led to the offer the price per Share ("**the Trigger Price**") which has been offered for each Share whose proposed transfer has led to the offer (the "**Offer Trigger Shares**"); and

12.2.2 in the case of all other Shares a price per Share calculated by reference to the Trigger Price multiplied by the number of Shares of the same class as the Offer Trigger Shares in issue immediately before such sale or transfer ("**the Offer Time**") which in the event that the offer Trigger Shares are A Ordinary Shares shall represent a percentage of the entire Equity Share

capital in issue at the Offer Time equal to the percentage rights attaching to the A Ordinary Shares as a class at the Offer Time pursuant to Article 4.3 and subject to Article 4.5 ("**the A Share Determined Percentage**") and therefore that equivalent percentage of the value of the entire Equity Share capital in issue at the Offer Time (the value of the entire Equity Share capital in issue at the Offer Time being "**the Whole Value**") and which in the event that the Offer Trigger Shares are B Ordinary Shares shall represent a percentage of the Whole Value equal to the percentage rights attaching to the B Ordinary Shares as a class at the Offer Time pursuant to Article 4.3 and subject to Article 4.5 ("**the B Share Determined Percentage**") and so that in calculating the Whole Value in accordance with the foregoing the price per Share of all Shares other than the Offer Trigger Shares shall in the event that such Shares are A Ordinary Shares be a price per A Ordinary Share of a sum equal to the A Share Determined Percentage of the Whole Value divided by the number of A Ordinary Shares in issue at the Offer Time or in the event that such Shares are B Ordinary Shares shall be a price per B Ordinary Shares of a sum equal to the B Share Determined Percentage of the Whole Value divided by the number of B Ordinary Shares in issue at the Offer Time.

- 12.3 In the event of disagreement as to the Third Party Price the matter shall be referred to the Auditors (acting as experts and not as arbitrators) for determination. The costs of the Auditors shall be borne equally by the parties concerned and their decision shall be final and binding.
- 12.4 If transfers under Article 12.1 result in members of the Purchasing Group holding or increasing their shareholding to 50% or more of the Equity Shares, the members of the Purchasing Group may by written notice to the Company served within [60] days of the last of such transfers require the Company as agent for the Purchasing Group to serve notices (each a "**Compulsory Purchase Notice**") on each of the other Equity Shareholders ("**the Minority Shareholders**") requiring them to sell their Shares to one or more persons identified as members of the Purchasing Group at the Third Party Price (provided that if the Third Party Price is based on consideration paid or agreed to be paid pursuant to a transaction between Connected Persons or between persons acting in concert the consideration payable shall, if higher, be the fair value which shall be certified in accordance with the procedure for an Auditors

determination as set out in Article 9.1.3. The Company shall serve the Compulsory Purchase Notices forthwith and for 28 days from the service of the Compulsory Purchase Notices the Minority Shareholders shall not be entitled to transfer their Shares to anyone except the Purchasing Group or persons identified by them.

12.5 The Purchasing Group shall complete the purchase of all the Shares in respect of which a Compulsory Purchase Notice has been given at the same time and, in any event, no later than 21 days after the date of the service of such Compulsory Purchase Notices. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice. The Directors shall not register any transfer, and no member of the Purchasing Group shall be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred pursuant to this Article 12, until in each case the member of the Purchasing Group has fulfilled all his obligations pursuant to this Article 12.

12.6 *If on the expiration of 28 days after the service of the Compulsory Purchase Notices a Minority Shareholder shall not have transferred his Shares to any member of the Purchasing Group against payment of the price therefor, the Directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the relevant member of the Purchasing Group and the Directors shall receive the consideration in respect of such Shares and shall thereupon (subject to the transfer being duly stamped) cause the name of the member of the Purchasing Group to be entered into the register of members as the holder of the relevant Shares. The Company shall hold the consideration in trust for the Minority Shareholder but shall not be bound to earn or pay interest thereon. The receipt of the Company for the consideration shall be a good receipt for the price of the relevant Shares, but the Purchasing Group shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder against delivery by the Minority Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same. After the name of the member of the Purchasing Group has been entered in the Register of Members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.*

13. Proceedings at General Meetings

- 13.1 If under regulation 41 of Table A a meeting is adjourned because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall form a quorum and Regulations 40 and 41 of Table 'A' shall be modified accordingly.
- 13.2 A poll may be demanded by the Chairman or by any member present in person or by proxy and entitled to vote at the meeting and Regulation 46 of Table A shall be modified accordingly.
- 13.3 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote which he may have. Regulation 50 shall be modified accordingly.
- 13.4 Regulation 53 of Table A shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."
- 13.5 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof."
- 13.6 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Directors (the Investors Directors being part of that majority) resolve otherwise".

14. Alternate Directors

- 14.1 An alternate director's appointment will determine if he resigns by written notice left at or sent to the registered office of the Company.
- 14.2 An alternate director will be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.

15. Directors

- 15.1 Unless and until otherwise determined by ordinary resolution of the Company the number of the Directors shall be not less than 2 nor more than 6 except where an ~~Event of Default~~ has occurred when (for so long as the ~~Event of Default~~ persists and thereafter in the event that it is only remedied by recourse (in part or in whole) to the enforcement by the Bank of its security under the Letter of Credit) the *minimum* number of directors shall be one.
- 15.2 No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age.
- 15.3 Regulation 68 shall be modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors."
- 15.4 A Director shall not retire by rotation and a Director appointed to fill a vacancy or as an addition to the board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 73 to 77 (inclusive) and 80 shall not apply to the Company, and Regulations 78 and 79 shall be modified accordingly.
- 15.5 *The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 shall be modified accordingly; provided that the provisions of this Article 15.5 shall not apply to the Investor Director(s).*
- 15.6 Subject to the requirements of the Companies Act no Director or alternate director may as a director vote at any meeting of the Board in respect of any contract or arrangement in which he or any Member by whom he is nominated is interested unless such interest is previously disclosed to the Board. If it is so disclosed his vote will be counted and he will be reckoned in the quorum present at the meeting. *Regulations 94 to 98 (inclusive) will not apply to the Company.*
- 15.7 Regulation 87 shall not apply to the Company.

16. **Borrowing Powers**

The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to Section 80 of the Companies Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

17. **Proceedings of Directors**

17.1 In the case of an equality of votes, the Chairman shall not have a second or casting vote. Regulation 88 shall be modified accordingly.

17.2 Subject to Article 17.3 the quorum necessary for the transaction of business at any meeting of the Directors shall be two of which one shall be a Director appointed by the A Ordinary Shareholders pursuant to Article 4.7 and one shall be a Director appointed by the B Ordinary Shareholders pursuant to Article 4.8 and Regulation 89 shall be modified accordingly. If any meeting of the Directors shall be inquorate then it shall be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present shall constitute a quorum.

17.3 The quorum necessary for the transaction of business at any Meeting of the Directors convened and held after the date upon which an ~~Event of Default~~ arises shall (subject to the following proviso) be the presence of one Director (or his alternate) appointed by the A Ordinary Shareholders pursuant to Article 4.7 PROVIDED THAT if such ~~Event of Default~~ is subsequently remedied otherwise than by recourse (in part or in whole) to the enforcement by the Bank of its security under the Letter of Credit the provisions set out in Article 17.2 in relation to quorums for meetings of the Board shall henceforth and pending the occurrence of a further Event of Default continue to apply.

17.4 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 his alternate 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

proxy 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.

17.5 The third sentence of Regulation 88 shall not apply to the Company.

18. Indemnities

Subject to the provisions of the Companies Act but without prejudice to any indemnity to which he may otherwise be entitled every Director alternate director secretary and other officer or employee for the time being of the Company shall be indemnified out of the assets of the Company against any liability (other than any liability arising out of the Shareholders Agreement) sustained or incurred by him in defending any proceedings whether civil or criminal relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Companies Act in which relief is granted to him by the Court. Regulation 118 shall not apply to the Company.