

Company No 3776822

**THE COMPANIES ACTS 1985 AND 1989**

**PRIVATE COMPANY LIMITED BY SHARES**

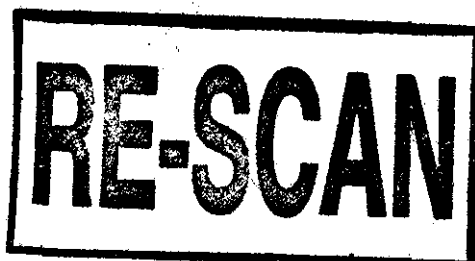
**SPECIAL RESOLUTION IN WRITING**

of

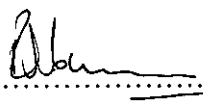
**PERDIX INVESTMENTS LIMITED**

WE, the undersigned, being all the members of the Company who at the date of this resolution are entitled to attend and vote at a general meeting of the Company, RESOLVE, in accordance with section 381A of the Companies Act 1985, AS FOLLOWS (conditional upon the offers to be made by KPMG Corporate Finance on behalf of Wyko Investments Limited to acquire the ordinary and 5% preference capital of Lilleshall plc becoming or being declared unconditional in all respects):-

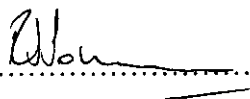
1. THAT new articles of association in the form attached are adopted by the Company in place of all existing regulations.
2. That the authorised share capital of the Company is increased from £2,618,280 to £2,631,188 by the creation of 12,908 ordinary shares of £1 each ranking pari passu in all respects with the existing £1 ordinary shares in the capital of the Company.
3. That, in substitution for any previous authority, the directors be hereby generally and unconditionally authorised, in accordance with Section 80 Companies Act 1985, for the purposes of the allotment to Colin Lyne of 12,908 ordinary shares of £1 each and the issue of warrants pursuant to a warrant instrument dated the same date as this resolution, to allot relevant securities (as defined in that section) up to a maximum aggregate nominal amount of relevant securities of £183,083 provided that this authority will expire on the date being five years from the date on which this resolution is passed, but the Company may before this authority expires make an offer or agreement which would or might require relevant securities to be allotted after this authority expires and the directors may allot relevant securities pursuant to such offer or agreement as if this authority had not expired.
4. That the directors be hereby given power in accordance with Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of that Act) as if Section 89(1) of the Act did not apply to the allotment.



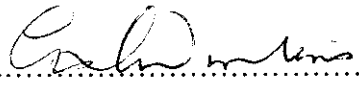
This written resolution shall take effect as a special resolution.

SIGNATURE: .....  ..... attorney for P. White  
PHILIP WHITE

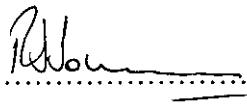
DATE: .....

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RICHARD JOHNSON

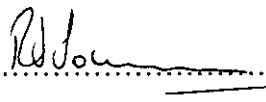
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GEOFFREY WINTERS

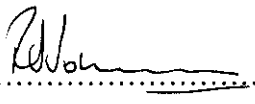
DATE: .....

SIGNATURE: .....  ..... attorney for A. Link  
ALAN LINK

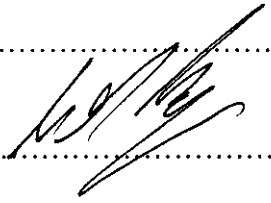
DATE: .....

SIGNATURE: .....  ..... attorney for A. Morris  
ANTHONY MORRIS

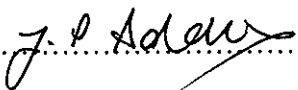
DATE: .....

SIGNATURE: .....  ..... attorney for M. Freeman  
MICHAEL FREEMAN

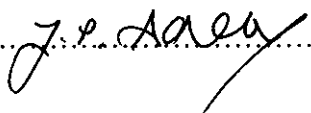
DATE: .....

SIGNATURE: .....  .....  
COLIN LYNE


DATE: ..... 5<sup>th</sup> December 2000 .....

SIGNATURE: .....  .....  
for and on behalf of  
ROYAL BANK INVESTMENTS LIMITED

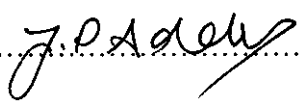
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for and on behalf of  
RBDC PARALLEL VENTURES LIMITED PARTNERSHIP

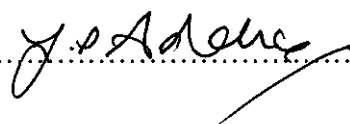
DATE: .....

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for and on behalf of  
RBDC PARALLEL NOMINEES LIMITED

DATE: .....

SIGNATURE: .....  .....  
for and on behalf of  
RBDC ADMINISTRATOR LIMITED

DATE: .....

SIGNATURE: .....  .....  
for and on behalf of  
PARALLEL VENTURES NOMINEES LIMITED

DATE: .....

Date sent to auditors: .....

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Company No. 3776822

**THE COMPANIES ACT 1985 AND 1989  
PRIVATE COMPANY LIMITED BY SHARES**

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**NEW ARTICLES OF ASSOCIATION**

(Adopted on  December 2000)

**of**

**PERDIX INVESTMENTS LIMITED**

**Incorporated on 25 May 1999**

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**THE COMPANIES ACT 1985 AND 1989**  
**PRIVATE COMPANY LIMITED BY SHARES**

**NEW ARTICLES OF ASSOCIATION**

**of**

**PERDIX INVESTMENTS LIMITED**

Registered Number 3776822

(adopted by special resolution on                      December 2000)

**Preliminary**

1. In these articles:-

<b>"A ordinary shares"</b>	means A ordinary shares of £1 each in the capital of the Company
<b>"Adjusted Market Capitalisation"</b>	means 93.5% of the Market Capitalisation
<b>"Adjusted Proceeds"</b>	means 93.5% of the Proceeds
<b>"the Act"</b>	means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force
<b>"Annual IRR"</b>	means the annual IRR expressed as a percentage equal to $R$ on the basis of $R = ((1+t)^{12} - 1) \times 100$ where $t$ equals the Monthly IRR
<b>"Balance of Proceeds"</b>	means the Adjusted Proceeds less the amount of the Proceeds required to be received by the Investors to achieve the Target IRR.
<b>"Board"</b>	means the board of directors of the Company for the time being
<b>"Budget"</b>	means the budget in respect of each financial period of the Company containing profit and loss forecasts and projected balance sheets and cash flow statements in such form as is approved in accordance with the Original Investment Agreement
<b>"Business Plan"</b>	has the meaning given in the Supplemental Investment Agreement
<b>"Cashflows"</b>	means the aggregate of:-

(a) all sums paid by the Investors to the Company by way of subscription for A ordinary shares (including any premium) and the Loan pursuant to the Original Investment Agreement and the Supplemental Investment Agreement

(b) those sums received (excluding directors or monitoring fees or commission payable pursuant to the Original Investment Agreement or the Supplemental Investment Agreement) by the Investors (which shall be treated as received on the date of payment thereof by the Company) on or prior to or in connection with a Realisation in respect of:-

(i) the A ordinary shares subscribed pursuant to the Original Investment Agreement by way of any dividends or other distributions or payments on redemption or purchase by the Company; or

(ii) the Loan by way of repayment of capital or interest on the Loan

or in either case which (on or prior to or in connection with the Realisation) will be received by the Investors from the Company in respect of the A ordinary shares or the Loan

(c) an amount equal to that percentage of the Adjusted Market Capitalisation as is represented by the A Ordinary Shares as a proportion of the Equity Shares in issue (which for the avoidance of doubt excludes any shares issued pursuant to the Warrant) immediately prior to a Realisation

(d) tax credits (if any) on dividends or interest, received by the Investors in respect of the A ordinary shares or the Loan which are attributable to those shares or the Loan; and

(e) any other amounts received by the Investors or by a person to whom any part of the Loan is owed by the Company

which are reasonably attributable to the A ordinary shares or the Loan

For the purpose of this definition:-

- (a) all such Cashflows shall be calculated prior to and taking no account of the effect of any tax and the impact of any syndication of either A ordinary shares or the Loan pursuant to the Original Investment Agreement or the Supplemental Investment Agreement shall be disregarded for the purposes of calculating the Annual IRR
- (b) the term "Investor" shall mean:-
  - (i) all Investors
  - (ii) any person to whom A ordinary shares shall have been transferred pursuant to article 7.5 or the Original Investment Agreement or the Supplemental Investment Agreement and any nominee or custodian of or in respect of any such person; and
  - (iii) any person to whom a Loan Investor (or any transferee) shall have transferred its rights, benefits and obligations in connection with all or part of the Loan pursuant to the Original Investment Agreement or the Supplemental Investment Agreement and any nominee or custodian of or in respect of any such person

**"Completion"**

has the meaning given in the Original Investment Agreement

**"Connected Person"**

has the meaning attributed by section 839 Income and Corporation Taxes Act 1988

**"Co-Investment Scheme"**

means each of RBDC Administrator Limited, and any scheme of which RBDC Administrator Limited is administrator, Parallel Ventures Co-Investment Plan and its administrator, Parallel Ventures Administrator Limited whose registered office is at 107 Cheapside, London EC2V 6DU and any scheme under which certain officers,

employees or partners (including their immediate relatives, family trusts and any Retirement Benefits Scheme (as detailed in section 611 of the Income and Corporation Taxes Act 1988) established for their benefit) of an Investor or its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares in the Company which the Investor would otherwise acquire

**"Disposal"**

means the payment of a dividend or other distribution or any capital repayment to the holders of Equity Shares following the sale or other disposal (whether by one transaction or a series of transactions) of the whole or substantially the whole of the undertaking of the Company and its subsidiaries (other than to a wholly owned subsidiary of the Company) which is not by way of a Sale

**"Employee Member"**

means a person who is or has been a director and/or an employee of the Company or any of its subsidiaries

**"Employee Trust"**

means a trust approved by the holders of 75% of the A ordinary shares and whose beneficiaries are bona fide employees of the Company or any of its subsidiaries

**"Equity Shares"**

means the A ordinary shares and the ordinary shares in issue

**"Family Trust"**

means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of:-

- (a) that settlor and/or a Privileged Relation of that settlor; or
- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities)

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged



	Relations of the settlor; 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member
<b>"Fully Diluted Share Capital"</b>	means the aggregate of the issued Equity Shares and all shares to be issued pursuant to the Warrant
<b>"Good Leaver"</b>	means an Employee Member who ceases to be a director or employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them where such cessation occurs other than for one of the following reasons: <ul style="list-style-type: none"> <li>(a) dismissal (or in the case of Philip White removal from office as a director) as a result of fraud, dishonesty or gross misconduct; or</li> <li>(b) resignation other than in circumstances of death, illness or disablement unless the prior written consent of the holders of 75% of the A ordinary shares in issue has been given to such person that he is to be treated as a Good Leaver</li> </ul>
<b>"Independent Expert"</b>	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
<b>"Investor"</b>	means each of the persons named as an Investor in the Original Investment Agreement and any person who is or becomes an Investor for the purposes of the Original Investment Agreement, or any nominee of an Investor or of any such person. The expression 'member of an Investor's Group' shall mean an Investor, any subsidiary of that Investor and any holding company of that Investor and any subsidiary of such holding company and any nominee of any of the foregoing and 'Investor's Group' or 'Group' shall be construed accordingly
<b>"Investor Director"</b>	means a director appointed pursuant to article 13
<b>"Liquidation"</b>	means the solvent winding up or liquidation of the Company
<b>"Listing"</b>	the date upon which any of the share capital of the Company is admitted to the Official List of the

London Stock Exchange plc or on any Recognised Investment Exchange (as such term is defined in the Original Investment Agreement) or on any exchange or market replacing the same

**"Loan"**

means the loan of £52,444,827 advanced by the Investors to the Company pursuant to the Original Investment Agreement and the loan of £14,700,000 advanced by certain of the Investors to the Company pursuant to the Supplemental Investment Agreement

**"Loan Investor"**

has the meaning given in the Original Investment Agreement

**"Manager"**

has the meaning given in the Original Investment Agreement

**"Market Capitalisation"**

- (a) on a Listing, the aggregate market value of the Fully Diluted Share Capital as conclusively certified (at the cost to the Company) by the sponsoring broker(s), (calculated on the basis of the issue price referred to in the prospectus (or listing particulars) issued in connection therewith), less the gross amount of new money raised by the Company by an issue of equity share capital at the time of and in connection with the Listing; and
- (b) on a Sale, the aggregate value of the Fully Diluted Share Capital calculated by reference to the price paid upon such Sale plus the cash value of any other sum (in cash or otherwise) received or receivable by the shareholders which can be regarded as an addition to the price (whether or not paid at the time of Sale) less any sum which falls to the members of the Company to pay in relation to the Employee Incentive Scheme (as defined in the Investment Agreement) and to the extent that the Sale involves an element of deferred consideration its value shall be the value of such deferred consideration discounted by the Annual IRR
- (c) on a Disposal, a sum equal to the total amount that is available to be distributed amongst the holders of the Equity Shares in the Fully Diluted Share Capital after deducting all tax arising on the Disposal

and after deducting the debts of the Company and its subsidiaries assuming Liquidation had taken place immediately following such Disposal

- (d) on a Liquidation, a sum equal to the total amount that is available for distribution amongst the holders of the Equity Shares in the Fully Diluted Share Capital after deducting all tax arising on the Liquidation and after deducting the debts of the Company and its subsidiaries

in each case after deducting all sums necessary to repay all amounts repayable in connection with the Loan and the amounts then due pursuant to the New Facilities Agreement and the New Mezzanine Loan Agreement which in each case fall due to be paid by the members of the Company who were members of the Company immediately prior to Realisation and in the event that the Market Capitalisation shall not be agreed between the Investors and the holders of 60 per cent of the ordinary shares it shall be conclusively determined (at the cost of the Company) by an Independent Expert

**"Monthly IRR"**

means the internal rate of return actually achieved by the Investors on a Realisation in respect of the A ordinary shares and the Loan such internal rate of return being that discount rate which when applied as a discount to the Cashflows calculated at the end of each month following the Investors' subscription for A ordinary shares and the making of the Loan gives a Net Present Value of zero for those Cashflows

**"Net Present Value"**

means the net aggregate Cashflows discounted back to the date of Completion

**"New Facilities Agreement"**

has the meaning given in the Supplemental Investment Agreement

**"New Mezzanine Loan Agreement"**

has the meaning given in the Supplemental Investment Agreement

**"Offer"**

means either:-

- (a) the making of an offer to purchase all the Equity Shares of the Company which is accepted in relation to such percentage of such share capital as, when aggregated with such share capital, if any, already

held by the offeror, will result in the offeror acquiring more than 90 per cent of the Equity Shares; or

- (b) the entering into of one or more agreements which will result in any person(s) acquiring more than 90 per cent of the Equity Shares, which agreements become unconditional

**"ordinary shares"**

means ordinary shares of £1 each in the capital of the Company

**"Original Investment Agreement"**

means the agreement for loan and share subscription entered into between the Company (1) the Managers (as defined therein) (2) Royal Bank Development Capital Limited (3) and the Investors (4) on 23 August 1999

**"Participating Leaver"**

means any Employee Member who is a Good Leaver provided that on the Termination Date the Company (or in case of Mike Freeman, Wyko Group ~~PLC's~~ precision engineering division) is Performing Satisfactorily

**"Performing Satisfactorily"**

means over the period from the date of adoption of these Articles of Association on a cumulative basis year on year the Company (or in the case of Mike Freeman, Wyko Group ~~PLC's~~ precision engineering division) is achieving 95% of the forecast EBIT or Operating Cash Flow (as defined in Schedule 2 of the New Facilities Agreement and as set out in section 1 of appendix H of the Business Plan) as determined by reference to the cash and EBIT figures shown in the audited consolidated accounts of the Company for the relevant period (where available) and the management accounts of the Company and its subsidiaries (or in the case of Mike Freeman the cash and EBIT figures shown in the management accounts of Wyko Group Limited's precision engineering division) for the relevant period and in the event that there is any disagreement between the Company, the Investors and the Participating Leaver as to whether the Company is Performing Satisfactorily at the Termination Date the matter shall be conclusively determined (at the cost of the Company) by an Independent Expert

**"Performing to Plan"**

has the meaning given in the Supplemental Investment Agreement

**"Privileged Relation"**

means the spouse or widow or widower of the

member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children

**"Proceeds"**

- (a) on a Listing, the aggregate market value of the Fully Diluted Share Capital as conclusively certified (at the cost to the Company) by the sponsoring broker(s), (calculated on the basis of the issue price referred to in the prospectus (or listing particulars) issued in connection therewith), less the gross amount of new money raised by the Company by an issue of equity share capital at the time of and in connection with the Listing; and
- (b) on a Sale, the aggregate value of the Fully Diluted Share Capital calculated by reference to the price paid upon such Sale (including any element of deferred consideration) plus the cash value of any other sum (in cash or otherwise) received or receivable by the shareholders which can be regarded as an addition to the price (whether or not paid at the time of Sale) less any sum which falls to the members of the Company who are members of the Company immediately prior to the Sale to pay in relation to the Employee Incentive Scheme (as defined in the Investment Agreement)
- (c) on a Disposal, a sum equal to the total amount that is available to be distributed amongst the holders of the Equity Shares in the Fully Diluted Share Capital after deducting all tax arising on the Disposal and after deducting the debts of the Company and its subsidiaries assuming Liquidation had taken place immediately following such Disposal
- (d) on a Liquidation, a sum equal to the total amount that is available for distribution amongst the holders of the Equity Shares in the Fully Diluted Share Capital after deducting all tax arising on the Liquidation and after deducting the debts of the Company and its subsidiaries

in each case after deducting all sums necessary to repay all amounts repayable in connection with the

	<p>Loan and amounts then due pursuant to the New Facilities Agreement and the New Mezzanine Loan Agreement in each case which fall due to be paid by the members of the Company who were members of the Company immediately prior to a Realisation and in the event that the Proceeds shall not be agreed between the Investors and the holders of 60 per cent of the ordinary shares it shall be conclusively determined (at the cost of the Company) by an Independent Expert</p>
<b>"RBDC"</b>	<p>means Royal Bank Development Capital Limited (registered number SC 139616)</p>
<b>"Relevant Directors"</b>	<p>means the directors and former directors of the Company and any subsidiary (but only if such directors or former directors or their Connected Persons are interested in shares in the Company) and their Connected Persons but excluding any Investor Director</p>
<b>"Realisation"</b>	<p>means a Sale, Listing, Disposal or Liquidation and in the circumstances that it cannot be agreed between the Investors and holders of 60 per cent of the ordinary shares that such an event has taken place it shall be conclusively determined (at the cost of the Company) by an Independent Expert</p>
<b>"Sale"</b>	<p>means the completion of the transaction envisaged by an Offer</p>
<b>"Supplemental Investment Agreement"</b>	<p>means the agreement for loan to be entered into between the Company (1) the Managers (as defined therein) (2) Royal Bank Development Capital Limited (3) and the Loan Investors (as defined in the Original Investment Agreement) (4) on or about the date of adoption of these Articles</p>
<b>"Syndicatee"</b>	<p>has the meaning given in the Investment Agreement</p>
<b>"Table A"</b>	<p>means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985</p>
<b>"Target IRR"</b>	<p>an Annual IRR of 30%</p>
<b>"Termination Date"</b>	<p>means:-</p> <p>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires</p>

- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served
- (c) where the Employee Member concerned is a director but not an employee, the date on which the contract for the provision of his services (whether entered into directly with him or with a third party) with the Company is terminated; and
- (d) in any other case, the date on which the contract of employment is terminated

"voting rights"

shall be construed in accordance with section 736(A) of the Act

"Warrant"

the warrant to subscribe for such number of A ordinary shares as will entitle the holders of the Warrant to a maximum of 6.5% of the Proceeds created by the Company pursuant to a warrant instrument of even date with the adoption of these Articles

## 2. **Table A**

- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the articles hereinafter contained shall be the regulations of the Company.
- 2.2 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

## **Share capital**

- 3. The share capital of the Company is £2,629,188 divided into 2,155,630 A ordinary shares of £1 each and 475,558 ordinary shares of £1 each. The rights attaching to the respective classes of shares shall be as follows:-

### 3.1 Income

The profits of the Company available for distribution which the Company may determine to distribute in respect of any financial year shall be applied in distributing such profits amongst the holders of the A ordinary shares and the ordinary shares (pari passu as if the same constituted one class of share).

### 3.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- 3.2.1 first in paying to the holders of the A ordinary shares £1 per share together with a sum equal to any arrears or accruals of the dividends on the A ordinary shares calculated down to the date of the return of capital;
- 3.2.2 second in paying to the holders of ordinary shares £1 per share;
- 3.2.3 the balance of such assets up to £1,000,000 per share shall be distributed amongst the holders of the A ordinary shares and ordinary shares (pari passu as if the same constituted one class of share); and
- 3.2.4 finally in paying to the holders of the deferred shares £1 per share.

#### 4. **Ratchet**

- 4.1 Immediately prior to and conditional on a Realisation the Company shall depending on the Annual IRR achieved by the Investors (calculated by reference inter alia to the Adjusted Market Capitalisation) as set out in Column 1 of the table below redeem such number of A ordinary shares as will result in the holders of the A ordinary shares holding such number of A ordinary as will achieve the Target IRR plus the percentage shown in Column 2 of the table below of the Balance of Proceeds.

<b>Column 1</b>	<b>Column 2</b>
<b>Annual IRR</b>	<b>Percentage of Balance of Proceeds</b>
>30% - <35%	75%
35% - <40%	70%
40% - <50%	65%
50%+	60%

- 4.2 On the dates fixed for any redemption the Company shall pay to each registered holder of A ordinary shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for its shares which are to be redeemed in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of A ordinary shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings of A ordinary shares.
- 4.3 The Company shall pay on each of the A ordinary shares so redeemed the sum of £1 together with a sum equal to any arrears or accruals of dividends due on the A ordinary shares calculated to the date of redemption.
- 4.4 To the extent that the number of A ordinary shares to be redeemed by the Company is not agreed between the Investors and the holders of 60 per cent of the ordinary shares such number of shares shall be conclusively determined (at the cost of the Company) by an Independent Expert.
- 4.5 If the Annual IRR which would be achieved by the Investors (calculated by reference to inter alia the Adjusted Market Capitalisation) on a Realisation is less than 22.5% (based on the percentage of the Equity Shares held by the Investors prior to the operation of this article 4.5) then the Company shall immediately prior to and conditional on a Realisation convert such number of ordinary shares into deferred shares of £1 each in the capital of the Company (having the rights set out in these articles) as will result in the holders of the ordinary shares



holding such number of ordinary shares as will result in them receiving (as a class) the percentage of the Adjusted Proceeds set out in Column 2 of the table below:

Column 1		Column 2	
Annual IRR (%)		Percentage of Adjusted Proceeds	
	22.5		19.427
	21.5		18.034
	20.5		16.641
	19.5		15.248
	18.5		13.855
	17.5		12.462
	16.5		11.069
	15.5		9.676
	14.5		8.283
	13.5		6.890
	12.5		5.497

If the Annual IRR achieved by the Investor on a Realisation lies between any two values stated in Column 1 of the table then the percentage of Adjusted Proceeds shall be calculated on a straight line basis between those values.

- 4.6 If the Annual IRR which would be achieved by the Investors (calculated by reference to inter alia the Adjusted Market Capitalisation) on a Realisation is less than 12.5% then the Percentage of Adjusted Proceeds to be received by the holders of the ordinary shares as a class after the conversion of ordinary shares to deferred shares pursuant to Article 4.5 shall be 5.497%.
- 4.7 For the avoidance of doubt, if the Annual IRR achieved by the Investors (calculated by reference to inter alia the Adjusted Market Capitalisation) on a Realisation is equal to or greater than 22.5% then there shall be no conversion of ordinary shares to deferred shares pursuant to Article 4.5.
- 4.8 If redemption under this article 4 is unlawful by reason of the Company having insufficient distributable reserves then instead of being redeemed the shares in question shall be converted into deferred shares of £1 each in the capital of the Company. The holders of such deferred shares shall have no right to receive notice of or to attend or vote at general meetings and shall have no rights to any dividend or (save as hereinbefore mentioned) to capital. The deferred shares shall be redeemed forthwith at 1 pence per share as soon as it may be lawful for the Company so to do.
- 4.9 For the avoidance of doubt any conversion or redemption of shares pursuant to the provisions of this article 4 shall take place prior to the issue and allotment of any shares issued pursuant to the Warrant.
- 4.10 To the extent that the number of ordinary shares to be converted into deferred shares is not agreed between the Investors and the holders of 60 per cent of the ordinary shares such number of shares shall be conclusively determined (at the cost of the Company) by an Independent Expert.

- 4.11 If there is more than one holder of ordinary shares any conversion shall be made among such holders (as nearly as may be) to their respective holdings of ordinary shares.

5. **Lien and Calls**

- 5.1 The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.
- 5.2 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words 'and all expenses that may have been incurred by the Company by reason of such non-payment.'

6. **Transfer of Shares**

- 6.1 The Board shall refuse to register any transfer of shares made in contravention of the provisions of this agreement but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of this agreement, the Board may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Board may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Board within a period of 28 days after such request the Board shall be entitled to refuse to register the transfer in question.
- 6.2 A reference in these articles to a transfer of shares shall include a transfer of any interest in shares (including a beneficial interest) and these articles shall take effect accordingly.

7. **Permitted Transfers**

7.1 Permitted transfers from an Employee Trust

Notwithstanding any other provisions of these articles the trustee or trustees of an Employee Trust may at any time transfer all or any shares held by him or them to an Employee Member (other than Philip White or Richard Johnson) or to a Privileged Relation or Family Trust of such Employee Member provided (i) that such transfer is recommended by the Remuneration and Appointments Committee of the Board as defined in, and pursuant to Clause 12.4.3 of the Original Investment Agreement and (ii) that unless exempted by the provisions of the Original Investment Agreement the transferee executes and delivers a deed under which he becomes bound by the provisions of the Original Investment Agreement and the Supplemental Investment Agreement and in any such case, the directors shall register such transfer. The Sale Price for such shares shall be determined in accordance with article 8.2.1 provided that it shall not be less than the price per share paid by the Employee Trust unless the holders of 75% of the A ordinary shares and 60 per cent of the ordinary shares agree otherwise.

7.2 Permitted transfers to relations and Family Trusts

Notwithstanding any other provision in these articles any member may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor provided that any transfer of shares to trustees to be held upon a Family Trust made during the lifetime of

such member may only be made with the consent in writing of the holders of 75% of the A ordinary shares.

### 7.3 Criteria for consents to Family Trusts

Where the consent of a holder of A ordinary shares is requested to a transfer to a Family Trust such consent shall be given when the holder is satisfied:-

- 7.3.1 with the terms of the trust instrument and in particular with the powers of the trustees;
- 7.3.2 with the identity of the proposed trustees;
- 7.3.3 that the proposed transfer will not result in 50% or more of the Equity Shares subscribed for by the Managers and their Connected Persons in the Original Investment Agreement being held by trustees of that and any other trusts; and
- 7.3.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

### 7.4 Permitted transfers by Family Trusts

Where any shares are held by trustees upon a Family Trust:-

- 7.4.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- 7.4.2 such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

### 7.5 Permitted transfers by Investors

Notwithstanding any other provision in these articles the following transfers may be made without restriction as to price or otherwise and any such transfers shall be registered by the directors:-

- 7.5.1 any transfer by any member of an Investor's Group to any other member in the same Investor's Group (but if such transferee ceases to be a member of the Investor's Group it shall forthwith transfer the relevant shares to a member of the relevant Investor's Group provided that the requirement to transfer shall not apply to any shares held by RBDC Administrator Limited or by RBDC Parallel Nominees Limited);
- 7.5.2 a transfer of any shares in the Company held by an Investor or any person to whom the Investor may have transferred shares pursuant to this sub-article to:-
  - (a) the beneficial owner or owners in respect of which the transferor is a nominee or custodian or any other nominee or custodian for such beneficial owner or owners;
  - (b) any other Investor;
  - (c) a Co-Investment Scheme or any nominee for, or administrator for (or other vehicle which is to hold shares for), a Co-Investment Scheme;
  - (d) any member or participant in (or the legal representative or such member or participant) a Co-Investment Scheme;

- (e) a partner in or a member of an Investor which is a partnership or fund whose principal purpose is to make investments or nominee of such a person; or
- (f) a fund, partnership, company, syndicate or other entity or to a partner, member of participant in or nominee of such an entity which is managed by a member of an Investor's Group.

7.5.3 any transfer made by an Investor or a nominee of an Investor to a Syndicatee pursuant to Clause 21.1.2 of the Original Investment Agreement or Clause 17.1 or 17.2 of the Supplemental Investment Agreement.

#### 7.6 Transfers with shareholder approval

Notwithstanding any other provisions of these articles a transfer of any shares approved by the holders of 60% of the ordinary shares and the holders of 75% of the A ordinary shares may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors.

#### 7.7 Mandatory transfer if trust ceases to be a 'Family Trust'

If and whenever any shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred.

For the purposes of this sub-article the expression 'relevant shares' means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

#### 7.8 Mandatory transfer on cessation of employment

If an Employee Member ceases to be a director or employee of the Company and does not continue in that capacity in relation to the Company, Transfer Notices shall be deemed to have been served as follows:-

- 7.8.1 in respect of an Employee Member who is not a Participating Leaver Transfer Notices shall be deemed to have been served on the relevant Termination Date in respect of:-
  - (a) all shares held by the Employee Member; and
  - (b) all shares held by the Employee Member's Privileged Relations and/or Family Trusts (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the Board in this respect will be final) (together with the shares held by the Employee Member (the "Employee Shares").
- 7.8.2 in respect of an Employee Member who is a Participating Leaver, Transfer Notices shall be deemed to have been served:-
  - (a) on the relevant Termination Date in respect of 50% of the Employee Shares;

(b) if the Termination Date is:-

- (i) before the first anniversary of Completion, on the third anniversary of the Termination Date in respect of all remaining Employee Shares;
- (ii) before the second anniversary of Completion, on the second anniversary of the Termination Date in respect of 25% of the Employee Shares and on the third anniversary of the Termination Date in respect of all of the remaining Employee Shares;
- (iii) at any time after the second anniversary of Completion, on each of the first, second and third anniversaries of the Termination Date in respect of a sixth of all the Employee Shares provided always that on the third anniversary of the Termination Date all remaining Employee Shares shall be deemed to be the subject of a Transfer Notice on that date.

7.8.3 Transfers under this article 7.8 are referred to in these articles as Compulsory Employee Transfers. For the avoidance of doubt article 7.8.2 shall cease to have effect on a Realisation.

7.8.4 Any shares held by a Participating Leaver shall not entitle the Participating Leaver to receive notice of or attend or vote at any general meeting of the Company or meeting of the holders of shares of the same class and such shares shall not be counted in determining the total number of votes which may be cast at such meeting or for the purposes of a written resolution of any members or class of members PROVIDED THAT all shares so disenfranchised shall on a transfer in accordance with this article 7.8 or on a Realisation be re-enfranchised.

#### 7.9 Mandatory transfer on change of control of shareholder

If a member being a company ceases to be within the control (as such term is defined by Section 840 of the Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name; provided that this sub-article shall have no application to an Investor or to any member of an Investor's Group.

### 8. **Pre-emption rights**

#### 8.1 8.1.1 Transfer notices

Save as otherwise provided in these articles every member who desires to transfer any shares shall give to the Company notice in writing of such desire (hereinafter called a 'Transfer Notice'). Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Transfer Notices and Deemed Transfer Notices shall constitute the Company the agent for the person who desires to transfer the shares or the person whose shares are the subject of the Deemed Transfer Notice (in either case 'the Vendor') for the sale of the shares specified therein (hereinafter called 'the Sale Shares') in one or more lots at the discretion of the directors at the Sale Price.

#### 8.1.2 Exclusion of pre-emption rights on transfers

Rights of pre-emption on any transfer of shares shall not attach to any shares held by a Participating Leaver or any shares which are the subject of a Compulsory Transfer Notice.

### 8.2 Calculation of the Sale Price

8.2.1 The Sale Price shall be the price agreed by the Vendor and the directors. If the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value thereof. In arriving at his opinion the Independent Expert will value the shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction but taking into account any proposals for a sale or flotation. The decision of the Independent Expert as to the Sale Price shall be final and binding.

8.2.2 If a Sale Price has been certified by an Independent Expert in respect of a Transfer Notice or Deemed Transfer Notice given within the six month period prior to the date upon which a later Transfer Notice or Deemed Transfer Notice is given, the Sale Price shall (subject to article 8.2.3) be certified by the same Independent Expert as at the date of and using the same information on which the previous certificate of the Sale Price was based unless such Independent Expert is unwilling to act in which case the provisions of article 8.2.1 apply in relation to a different Independent Expert.

8.2.3 A Vendor may elect within 28 days of the service of a Transfer Notice or a Deemed Transfer Notice that the provisions of article 8.2.2 shall not apply and that the provisions of article 8.2.1 shall apply.

### 8.3 Restriction of Sale Price for certain transfers by Employee Members

In the case of Compulsory Employee Transfers where the Employee Member is not a Good Leaver the Sale Price shall unless otherwise agreed in writing with the Investor be restricted to a maximum of the original subscription price of the Sale Shares or if lower the purchase price of the Sale Shares.

### 8.4 Right of Vendor to reject partial sales

A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition ('a Total Transfer Condition') that unless all the shares comprised therein are sold by the Company pursuant to this article none shall be sold. Any such provision shall be binding on the Company.

### 8.5 Certification of the Sale Price and right of Vendor to cancel

If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless:-

8.5.1 the Vendor cancels it; or

8.5.2 the Vendor has made an election pursuant to article 8.2.3.

in either of which cases the Vendor shall bear the cost.

8.6 Pre-emptive offers-general

Once the Sale Price has been determined then unless the Vendor gives a valid notice of cancellation the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

8.7 Preliminary offer to a 'Warehouse'

If the holders of 75% of the A ordinary shares so require by notice in writing within 60 days after a relevant Termination Date any shares offered for sale by reason of an Compulsory Employee Transfer shall first be offered to an Employee Trust or a person or persons intended to take the place of the leaving Employee. Any shares not sold under this sub-article within 21 days of such offer will be offered for sale to the members of the Company as set out below.

8.8 First Offer

As soon as Sale Shares become available they shall be forthwith offered for sale by the Company as follows:-

8.8.1 in the cases of A ordinary shares, to all holders of A ordinary shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of A ordinary shares held by such members;

8.8.2 in the case of ordinary shares, to all holders of ordinary shares (other than the Vendor and any Member in respect of whose shares a Transfer Notice has been served or a Deemed Transfer Notice has been given or in respect of whom a Deemed Transfer Notice might be required to be given pursuant to article 7.8 as a result of a relevant Termination Date in respect of an Employee Member) pro rata as nearly as may be to the respective numbers of ordinary shares held by such members

Any offer made by the Company under this sub-article will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for twenty one days ('the First Offer Period').

8.9 Second Offer

If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them.

This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of ordinary shares or A ordinary shares (as the case may be held or deemed to be held by the relevant members. This further offer will remain open for a further period of twenty one days ('the Second Offer Period').

8.10 Third Offer

If at the end of the Second Offer Period there are any Sale Shares which have not been allocated the Company will offer such shares as follows:

- 8.10.1 in the case of A ordinary shares, to all holders of ordinary shares (other than the Vendor if applicable) pro rata as nearly as may be to the respective numbers of ordinary shares held by such members; and
- 8.10.2 in the case of ordinary shares, to all holders of A ordinary shares (other than the Vendor if applicable and any Member in respect of whose shares a Transfer Notice has been served or a Deemed Transfer Notice has been given or in respect of whom a Deemed Transfer Notice might be required to be given pursuant to article 7.8 as a result of a relevant Termination Date in respect of an Employee Member) pro rata as nearly as may be to the respective numbers of A ordinary shares held by such members.

The Company shall invite each such member to whom shares have been offered under this sub-article to state in writing within twenty-one days from the date of the relevant notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase. This offer will remain open for a period of twenty one days ('the Third Offer Period').

#### 8.11 Fourth Offer

If at the end of the Third Offer Period there are any Sale Shares which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them. Such remaining shares shall be offered pro rata as nearly as may be to the respective numbers of ordinary shares or A ordinary shares (as the case may be) then held by such members which offer shall remain open for a fourth period of twenty-one days. Thereafter the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

#### 8.12 Transfer procedure for pre-emptive offers

If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such person or persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.

#### 8.13 Transfers free of pre-emption

If the Company does not find purchasers for all of the Sale Shares under the terms of this article the Vendor shall at any time within six months after the final offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price. However if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not part only.



8.14 Effect of non-compliance

Any purported transfer of shares otherwise than in accordance with the foregoing provisions of these articles shall be void and have no effect.

9. **Come Along and Tag Along**

9.1 If the holders of 75% in nominal value of the A ordinary shares in issue for the time being (the "Selling Shareholders") wish to transfer for bona fide commercial purposes and acting in good faith all their interest in Equity Shares to:-

9.1.1 person not already a member of the Company; or

9.1.2 a Connected Person in relation to a member of the Company acting on an arm's length basis at market value

(a "Third Party Purchaser") the Selling Shareholders shall have the option (the "Come Along Option") to require all the other holders of Equity Shares (the "Called Shareholders") to sell with full title guarantee and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this article 9.

9.2 The Selling Shareholders may exercise the Come Along Option by giving notice to that effect (a "Come Along Notice") at any time before the transfer of Shares of the Selling Shareholders. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares (the "Called Shares") pursuant to this article 9 the person to whom they are to be transferred, the price at which the Called Shares are to be transferred (calculated in accordance with article 9.4) and the proposed date of transfer ("Completion").

9.3 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Come Along Notice.

9.4 The Called Shareholders shall be obliged to sell each of the Called Shares at the price offered by the Third Party Purchaser for each A ordinary share.

9.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Equity Shares unless:

9.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or

9.5.2 that date is less than 3 days after the Come Along Notice where it shall be deferred until the third day after the Come Along Notice.

9.6 The rights of pre-emption set out in these articles shall not arise on any transfer of shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Come Along Notice has been duly served.

9.7 If any holder of Equity Shares does not on Completion of the sale of Called Shares execute transfer(s) in respect of the Called Shares held by him the Directors shall be irrevocably entitled to and shall authorise and instruct such person as they shall think fit to execute necessary transfer(s) on his behalf and against receipt by the Company (on trust for such member) of the purchase monies payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been

registered as the holder, the validity of such proceedings shall not be questioned by any such person.

9.8 If the Selling Shareholders wish to transfer all their interest in Equity Shares to a Third Party Purchaser (other than pursuant to article 7.5) the Selling Shareholders shall procure that the Third Party Purchaser shall make an offer to all other holders of Equity Shares to acquire their Equity Shares at the price per ordinary share offered by the Third Party Purchaser to the Selling Shareholders and that such offer remains open for acceptance at the time of any such transfer.

9.9 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

## 10. **Voting**

10.1 to any special rights or restrictions as to voting attached to any shares by or in accordance with these articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every share in the capital of the Company of which he is the holder.

10.2 Subject to the provisions of article 10.3 below, if any payment of capital or interest on the Loan is in arrears for more than one month and:-

10.2.1 the holders of 75% of the A ordinary shares have given written notice to the Company requiring payment of the capital and/or interest due on the Loan within 14 days from the date of such notice; and

10.2.2 such 14 days' notice expires without either payment of the outstanding sums or the making of proposals in respect of such sums being proposals accepted by the holders of not less than 75% of the A ordinary shares

then the voting rights attaching to the A ordinary shares shall be amended with effect from the date of the written notice to the effect that on a poll each holder of A ordinary shares present in person or by proxy (or being a corporation) is present by a representative or by proxy shall have ten votes for every A ordinary share in the capital of the Company of which he is the holder until such time as such arrears of capital and interest under the Loan have been paid in full by the Company.

10.3 The Company shall be deemed not to be in arrears of interest on the Loan if such interest payment has been delayed in accordance with the provisions of clause 6.5 of the Supplemental Investment Agreement.

## 11. **Appointment of Directors**

11.1 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.

11.2 In addition but subject to the provisions of article 11.3 below the holders of shares carrying voting rights representing more than 50% of the voting rights attaching to all shares in the capital of the Company may by notice in writing to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director where:-

11.2.1 any payment of capital or interest on the Loan is in arrears for more than one month;  
or

11.2.2 a breach of any of the financial covenants contained in Clause <sup>or 19.2</sup> ~~21.1~~ <sup>6 21.3 (inclusive)</sup> of the New Facilities Agreement or Clause ~~19.1~~ of the New Mezzanine Loan Agreement has occurred or the Company has failed to comply with any of Clauses 22.1.1 (i) (ii) or (iii) of the New Facilities Agreement or Clauses 20.1.1 (i) (ii) or (iii) of the New Mezzanine Loan Agreement until such time as such arrears of capital and interest under the Loan have been paid in full by the Company or the Company has remedied the relevant breach of covenant (if it is capable of remedy) and has complied with the provisions of Clauses 22.1.1 (i) (ii) and (iii) of the New Facilities Agreement or Clause 20.1.1 (i) (ii) and (iii) of the New Mezzanine Loan Agreement whichever is the later.

11.3 The Company shall be deemed not to be in arrears of interest on the Loan if such interest payment has been delayed in accordance with the provisions of clause 6.5 of the Supplemental Investment Agreement.

11.4 The Company shall be deemed not to be in breach of the financial covenant referred to in Article 11.2.2 if such covenant is the Operating Cash Cover (as defined in the Supplemental Investment Agreement) and the Company is Performing to Plan.

## 12. Proceedings of Directors

12.1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the directors may be held by conference telephone or similar equipment as long as the participants can all hear each other.

12.2 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

12.2.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

12.2.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

12.2.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

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

12.3 For the purposes of this article:-

12.3.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in

which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

12.3.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

12.3.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

### 13. **Investor Director**

13.1 The Investors acting together shall after consultation with the Board as to the identity and suitability of such director or directors be entitled to appoint as directors of the Company any two persons (each herein referred to as an "Investor Director") and to remove from office any person so appointed and subject to such consultation to appoint another person in his place.

### 14. **Indemnity**

14.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

### **Syndication**

#### 15. Syndication Price

15.1 Subject to the provisions of the Act, forthwith upon the issue by the Company to one or more Syndicatees of A ordinary shares, the Company shall redeem equal numbers of A ordinary shares out of the proceeds of such issue. The shares to be redeemed under this article are herein referred to as 'Redemption Shares.'

15.2 The Company shall pay to each holder of Redemption Shares (or as it shall direct) upon redemption of such shares a sum equal to the subscription price paid for such shares. The redemption moneys shall be paid in accordance with the provisions of an Accession Agreement entered into pursuant to the Investment Agreement. Upon receipt of the redemption moneys each holder of Redemption Shares shall surrender to the Company the certificates for his Redemption Shares in order that they may be cancelled provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue to the holders a fresh certificate for the balance of the shares not redeemable.

- 15.3 The shares issued to the Syndicatee shall have the same rights as the Redemption Shares which they replace except that dividends shall only accrue thereon from the date of subscription thereof.
- 15.4 Forthwith upon redemption the dividends on the Redemption Shares shall cease to accrue. All dividends accrued on the Redemption Shares down to the date of redemption shall remain the property of the holders thereof and shall be paid on the same date as they would have been paid had redemption not taken place. If any objection is raised to the payment of these dividends on the grounds that the shares in respect of which they are being paid have ceased to exist then equivalent dividends shall be deemed to have accrued on the shares retained by the holders of the Redemption Shares.