

Company Number 04199223

The Companies Act 2006
Company Limited by Shares
Written Resolutions
of
Peacocks Orthotics Limited
(Company)

SATURDAY



On 9 March 2017 all of the members of the Company who were entitled to vote on the resolutions on their circulation date passed the resolutions below

Ordinary Resolutions


- 1 That subject to the passing of Resolution 3 each of the A ordinary shares of £0 01 each in the issued capital of the Company held by David William Stevens and Stephen James Cook be and are hereby redesignated as ordinary B shares of £0 01 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to Resolution 3
- 2 That subject to the passing of Resolution 3 each of the ordinary shares of £0 01 each in the issued capital of the Company be and are hereby redesignated as set out in the table below and having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to Resolution 3

Shareholder	Before redesignation	After redesignation
Christopher David Peacock	4 166 ordinary shares of £0 01 each	4 166 ordinary A shares of £0 01 each
Christopher David Peacock	1 ordinary share of £0 01	1 preference B share of £0 01
Christopher David Peacock	1 166 ordinary shares of £0 01 each	1 166 deferred shares of £0 01 each
John Peacock Colin	2 084 ordinary shares of £0 01 each	2 084 ordinary A shares of £0 01 each
John Peacock Colin	1 ordinary share of £0 01	1 preference B share of £0 01
John Peacock Colin	582 ordinary shares of £0 01 each	582 deferred shares of £0 01 each

Special Resolutions

- 3 That the draft articles of association produced to the meeting and for the purposes of identification initialed by a director and attached to this resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of the Company's existing memorandum and articles of association

- 4 That subject to the passing of Resolution 3 in accordance with section 551 of the Act the directors of the Company be generally and unconditionally authorised to allot shares in the Company up to a maximum nominal amount of £17 50 including the allotment of 1 750 Preference A shares of £0 01 each in the capital of the Company (such shares having the rights set out in articles of association of the Company adopted pursuant to Resolution 3) provided that this authority shall unless revoked renewed or varied by the Company expire on the date being five years from the date this Resolution is passed
- 5 That subject to the passing of Resolutions 3 and 4 and in accordance with section 570 of the Act the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 4 as if section 561(1) of the Act and any other right of pre-emption contained in the articles of association or otherwise did not apply to such allotment



Director

PEACOCKS ORTHOTICS LIMITED

ARTICLES OF ASSOCIATION

(Adopted by special resolution passed
on ~~February~~ **MARCH 9th** 2017)

CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	MODEL ARTICLES	7
3	LIABILITY OF MEMBERS	7
4	SHARES	7
5	RETURN OF CAPITAL	8
6	EXIT	8
7	CONVERSION OF SHARES	9
8	ISSUE OF SHARES	10
9	ANTI DILUTION	12
10	TRANSFER AND TRANSMISSION OF SHARES GENERAL	14
11	PERMITTED TRANSFERS TREASURY SHARES	14
12	COMPULSORY TRANSFERS	14
13	LEAVERS	16
14	VALUATION	17
15	TRANSFER PROVISIONS EVIDENCE OF COMPLIANCE	17
16	DIRECTORS POWERS AND RESPONSIBILITIES MODEL ARTICLES	18
17	DIRECTORS TO TAKE DECISIONS COLLECTIVELY	18
18	DIRECTORS WRITTEN RESOLUTIONS	20
19	CALLING A DIRECTORS MEETING	20
20	PARTICIPATION IN DIRECTORS MEETINGS	21
21	QUORUM FOR DIRECTORS MEETINGS	21
22	CHAIRMAN OF THE BOARD	22
23	VOTING AT DIRECTORS MEETINGS	22
24	PARTICIPATING AND VOTING WHEN DIRECTOR INTERESTED	22
25	DIRECTORS DISCRETION TO MAKE FURTHER RULES	23
26	RECORDS OF DIRECTORS DECISIONS TO BE KEPT	23
27	TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY	23
28	DIRECTORS CONFLICTS OF INTEREST	24
29	ACCOUNTING FOR PROFIT WHEN INTERESTED	25
30	METHODS OF APPOINTING DIRECTORS	26
31	TERMINATION OF DIRECTOR S APPOINTMENT	26
32	DIRECTORS REMUNERATION AND EXPENSES	27
33	INVESTOR DIRECTOR	27
34	APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS	27
35	RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS	28

36	TERMINATION OF ALTERNATE DIRECTORSHIP	28
37	DIRECTORS INDEMNITY AND INSURANCE	29
38	WRITTEN RESOLUTIONS	29
39	CALLING GENERAL MEETINGS	29
40	QUORUM FOR GENERAL MEETINGS	29
41	VOTING RESTRICTIONS	29
42	NO VOTING OF SHARES ON WHICH MONEY DUE AND PAYABLE	29
43	VOTING EQUITY SHARES	30
44	DELIVERY OF PROXY NOTICES	30
45	CORPORATE REPRESENTATIVES	31
46	VOTING AT GENERAL MEETINGS MODEL ARTICLES	31
47	VARIATION OF SHARE RIGHTS	32
48	CLASS MEETINGS	33
49	DISTRIBUTIONS MODEL ARTICLES	33
50	INTERESTS IN SHARES	33
51	RESERVED	34
52	CAPITALISATION	34
53	FRACTIONS ARISING ON CONSOLIDATION AND DIVISION	34
54	COMPANY SECRETARY	34
55	SHARE CERTIFICATES COMPANY SEAL AND RECORDS	34
56	FORM OF NOTICE	34
57	CONSENTS DIRECTIONS NOTICES BY INVESTOR	35
58	NOTICES TO THE COMPANY	35
59	NOTICES TO SHAREHOLDERS AND TRANSMITTEES	35
60	NOTICES TO DIRECTORS	36
61	SERVICE OF NOTICES ON SHAREHOLDERS OR DIRECTORS	36
62	PUT OPTIONS	37

Company No 04199223

ARTICLES OF ASSOCIATION
OF
PEACOCKS ORTHOTICS LIMITED
(Company)

(Adopted by special resolution passed on February __ 2017)

1 DEFINITIONS AND INTERPRETATION

1.1 In these Articles unless the context requires otherwise

Act means the Companies Act 2006

"Acting in Concert" has the meaning given to it in the City Code on Takeovers and Mergers for the time being

Appointor has the meaning given to it in Article 34.1

Articles means the Company's articles of association

as converted basis means at any given time as if all Preference A Shares have been converted into Ordinary A Shares at the then prevailing Conversion Ratio

Auditors means the Company's auditors for the time being

bankruptcy includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy and **bankrupt** shall be construed accordingly

Board means the incumbent board of Directors including the Investor Director (if any)

Business Day means a day other than a Saturday or Sunday on which banks are open for general business in London

Cessation Date means in relation to a Leaving Shareholder his Permitted Transferees and nominees the date on which the relevant person becomes a Leaving Shareholder

Chairman has the meaning given to it in Article 22.1

Commencement Date means the date of adoption of these Articles

Companies Acts means every statute for the time being in force concerning companies (including any statutory instrument or other subordinate legislation made under any such statute) so far as it applies to the Company

Connected Persons has the meaning given to it in section 1122 of the Corporation Tax Act 2010

'Conversion Ratio means the ratio at which one Preference A Share may convert into Ordinary A Share(s) as determined in accordance with Articles 7 and 9

'Credited as Paid Up' or 'Issue Price' means amounts paid up or credited as paid up on a Share including both the nominal value and any share premium

'Declined Securities' has the meaning given to it in Article 8.6

Deed of Adherence means a deed of adherence to and in the form required by the Shareholders Agreement

Deferred Share means a deferred non voting share of £0.01 in the Company

Directors means the Company's directors for the time being

'Disposal' means any transaction or series of related transactions whereby any person (together with its Connected Persons and any other persons with whom it is Acting in Concert) purchases all or substantially all of the business and assets of the Company and/or the Group or any exclusive license over all or substantially all the Company's intellectual property

electronic form and **electronic means** have the meanings given to them in section 1168 of the Act

Eligible Director means

- (a) in relation to a decision at a Directors' meeting a Director who is able to be counted as participating for quorum and voting purposes in the decision at the meeting and
- (b) in relation to a Directors' written resolution a Director who would have been able to be counted as participating for quorum and voting purposes in the decision had the resolution or matter been proposed as a resolution at a Directors' meeting

Employee Share Scheme means in relation to the Group any employee share scheme within the meaning of section 1166 of the Act

Equity Shareholder means a holder of any Equity Shares

Equity Shares means the Ordinary A Shares the Ordinary B Shares the Ordinary C Shares the Preference A Shares (on an as converted basis)

Extra Securities has the meaning given to it in Article 8.5.2

FCA means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of part VI of the Financial Services and Markets Act 2000 including where the context so permits any committee employee officer or servant to whom any function of the Financial Conduct Authority may for the time being be delegated

fully paid in relation to a Share means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company

Group means the Company and its subsidiary undertakings for the time being and references to a **Group Member** shall be construed accordingly

hard copy form has the meaning given to it in section 1168 of the Act

holder in relation to any Share means the person whose name is entered in the register of members as the holder of that Share

Interest has the meaning given to it in Article 1361

Investor means Objet UK Limited and its Permitted Transferees (as defined in the Shareholders Agreement)

Investor Associate means in relation to the Investor

- (a) each Member of the Same Group as the Investor for the time being
- (b) any trustee or nominee of the Investor or any Member of the Same Group as the Investor for the time being

Investor Consent means a consent or approval in writing by or on behalf of the Investor not to be unreasonably withheld delayed or conditioned

Investor Director has the meaning given to in Article 331

Leaving Shareholder means a holder of Ordinary B Shares who ceases for whatever reason to be an employee of the Company and any Permitted Transferee or nominee holder of such person

Market Value has the meaning given to it in Article 14

Member of the Same Group in relation to an undertaking (**Undertaking**) means any parent undertaking of that Undertaking for the time being and any undertaking which in relation to the Undertaking and/or any such parent undertaking is a subsidiary undertaking for the time being

Model Articles means the model articles for private companies limited by Shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the Commencement Date

Non Disclosable Interest has the meaning given to it in Article 283

Ordinary A Share means an ordinary A share of £0.01 in the Company

Ordinary B Share means an ordinary B share of £0.01 in the Company

Ordinary C Share means an ordinary C share of £0.01 in the Company

Original Transferor means a Shareholder who transfer his Share to a Permitted Transferee

participate in relation to a Directors meeting has the meaning given to it in Article 20

Permitted Issue means any of the following

- (a) the issue of Shares pursuant to or the grant of rights to subscribe for Shares by the Share Subscription Agreement
-

- (b) the allotment of Securities which grant rights to subscribe for Ordinary C Shares pursuant to an Employee Share Scheme duly adopted by the Board (with Investor Consent) and the allotment of Ordinary C Shares upon exercise of rights to subscribe for Ordinary C Shares pursuant to such Employee Share Scheme all in accordance with Article 8
- (c) any issue of Ordinary A Shares upon conversion of any or all of the Preference A Shares or any issue of Deferred Shares upon conversion of any or all of the Ordinary A Shares or Ordinary B Shares in accordance with these Articles
- (d) an allotment of Shares by way of bonus issue on a pro rata basis to all Equity Shareholders and
- (e) any issue of Securities approved by a special resolution with prior Investor Consent or if the Investor has waived its pre-emptive rights in respect thereof

Permitted Transferee means the meaning of Permitted Transferee in the Shareholders Agreement

Purchase Agreement means the Series A Preferred Share Subscription Agreement entered into or to be entered into on or around the Commencement Date between the Company and the Investor

Preference A Share means a convertible preferred A share of £0.01 in the Company

Preference B Share means a non-voting preferred B share of £0.01 in the Company

Preference Share means a Preference A Share or a Preference B Share

proxy notice has the meaning given to it in Model Article 45 applied by Article 46 (*Voting at general meetings Model Articles*)

Pre-emptive Offer has the meaning given to it in Article 8.4

Qualifying Issue has the meaning given to it in Article 9.1

Sale Date means the date of completion of a Share Sale

Securities means Shares or rights to subscribe for or to convert securities into Shares

Share means a share in the Company

Shareholder means a person who is the registered holder of a Share

Shareholders Agreement means the Shareholders Rights Agreement entered into or to be entered into on or around the Commencement Date between (1) the Company, (2) the Investor and (3) the holders of the Ordinary A Shares and Ordinary B Shares as of the Commencement Date (as amended, varied, supplemented, extended, restated, novated and/or replaced from time to time in accordance with its terms)

Shareholders Consent means the consent of both the Investor and the holders of a majority of the outstanding Ordinary A Shares not to be unreasonably withheld, delayed or conditioned

Share Sale means any transaction or series of related transactions whereby any person (together with its Connected Persons and any other persons with whom it is Acting in Concert) (other than any one or more Permitted Transferees) (but excluding the Investor) obtains in any manner (including without limitation by way of merger or sale of shares) the ownership of more than 50 per cent in nominal value of the issued and outstanding Equity Shares (on an as converted basis) immediately prior to such transaction (excluding any Equity Shares held as treasury shares)

' special resolution' has the meaning given to it in section 283 of the Act

Subscription Agreement means the Share Subscription Agreement entered into or to be entered into on or around the Commencement Date between (1) the Company (2) the Investor and (3) the holders of the Ordinary A Shares (as amended varied supplemented extended restated novated and/or replaced from time to time in accordance with the terms thereof)

Suspended Rights in relation to a Share means rights

- (a) to receive notice of and to attend and speak at any general meeting of the Company or any separate meeting of the holders of any class of Shares or to receive a copy of any proposed written resolution of the Shareholders or of a class of the Shareholders and
- (b) to vote (either in person or by proxy and whether on a show of hands or on a poll at any general meeting of the Company or at any separate meeting of the holders of any class of Shares or on a written resolution of the Shareholders or of a class of the Shareholders)

so that such Shares shall not be counted in determining the total number of votes which may be cast at any general meeting of the Company or at any separate meeting of the holders of any class of Shares or required for the purposes of a written resolution of the Shareholders or of a class of the Shareholders

Transmittee means a person entitled to a Share or any Interest in a Share due to the death or bankruptcy of a Shareholder or otherwise by operation of law provided that this term shall not include any person or entity that was already a Shareholder in their own name prior to such death or bankruptcy and

writing and **written** means the representation or reproduction of words symbols or other information in a visible form by any method or combination of methods whether sent or supplied in electronic form or otherwise

1 2 Unless the context requires otherwise other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the Commencement Date

1 3 In these Articles (unless the context requires otherwise) any reference to

1 3 1 a numbered Article is to that numbered article of these Articles and to a numbered Model Article is to that numbered article of the Model Articles

1 3 2 the allotment of Securities or any similar expression includes the grant of a right to subscribe for or to convert any securities into Shares but excludes the allotment of Shares pursuant to any such right

- 1 3 3 **including 'to include' includes or in particular** shall be deemed to include the words without limitation
- 1 3 4 the day on which a notice is given is to the day on which the notice is deemed received in accordance with Article 61
- 1 3 5 any gender includes all genders the singular includes the plural (and vice versa) and persons includes individuals bodies corporate unincorporated associations and partnerships (whether or not any of them have a separate legal personality) and
- 1 3 6 a **transfer** of Shares or any similar expression shall be deemed to include any direction (by way of renunciation assignment or otherwise) by a Shareholder entitled to an allotment issue or transfer of Shares that a Share be allotted issued or transferred to some person other than himself and any reference to a **transfer** of Shares or any similar expression shall also be deemed to include
- 1 3 6 1 any sale assignment or other disposition of the legal or equitable **interest** or any other right or interest in a Share (including any voting right attached to a Share) (**Interest**)
- 1 3 6 2 the sale or transfer by the Company of Shares held as treasury shares
- 1 3 6 3 the creation or granting of any mortgage charge pledge or other encumbrance or security interest or trust over any Interest and
- 1 3 6 4 any grant of an option to acquire any Interest
- whether effected by a Shareholder or otherwise whether for consideration or otherwise and whether effected by an instrument in writing or otherwise
- 1 3 7 a statute or a statutory provision includes that statute or statutory provision as amended or re enacted (with or without modification) and any subordinate legislation made under it (in each case whether before on or after the Commencement Date) and
- 1 3 8 any reference to Shares being counted on an **as converted basis** shall take account of any change to the Conversion Ratio with respect to such Shares and to any adjustment pursuant to Article 7 7 but shall not take account of any potential conversion to Deferred Shares pursuant to Article 7 until such time as the Ordinary C Shares that cause such conversion are actually issued and allotted
- 1 4 The contents list and headings in these Articles are included for ease of reference only and shall not affect the construction or interpretation of these Articles
- 1 5 If the Auditors decline to act in respect of any referral the matter will be determined by an independent reputable firm of chartered accountants out of the Big 4 accounting firms agreed for the purposes by the parties concerned or in default of agreement within five working days after the Auditors have declined to act appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales out of such Big 4 accounting firms
-

2 MODEL ARTICLES

2 1 These Articles and the Model Articles specifically applied to the Company by these Articles shall together constitute the articles of association of the Company

2 2 When a Model Article specifically applies to the Company

2 2 1 the terms defined in Article 1 (*Definitions and interpretation*) shall apply to such Model Article (notwithstanding that such terms may be in lower case in the Model Article) and

2 2 2 the terms defined in Model Article 1 shall apply to such Model Article unless those terms are otherwise defined in Article 1 (*Definitions and interpretation*)

2 3 Except to the extent that the Model Articles are specifically applied to the Company by these Articles no regulations or articles set out in any statute or in any statutory instrument or other subordinate legislation made under any statute concerning companies shall apply as the regulations or articles of association of the Company

3 LIABILITY OF MEMBERS

Model Article 2 (*Liability of members*) shall apply

4 SHARES

4 1 Except as provided otherwise in these Articles the Shares shall rank *pari passu* but they shall constitute separate classes of Shares

4 2 Subject to these Articles but without prejudice to the rights attached to any existing Share the Company may in its sole discretion (unless Investor Consent is required by the Shareholder s Agreement or pursuant to Article 4 4 hereof) issue Shares with such rights or restrictions as may be determined by special resolution

4 3 The Company may in its sole discretion (unless Investor Consent is required by the Shareholder s Agreement or pursuant to Article 4 4 hereof) issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder The terms conditions and manner of redemption of any such Shares shall be set out in the Articles

4 4 Except with Investor Consent the Company shall not allot any Preference A Shares after the Commencement Date

4 5 If the Board has recommended payment of any dividend then provided that such payment is permitted by the Shareholders Agreement any profits which the Company determines to distribute in respect of any Accounting Period will be applied amongst the then outstanding issued and outstanding Equity Shares Any such dividend to be paid in accordance herewith will be paid and will belong to and be paid to the holders of the Equity Shares (as if one class) pro rata according to their holdings of such Equity Shares

5 RETURN OF CAPITAL

- 5 1 On a return of capital of the Company on a winding up or otherwise the surplus assets and retained profits of the Company available for distribution among the Shareholders (the **Surplus Assets**) shall be applied in the following order and priority

Priority	Class of Share	Amount to be paid
1	Preference A Shares	The holders of the Preference A Shares shall be entitled to receive an amount equal to the greater of (i) the Issue Price of the Preference A Shares held by such holder and (ii) the amount that they would have been entitled to receive had all Preference A Shares held by them been converted into Ordinary A Shares pursuant to Article 7 immediately prior to such return of capital
2	Ordinary A Shares Ordinary B Shares Ordinary C Shares and Preference B Shares (on the basis set forth in Article 5 3) (as if one class)	Any balance of Surplus Assets shall be distributed pari passu to the holders of the Ordinary A Shares the Ordinary B Shares the Ordinary C Shares and the Preference B Shares (on the basis set forth in Article 5 3) as if one class of Share until each such Share has received an aggregate distribution of US\$1 000 000
3	Deferred Shares	US\$0 01 for each Deferred Share
4	Ordinary A Shares Ordinary B Shares Ordinary C Shares and Preference B Shares (on the basis set forth in Article 5 3) (as if one class)	Any remaining balance of such Surplus Assets shall be distributed pari passu to the holders of the Ordinary A Shares the Ordinary B Shares the Ordinary C Shares and the Preference B Shares (on the basis set forth in Article 5 3) as if one class of Share

- 5 2 Any return on a particular class of Shares shall be made amongst their holders on pari passu basis pro rata to their respective holdings of Shares of that class
- 5 3 In the event that more than 300 Ordinary B Shares have become Leaver Shares and have been converted into Deferred Shares at the time of the return of capital pursuant to Article 5 1 the holder of the Preference B Shares shall be entitled pursuant to Article 5 1 to receive such sum in respect of each Preference B Share as it would receive if it held one half of such number of Ordinary B Shares as is equal to the sum of (a) the aggregate number of Ordinary B Shares that have been following the Commencement Date determined to be Leaver Shares and converted into Deferred Shares less (b) 300

6 EXIT

- 6 1 In the event of a Share Sale the selling Shareholders shall procure that the amount (if any) of consideration which they shall be entitled to receive for the Shares they are transferring shall be that to which they would be entitled if the aggregate value of the total consideration to be
-

paid for such Shares as a whole was allocated to the selling Shareholders in the order of priority as set forth in Article 5.1

6.2 For the avoidance of doubt **'total consideration'** for the purposes of Article 6.1 shall be construed as meaning the value or worth of the total consideration regardless of the form of the total consideration

6.3 In the event of a Disposal the Shareholders shall procure that the proceeds of sale arising from the Disposal shall (to the extent that the Company is lawfully able to do so) be distributed to the Shareholders in the order of priority set out in Article 5.1

6.4 If any of the consideration to be paid on a Share Sale or a Disposal is to be deferred or is otherwise contingent or not payable until after completion of such Share Sale or Disposal (and for the purposes hereof consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Share Sale or Disposal shall be deemed to be payable after completion) the selling Shareholders (in the case of a Share Sale) or the Company and the Shareholders (in the case of a Disposal) shall procure that

6.4.1 any initial consideration actually paid at the time of completion shall

6.4.1.1 in the case of a Share Sale be allocated to the selling Shareholders in the order of priority set out in Article 5.1 as though it is the only proceeds of such Share Sale and

6.4.1.2 in the case of a Disposal (to the extent that the Company is lawfully able to do so) be distributed to the Shareholders in the order of priority set out in Article 5.1 as though it is the only proceeds of such Disposal and

6.4.2 if and to the extent that any such deferred or other consideration is subsequently paid it shall

6.4.2.1 in the case of a Share Sale be allocated to the selling Shareholders in the order of priority set out in Article 5.1 after taking into account any prior allocations of consideration to the selling Shareholders that have already taken place and

6.4.2.2 in the case of a Disposal (to the extent that the Company is lawfully able to do so) be distributed to the Shareholders in the order of priority set out in Article 5.1 after taking into account any prior distributions of the proceeds of sale to the Shareholders that have already taken place

6.5 In the event that there is a Share Sale or Disposal in which the Investor or its Permitted Transferee is the purchaser of such shares or the purchaser or exclusive licensee of such assets or intellectual property then notwithstanding the satisfaction of the condition in row 1 of the table in Article 5.1 no such preferential distribution as set forth in row 1 of Article 5.1 shall be made

7 **CONVERSION OF SHARES**

Conversion of Preference A Shares

- 7.1 Any holder of Preference A Shares may at any time by notice in writing to the Company require conversion of any or all of the Preference A Shares held by it at any time into Ordinary A Shares at the Conversion Ratio. Those Preference A Shares shall convert automatically on the date of service of such notice on the Company (unless such notice states that conversion is to be effective on some later date or when any conditions specified in the notice have been fulfilled in which case conversion shall take effect on that later date or when such conditions have been fulfilled as the case may be).
- 7.2 The Conversion Ratio of the Preference A Shares pursuant to Article 7.1 shall, subject to Articles 7.6 and 9.2, initially be one Ordinary A Share for one Preference A Share.
- 7.3 Where conversion of any Preference A Share is conditional upon any matter or event, that conversion shall only be effective immediately before the occurrence of such matter or event. If such matter or event does not occur or does not take place, such conversion shall be deemed not to have occurred.

Conversion to Deferred Shares

- 7.4 Upon each issuance of Ordinary C Shares in accordance with the Shareholders Agreement (i) such number of Ordinary A Shares as is equal to one half of the number of Ordinary C Shares so issued (rounded down to the nearest whole share) and (ii) such number of Preference A Shares as is equal to (1) one half of the number of Ordinary C Shares so issued shall automatically, upon the issuance of such Ordinary C Share, be converted into Deferred Shares.

Mechanics of Conversion

- 7.5 In the case of a conversion pursuant to Article 7.1, at least one Business Day before the date of conversion, and in the case of a conversion pursuant to Article 7.4, within 15 Business Days of such Shareholder being notified of such event, each holder of the relevant Shares converted or to be converted shall deliver the certificate(s) (or an indemnity in a form reasonably satisfactory to the Directors for any lost share certificate) for the Shares being converted to the Company at its registered office for the time being.
- 7.6 On conversion pursuant to this Article 7, the relevant Shares shall (without any further authority than that contained in these Articles and as may be required pursuant to section 551 of the Act) stand converted into Ordinary A Shares or Deferred Shares, as applicable, and the Shares resulting from the conversion shall rank *pari passu* in all respects with the then existing issued Shares of such class.
- 7.7 Forthwith following a conversion pursuant to this Article 7, the Company shall enter the holder(s) of the converted Shares in the register of Shareholders of the Company as the holder(s) of the appropriate number of Ordinary A Shares or Deferred Shares, as applicable, and, subject to the relevant holder of Shares delivering the relevant share certificate(s) (or indemnity or other evidence) in respect of such converted Shares in accordance with this Article 7, the Company shall, within five Business Days of conversion, forward a definitive share certificate for the appropriate number of fully paid Shares of the applicable class to such holder of converted Shares by post to his address as shown in the Company's register of Shareholders at his own risk and free of charge.

8 ISSUE OF SHARES

- 8.1 The Company may pay any person a commission in consideration for that person
-

- 8 1 1 subscribing or agreeing to subscribe for Shares or
- 8 1 2 procuring or agreeing to procure subscriptions for Shares
- 8 2 Any such commission may be paid
- 8 2 1 in cash or in fully paid or partly paid Shares or other securities or partly in one way and partly in the other and
- 8 2 2 in respect of a conditional or an absolute subscription
- 8 3 In accordance with section 567(1) of the Act sections 561 and 562 of the Act shall not apply to an allotment of equity securities (within the meaning of section 560 of the Act) by the Company The Board may determine to issue Securities at any time provided such issuance and the terms thereof (including the requirement for any Investor Consent therefor) comply with these Articles and the Shareholders Agreement and any other applicable provisions of the Act
- 8 4 Except for any Permitted Issue and subject to Article 4 4 any Securities proposed to be issued by the Company shall first be offered by the Company at the same price and on the same terms to the holders of the Equity Shares pro rata to their holdings of Equity Shares (aggregated and on an as converted basis) (as nearly as possible without involving fractions) (**Pre emptive Offer**)
- 8 5 The Pre emptive Offer shall
- 8 5 1 be made by notice specifying the Securities offered the price for them a time (being not less than 10 Business Days) within which the offer if not accepted shall be deemed to be declined and any other terms and
- 8 5 2 invite each relevant holder of Equity Shares to state in his acceptance the number of any Securities in excess of those offered to him (**Extra Securities**) that he wishes to apply for
- 8 6 Any Securities not accepted (or deemed to be declined) under the Pre emptive Offer ('**Declined Securities** ') shall be used to satisfy applications for Extra Securities If there are insufficient Declined Securities to satisfy all such applications for Extra Securities then such Declined Securities shall be allotted to the applicants of the Extra Securities (as nearly as possible without involving fractions) as follows
- 8 6 1 pro rata to their holdings of Equity Shares (on an aggregated and as converted basis) immediately prior to the Pre emptive Offer (as nearly as possible without increasing the number of Declined Securities allotted to any Shareholder beyond the number of Extra Securities applied for by him) and
- 8 6 2 then any remaining Declined Securities to such applicants who have not yet been allotted the maximum number of Extra Securities applied for by them pro rata to their holdings of Equity Shares (on an aggregated and as converted basis) immediately prior to the Pre emptive Offer (as nearly as possible without increasing the number of Declined Securities allotted to any Shareholder beyond the number of Extra Securities applied for by him) Any remaining Declined Securities shall continue to be allotted on the basis of this Article 8 6 2 until all Declined Securities have been allotted
-

8 7 The Directors may round to the nearest whole number fractional entitlements under any Pre-emptive Offer provided that the number of Securities allotted does not exceed the total number of Securities offered and such rounding does not result in a Shareholder being allotted more Securities than he has indicated he is willing to accept

8 8 Any Securities not taken up at the end of the procedures set out in Articles 8 4 to 8 6 for a Pre-emptive Offer may within the period of three months from the end of the period for acceptance of the relevant Pre-emptive Offer be offered by the Company to any other person(s) at no lesser price and on no more favorable terms than those on which they were offered under the relevant Pre-emptive Offer

8 9 Subject to Article 8 9

8 9 1 the Board may issue or grant options to purchase up to 500 Ordinary C Shares to managers and employees of the Company in each case pursuant to the Company Option Plan and

8 9 2 in addition in the event that any Ordinary B Shares are determined to be Leaver Shares and are converted into Deferred Shares pursuant to Article 12 the number of Ordinary C Shares permitted to be issued under this Article 8 8 shall be increased by the lower of (i) such number of Leaver Shares that are so converted and (ii) the sum of (1) 300 less (2) all additional Ordinary C Shares previously permitted to be issued pursuant to this Article 8 8 2

provided that aggregate number of Ordinary C Shares issuable shall not at any time exceed 800

8 10 Notwithstanding Article 8 8 no Ordinary C Shares shall be issued to a holder of any Preference A Shares Ordinary A Shares Ordinary B Shares or any of their respective Permitted Transferees

8 11 Model Article 21 shall apply

9 ANTI DILUTION

9 1 Except for a Permitted Issue if the Company without the Investor's Consent issues any Securities without consideration or for a consideration per Share less than the Issue Price of the Preference Shares (a **Qualifying Issue**) the Conversion Ratio with respect to the holders of Preference Shares shall be adjusted in accordance with Article 9 2

9 2 The Conversion Ratio with respect to a Preference Shareholder shall be the number calculated as follows

$$CR = \frac{ISC}{ISC + \left(\frac{N}{PIP}\right)}$$

Where

CR = the Conversion Ratio

ISC = the total number of issued Shares in the capital of the Company (supposing all options warrants and securities convertible into shares have been converted)

immediately after the Qualifying Issue but before any adjustment is made in accordance with this Article 9

ISCB = the total number of issued Shares in the capital of the Company immediately before the Qualifying Issue

N = the aggregate Issue Price of all Shares issued in the Qualifying Issue

PIP = the Issue Price of each Preference A Share subscribed pursuant to the Purchase Agreement

- 9 3 In the case of an issue of Securities for a consideration in whole or in part other than in cash the Issue Price of each Relevant Security for the purposes of Article 9 2 shall be a price certified by the Expert (as define below) (acting as expert and not as arbitrator) as being in its opinion the current cash value of the non cash consideration for the allotment of the Securities
- 9 4 In the event of any Issue or Re organisation (as defined below) the Issue Price of each Preference Share shall be adjusted to take account of such Issue or Re organisation on such basis as may be agreed between the Directors and the Investor or failing such agreement within 10 Business Days after (and excluding) the date of such Issue or Re organisation as determined by the Expert (as defined below) at the Company s cost
- 9 5 The Expert determination of any matter under this Article 9 shall in the absence of manifest error be final and binding on the Company and each of its Sharcholders
- 9 6 In this Article 9 **Issue** or **Re organisation** means any return of capital issue of Shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the holders of Preference A Shares) any consolidation subdivision or re classification or the cancellation of any shares following a repurchase or redemption of Shares (other than Preference A Shares) or any variation in the Issue Price or conversion rate applicable to any other outstanding Shares of the Company
- 9 7 Other than a Permitted Issue in the case of the issuance of options to purchase or rights to subscribe for Shares or securities which by their terms are convertible into or exchangeable for Shares or options to purchase or rights to subscribe for such convertible or exchangeable securities the aggregate maximum number of Shares deliverable upon exercise (assuming the satisfaction of any conditions to exercisability including without limitation the passage of time but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Shares or upon the exchange or conversion of such security shall be deemed to have been issued at the time of the issuance of such options rights or securities at a consideration equal to the consideration (determined in the manner provided in Article 9 3) received by the Company upon the issuance of such options rights or securities plus any additional consideration payable to the Company pursuant to the term of such options rights or securities (without taking into account potential antidilution adjustments) for the Shares covered thereby provided however that if any options as to which an adjustment to the Conversion Ratio has been made pursuant to this Article 9 7 expire without having been exercised then the Conversion Ratio shall be readjusted as if such options had not been issued (without any effect however on adjustments to the Conversion Ratio as a result of other events described in this Article 9) and provided further that in the event that such options to purchase or rights to subscribe for Shares or securities which by their terms are convertible into or exchangeable for Shares or options to purchase or rights to subscribe for such convertible or exchangeable securities shall not determine the final
-

applicable price per Share (for example only in the event that the relevant price per share shall be denominated as a discount rate over the following round of financing) then the antidilution adjustment if any in accordance with this Article 9.7 be implemented only at the time of actual issuance of such shares or such other securities

10 TRANSFER AND TRANSMISSION OF SHARES GENERAL

10.1 Shares may only be transferred in accordance with these Articles and in accordance with the provisions of the Shareholders Agreement but not otherwise

10.2 Notwithstanding any other provisions of these Articles the Directors shall not register a transfer of Shares

10.2.1 to any person who is bankrupt is less than 18 years of age and/or does not have (or whom the Directors reasonably believe does not have) legal capacity to hold and/or transfer such Shares or to comply with these Articles

10.2.2 except with Shareholders Consent if the Shares are not fully paid

10.2.3 if the instrument of transfer is not either duly stamped or duly certified (or otherwise shown to the satisfaction of the Directors to be exempt from stamp duty)

10.2.4 except with Shareholders Consent if the transferee (not being a party to the Shareholders Agreement whether as an original party or by having executed a Deed of Adherence) has not in a legally binding manner entered into and delivered to the Company a Deed of Adherence or

10.2.5 except with Shareholders Consent if such transfer is not expressly permitted under the provisions of the Articles or Shareholders Agreement

10.3 Model Article 26 shall apply

11 PERMITTED TRANSFERS TREASURY SHARES

Any Share held by the Company as a treasury share may be sold or transferred to any person or cancelled in each case in accordance with the Act these Articles and the Shareholders Agreement

12 COMPULSORY TRANSFERS

12.1 In this Article 12 the term Shareholder shall be deemed to exclude the Excluded Equity Shareholders

12.2 A Transmitttee shall be bound to notify the Board (and the Board shall as soon as reasonably practicable notify the Shareholders of the same) immediately upon his entitlement to any Interest in a Share or Shares. A Transmitttee who acquires any Interest in any Shares pursuant to the death of a Shareholder shall be entitled to transfer such Interest to any person pursuant to the terms of the deceased Shareholder's will or otherwise the rules of intestacy. A Transmitttee who acquires any Interest in Shares pursuant to the bankruptcy of a Shareholder shall be bound at any time if called upon in writing to do so by the Board or a Shareholder before or after the Directors receive notice from the Transmitttee that he has become so entitled to offer for sale such number as the Board or a Shareholder may decide of the Shares ('Relevant Shares ') still registered in the name of the relevant Shareholder to such person or

persons as the Board with Shareholder Consent shall determine. The price for the Relevant Shares will be the Market Value for such shares as calculated in accordance with Article 14

- 12.3 If a Transmittee fails to offer the Relevant Shares for sale in accordance with Article 12.1 or a Leaving Shareholder fails to transfer any Leaver Shares or (to the extent required to be transferred pursuant to the Leaver Notice) Vested Shares within 10 Business Days after being called upon to do so

12.3.1 the Board (and the holders of a majority of the Ordinary A Shares or a majority of the Preference A Shares may require that the Board does so) may authorise any Director to execute and deliver a transfer of such Shares concerned (as a nominee for the person entitled to the Shares) to a person appointed by the Board and

12.3.2 the Company may give a good receipt for the purchase price of such Shares register the purchaser or purchasers as the holders of them and issue certificates for the same to such purchasers. After registration the title of such purchaser or purchasers as registered holder(s) of such Shares will not be affected by any irregularity in or invalidity of such proceedings which will not be questioned by any person. In any such case the Transmittee or Leaving Shareholder as applicable will be bound to deliver up the certificates for the relevant Shares concerned to the Company whereupon he will become entitled to receive the purchase price. In the meantime the purchase price will be held by the Company on trust for such person without interest

- 12.4 Within the period commencing on the relevant Cessation Date and expiring at midnight on the first anniversary of such date the Board may with the prior written consent of the Leaving Shareholder with respect to any Vested Shares that may be included in such Leaver Notice (and provided for the avoidance of doubt that the service of a Leaver Notice in respect of a only a Leaving Shareholder's Leaver Shares shall not require such consent of the Leaving Shareholder) direct the Company (and if the Investor Director so demands solely in respect of a Leaving Shareholder's Leaver Shares the Board shall direct the Company) to serve a notice on a Leaving Shareholder (a **Leaver Notice**) notifying him that he is with immediate effect deemed to have served a notice offering to transfer part or all of his Ordinary B Shares in the proportion(s) to the person(s) determined in accordance with these Articles and specified in such Leaver Notice. The Leaver Notice shall set forth (a) the portion of the Vested Shares held by the Leaving Shareholder that are required to be transferred by such Leaving Shareholder and the portion (if any) that they are permitted to retain (noting that any inclusion of such Vested Shares shall require the consent of the relevant Leaving Shareholder pursuant to the foregoing) (b) that any Leaver Shares are to be transferred to the Company (or to such other person as it may direct) and (c) whether at the discretion of the Board any Vested Shares that are required to be transferred by the Leaving Shareholder are to be transferred to (i) the Company or (ii) the other Shareholders of the Company in which case the Board shall deliver on behalf of the Leaving Shareholder (and the Leaving Shareholder hereby appoints the Board as its agent for this purpose) a Proposed Transfer Notice as described in the Shareholders Agreement. On delivery of such Leaver Notice the Leaver Shares specified therein shall automatically be converted into Deferred Shares and the Leaving Shareholder shall be obliged to transfer such Leaver's Leaver Shares and (to the extent required by the Leaver Notice) Vested Shares with full title guarantee and free of encumbrance

- 12.5 Subject to the provisions hereof the price at which any Ordinary B Shares required to be transferred pursuant to Article 12.4 shall be transferred shall be

12.5.1 in respect of any Vested Shares the Market Value of such Vested Shares and

12.5.2 in respect of any Leaver Shares nil

12.6 For the purposes of the Leaver Notice and the provisions of these Articles the Board with the consent of the Investor Director may determine

12.6.1 that such Leaving Shareholder may notwithstanding that they do not qualify as such be fully or partly treated as a Good Leaver (without such determination having been agreed with such Leaving Shareholder or otherwise determined by any third party (including any court or tribunal)) regardless of the circumstances surrounding his becoming a Leaving Shareholder and

12.6.2 that such Leaving Shareholder if he is a Good Leaver may (at the sole discretion of the Board) be permitted to retain some or all of the Vested Shares which he would otherwise be required to transfer

13 LEAVERS

13.1 In the case of a Leaving Shareholder in respect of which a Leaver Notice is served the portion of the Ordinary B Shares held by such Leaving Shareholder that are **Vested Shares** and the portion that are **Leaver Shares** shall be determined as follows

Cessation Date	Proportion of Vested Shares	Proportion of Leaver Shares
Within 1 year of Commencement Date	0%	100%
From and including the date falling 1 year after the Commencement Date up to the date falling 2 years after the Commencement Date	25%	75%
From and including the date falling 2 years after the Commencement Date up to the date falling 3 years after the Commencement Date	50%	50%
From and including the date falling 3 years after the Commencement Date up to the date falling 4 years after the Commencement Date	75%	75%
From and including the date falling 4 years after the Commencement Date	100%	0%

provided always that in the event a Leaving Shareholder is a Leaving Shareholder by virtue of his death or personal incapacity due to ill health or disability (other than as a result of alcohol or drug dependency) (a **Good Leaver**) the proportion of his Vested Shares shall be 100% regardless of Cessation Date

14 VALUATION

14 1 For the purposes of these Articles **Market Value** shall mean the market value of the Relevant Shares as determined by an independent reputable firm of chartered accountants of the Big 4 accounting firms agreed for the purposes by the parties concerned or in default of agreement within five working days appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales out of the Big 4 accounting firms (provided that in any event such firm shall not be related to any of the parties involved) (such person being referred to in this Article 14 as the **Expert**) on the following basis

14 1 1 the Company is carrying on and will continue to carry on its business as a going concern

14 1 2 the entire issued share capital of the Company (including any Shares held in treasury) is being sold as between a willing seller and a willing buyer taking into account any Shares which may be allotted pursuant to options or other Securities that are outstanding

14 1 3 such transaction is an arms length private acquisition for cash payable in full on completion (and otherwise reflecting any other factors which the Expert considers should be taken into account)

14 1 4 the Expert shall act as an expert and not an arbitrator and its costs shall be borne by the Company and

14 1 5 the determination of the Expert shall be binding and conclusive on all parties (save in the case of fraud or manifest error)

15 TRANSFER PROVISIONS EVIDENCE OF COMPLIANCE

15 1 For the purpose of ensuring that

15 1 1 a transfer of Shares is permitted under these Articles (including pursuant to Article 10 1)

15 1 2 no circumstances have arisen which entitle the Board or a Shareholder to give a notice pursuant to Article 12 1 and/or

15 1 3 no circumstances have arisen whereby a transfer of Shares is required to be or ought to have been made

the Directors may (and shall if directed by the holders of a majority of the outstanding Ordinary A Shares or the Investor (**Requesting Shareholder**)) require any shareholders other than a Requesting Shareholder to provide and/or procure that any other person provides the Company with such information and evidence as the Directors or the Requesting Shareholder reasonably require regarding any matter which they reasonably consider relevant for such purpose Pending the provision of such information the Directors shall be entitled to refuse to register any relevant transfer

15 2 Failing such information or evidence referred to in Article 15 1 being provided to the reasonable satisfaction of the Requesting Shareholder within 10 Business Days of being requested the Directors may (and shall if directed by the Requesting Shareholder) notify the relevant Shareholder in writing of that fact If such Shareholder fails to provide or procure the provision of such information or evidence to the reasonable satisfaction of the Requesting

Shareholder within 10 Business Days of receipt of such written notice then (unless and to the extent that the Requesting Shareholder otherwise directs the Company in writing) any Shares held by the relevant Shareholder shall automatically cease to confer any Suspended Rights until the failure to provide or procure the provision of such information or evidence is remedied to the reasonable satisfaction of the Requesting Shareholder

15 3 If as a result of the provision of such information and evidence or otherwise the Requesting Shareholder is reasonably satisfied that

15 3 1 a transfer of Shares has taken place which is not permitted under these Articles or

15 3 2 circumstances have arisen whereby a transfer of Shares is required to be or ought to have been made

the Directors may (and shall if directed by the Requesting Shareholder) notify the relevant Shareholder in writing of that fact If the Shareholder fails to remedy the situation to the reasonable satisfaction of the Requesting Shareholder within 10 Business Days of receipt of such written notice then the Requesting Shareholder may require the relevant Shareholder at any time to transfer any or all Shares held by him (and for this purpose the provisions of Articles 12 and 14 shall apply *mutatis mutandis* to the relevant Shareholder as if he is a Transmittee and the Shares which he is required to transfer pursuant to this Article are Relevant Shares)

16 DIRECTORS POWERS AND RESPONSIBILITIES MODEL ARTICLES

The following Model Articles apply

3	Directors general authority
4	Shareholders reserve power
5	Directors may delegate
6 except that the Directors shall not exercise any rights under Model Article 6(2) without Investor Consent	Committees

17 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

Decisions of the Directors must be taken by

17 1 a majority decision at a meeting except for the decisions included in Article 17 2

17 2 a majority decision at a meeting and the affirmative vote of both the Investor Director (or the Investor in the event that no Investor Director is at such time in office) and one or more Peacocks Director for any decision to

17 2 1 amend or otherwise change the Articles in a manner that directly or indirectly adversely affects the rights and privileges of the Investor and/or of the holder of the Preferred A Shares or issue any additional Preferred B Shares

17 2 2 adopt any equity incentive plan for the Company except for any arrangements to issue up to 500 Ordinary C Shares to the employees of the Company or amend

the terms thereof (including any change to the maximum number of shares and/or securities exercisable or exchangeable into shares of the Company thereunder)

- 17 2 3 declare set aside make or pay any dividend or other distribution payable in cash stock property or otherwise or make any payment on or with respect to any of its capital stock except following the third anniversary of the Commencement Date for any dividend or distribution that is made *pari passu* to all the members of the Company (on an as converted basis) and the amount of which is determined in accordance with the formula to be adopted by the Board following the date hereof (and including the affirmative vote of the Investor Director (or the Investor in the event that no Investor Director is at such time in office) and one or more of the Peacocks Directors)
 - 17 2 4 change the principal business of the Company in any material way enter into a new lines of business or exit any current line of business
 - 17 2 5 establish any subsidiary or acquire any equity or ownership interest in the capital or ownership of any other entity
 - 17 2 6 enter into or be a party to or amend or terminate or waive or refrain from enforcing any right in respect of any transaction with any member of the Peacocks Group (as such term is defined in the Subscription Agreement) or any director officer or employee of the Company or any member of the Peacocks Group or any of their respective family members or affiliates except for the transactions expressly contemplated by the Shareholders Agreement and the Subscription Agreement
 - 17 2 7 adopt a plan of complete or partial liquidation dissolution merger consolidation restructuring recapitalization or other reorganization of the Company or effect any reclassification or re designation split sub division or consolidation of any Company Shares
 - 17 2 8 effect or consummate an IPO which is not a Qualified IPO (as such term is defined in the Shareholders Agreement) and in the event an IPO which is not a Qualified IPO is proposed the Investor Director may condition its consent *inter alia* on the proceeds being allocated to the selling equity shareholders in the order of priority set out in the Articles
 - 17 2 9 appoint and/or remove the auditors of the Company
 - 17 2 10 approve any Annual Plan
 - 17 2 11 appoint or terminate the appointment of the General Manager of the Company or any person who is an employee or officer of the Company and who is the registered holder of any Ordinary B Shares
 - 17 2 12 increase or decrease the benefits payable to any director officer or manager of the Company or
 - 17 2 13 effect any changes to the number of members of the Board or the appointment rights in respect thereof
 - 17 3 a unanimous decision by a Directors written resolution adopted in accordance with Article 18 (*Directors written resolutions*)
-

18 DIRECTORS WRITTEN RESOLUTIONS

- 18 1 Any Director may propose a Directors written resolution and the company secretary (if any) must propose a Directors written resolution if a Director so requests
- 18 2 Subject to Article 18 3 a Directors written resolution is proposed by giving notice in writing of the proposed resolution to each Director
- 18 3 Any Director may waive his entitlement to notice of any proposed Directors written resolution either prospectively or retrospectively and any retrospective waiver shall not affect the validity of the Directors written resolution
- 18 4 A proposed Directors written resolution is adopted when all of the Eligible Directors then in office have signed one or more copies of it provided that (other than in the case of a decision taken in accordance with Article 21 7) those Directors would have formed a quorum at a Directors meeting had the resolution been proposed at such a meeting
- 18 5 Once a Directors written resolution has been adopted it must be treated as if it had been a decision taken at a Directors meeting in accordance with these Articles
- 18 6 An alternate director may sign a proposed Directors written resolution (in addition to signing it in his capacity as a Director in his own right if relevant) on behalf of each of his Appointors who

18 6 1 have not signed or are not to sign the Directors written resolution and

18 6 2 are Eligible Directors in relation to the Directors written resolution

provided that (a) the alternate director is himself an Eligible Director in relation to the Directors written resolution and (b) (other than in the case of a decision taken in accordance with Article 21 7) those persons actually signing the Directors written resolution would have formed a quorum at a Directors meeting had the resolution been proposed at such a meeting

19 CALLING A DIRECTORS MEETING

- 19 1 Any Director may call a Directors meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice provided that such notice is given in compliance with the provisions of the Shareholders Agreement
- 19 2 Notice of any Directors meeting must indicate
- 19 2 1 its proposed date and time
- 19 2 2 where it is to take place and
- 19 2 3 if it is anticipated that Directors participating in the meeting will not be in the same place how it is proposed that they should communicate with each other during the meeting
- 19 3 Subject to Article 19 4 notice of a Directors meeting must be given to each Director Notice does not need to be in writing A Director who participates in a meeting shall be deemed to have received proper notice of the meeting
-

- 19 4 Any Director may waive his entitlement to notice of any Directors meeting either prospectively or retrospectively and any retrospective waiver shall not affect the validity of the meeting or of any business conducted at it

20 PARTICIPATION IN DIRECTORS MEETINGS

- 20 1 Subject to these Articles Directors participate in a Directors meeting or part of a Directors meeting when

20 1 1 *the meeting has been called and takes place in accordance with these Articles and*

20 1 2 *they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting*

- 20 2 In determining whether Directors are participating in a Directors meeting it is irrelevant where any Director is or how they communicate with each other

- 20 3 *If all the Directors participating in a meeting are not in the same place they may decide that the meeting is to be treated as taking place wherever any of them is*

21 QUORUM FOR DIRECTORS MEETINGS

- 21 1 At a Directors meeting unless a quorum is participating no proposal is to be voted on or a decision is to be taken except a proposal to call another meeting or a decision taken in accordance with Article 21 7

- 21 2 The quorum for Directors meetings (other than Directors meetings that are adjourned in accordance with Article 21 6) is two Directors then in office (or such other number of Directors as may be fixed from time to time by the Directors (with Investor Consent)) of which one (save in the circumstances set out in Article 21 3) must be an Investor Director or his alternate director and one must be the Peacocks Director (if appointed) or his alternate director

- 21 3 The circumstances referred to in Article 21 2 shall not apply

21 3 1 *where Investor Consent is given*

21 3 2 *where there is no Investor Director in office and the meeting is otherwise conducted in accordance with the provisions of the Shareholders Agreement or*

21 3 3 *where the meeting is an adjourned meeting due to a failure to have a quorum at the initial meeting as set forth in Article 21 6 below*

- 21 4 Subject to these Articles a person who is an alternate director but is not a Director in his own right may be counted as participating for the purposes of determining whether a quorum is participating in any decision at a Directors meeting provided that his Appointor (or one of his Appointors)

21 4 1 *is not participating in the decision at the Directors meeting and*

21 4 2 *would have been an Eligible Director in relation to the decision if he had been participating in it*

- 21 5 No alternate director may be counted as more than one Director for the purposes of determining whether a quorum is participating in any decision at a Directors meeting
- 21 6 If the necessary quorum is not present within 10 minutes of the time at which the Directors meeting was due to start or if during the meeting a quorum ceases to be present the meeting shall be adjourned for the consideration of the same business to the same time and place on the date that is the second business day after the original date scheduled for the first meeting (provided that such reconvened meeting is duly noticed to the Directors not present at the first meeting)
- 21 7 If the total number of Directors (other than alternate directors) in office for the time being is less than the number for the time being of Directors required to form a quorum in accordance with Article 21 2 the remaining Director or Directors must not (save with Shareholders Consent) take any decision other than a decision to appoint sufficient Directors to make up the required quorum or to call a general meeting to do so

22 CHAIRMAN OF THE BOARD

- 22 1 A majority of Directors then in office shall have the right to appoint one of their number to be chairman of the board of Directors (**Chairman**) and to remove him from that office and to appoint a replacement
- 22 2 The Director so appointed as Chairman shall preside at every Directors meeting in which he is participating

23 VOTING AT DIRECTORS MEETINGS

- 23 1 Subject to these Articles a decision is taken at a Directors meeting by a majority of the votes of the Eligible Directors participating in the decision at the meeting
- 23 2 ¹ Subject to these Articles each Director participating in a decision at a Directors meeting has one vote
- 23 3 Subject to these Articles an alternate director shall have one vote (in addition to his own vote in his capacity as a Director in his own right if relevant) on any decision at a Directors meeting for each of his Appointors who
- 23 3 1 are not participating in the decision at the Directors meeting and
- 23 3 2 would have been Eligible Directors in relation to the decision if they had been participating in it
- 23 4 If the numbers of votes for and against a proposal at a Directors meeting are equal the Chairman will not have a second or casting vote

24 PARTICIPATING AND VOTING WHEN DIRECTOR INTERESTED

- 24 1 A Director shall not be counted as participating for quorum and voting purposes in a decision at a Directors meeting to authorise a matter for the purposes of section 175 of the Act if in accordance with section 175(6) of the Act the matter is such that the authorisation would only be effective if
- 24 1 1 any requirement as to the quorum at the Directors meeting at which the matter is considered is met without him counting and
-

24 1 2 the matter was agreed to without him voting or would have been agreed to if his vote had not been counted

24 2 Without prejudice to the obligations of any Director

24 2 1 to disclose any interest in proposed or existing transactions or arrangements with the Company in accordance with the Companies Acts and

24 2 2 to disclose any interest in accordance with Article 28 1

and subject always to Article 24 1 and the terms on which any authorisation by the Directors for the purposes of section 175 of the Act has been given a Director shall be counted as participating for quorum and voting purposes in any decision at a Directors meeting that is concerned with a matter in which he has directly or indirectly an interest provided that he has first obtained Shareholders Consent

24 3 If any question arises at a Directors meeting as to the right of a Director (other than the Chairman) to be counted as participating for quorum or voting purposes in the meeting (or part of the meeting) the question may before the conclusion of the meeting be referred to the Chairman whose ruling in relation to any Director (other than the Chairman) is to be final and conclusive

24 4 If any question arises at a Directors meeting as to the right of the Chairman to be counted as participating for quorum or voting purposes in the meeting (or part of the meeting) the question is to be decided by a decision of the Directors at that meeting for which purpose the Chairman is not to be counted as participating for quorum or voting purposes

25 DIRECTORS DISCRETION TO MAKE FURTHER RULES

Subject to these Articles and the Shareholders Agreement the Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors

26 RECORDS OF DIRECTORS' DECISIONS TO BE KEPT

The Directors must ensure that the Company keeps a record in writing for at least 10 years from the date of the decision recorded of every decision taken by the Directors

27 TRANSACTIONS OR ARRANGEMENTS WITH THE COMPANY

Subject to

27 1 compliance with the Companies Acts (including sections 177 (*Duty to declare interest in proposed transaction or arrangement*) and 182 (*Declaration of interest in existing transaction or arrangement*) of the Act) and

27 2 (other than in the case of an Investor Director (or his alternate director)) Investor Consent

27 3 consent of the majority of the other Directors in the case of the Investor Director (or his alternate director)

a Director may be a party to or otherwise (directly or indirectly) interested in any transaction or arrangement with the Company

28 DIRECTORS CONFLICTS OF INTEREST

28 1 Subject to Article 28 2 for the purposes of section 175 of the Act

28 1 1 a Director shall be authorised to hold office as a director or other officer of be employed or engaged by hold shares or other securities in or otherwise be interested in whether directly or indirectly any other Group Member or any other undertaking in which the Company is otherwise (directly or indirectly) interested provided that notwithstanding anything herein to the contrary no Director (nor his alternate director) shall be a director or employee of or have control of through ownership managerial control or otherwise a direct competitor of the Company

28 1 2 an Investor Director (and his alternate director) if any shall be authorised to hold office as a director or other officer of be employed or engaged by hold shares or other securities in or otherwise be interested in whether directly or indirectly

28 1 2 1 the Investor

28 1 2 2 an Investor Associate unless such company is a direct competitor of the Company (other than de minimis shareholdings in such entity) or

28 1 2 3 any other company in which an Investor or Investor Associate also holds shares or other securities or is otherwise (directly or indirectly) interested unless such company is a direct competitor of the Company (other than de minimis shareholdings in such entity)

28 2 In the case of any Director any authorisation pursuant to Article 28 1 is subject to the Director declaring the nature and extent of his interest (other than a Non Disclosable Interest) to the other non interested directors Directors (and subject to the Investor Consent)

28 3 For the purposes of this Article 28 a **Non Disclosable Interest** is an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest or one that the other Directors are already aware of

28 4 For the purposes of section 175 of the Act where an office employment engagement position or interest held by an Investor Director (or his alternate director) in another entity has been authorised pursuant to this Article 29 4 and his relationship with that entity gives rise to an actual or potential conflict of interest (or any actual or potential conflict of interest may reasonably be expected to arise out of the matter so authorised) such Investor Director (and/or his alternate director) shall be authorised to

28 4 1 attend and vote at meetings of the Directors (or any committee of the board of Directors) at which any matter relating to the actual or potential conflict of interest will or may be discussed and receive board papers or other documents relating to such meeting

28 4 2 receive confidential information and other documents and information relating to any relevant Group Member and use and apply such information in performing his duties as a director officer or employee of or consultant to an Investor or Investor Associate and disclose that information to third parties in accordance with these Articles and/or the Purchase Agreement and

- 28 4 3 give or withhold consent or give any approval direction agreement opinion (of satisfaction or otherwise) request decision determination or notice which is required to be given or may be given by or on behalf of the Investors the Investor (including an Investor Consent) or the Investor Director(s) pursuant to the Purchase Agreement and/or these Articles on behalf of the Investor or the Investor Director(s)
- 28 5 The following provisions of this Article apply to any authorisation of a matter by the Directors for the purposes of section 175 of the Act
- 28 5 1 an authorisation may extend to any actual or potential conflict of interest (including a conflict of interest and duty and a conflict of duties) which may reasonably be expected to arise out of the matter so authorised
- 28 5 2 an authorisation shall be subject to such conditions or limitations as the Directors may determine whether at the time such authorisation is given or subsequently and may be terminated by the Directors at any time and
- 28 5 3 a Director must comply with any obligations imposed on him by the Directors pursuant to any authorisation
- 28 6 If a matter office employment engagement position transaction or arrangement or interest has been authorised either pursuant to Article 28 1 or by the Directors in accordance with section 175 of the Act then the Director in question shall not be required to disclose to the Company any confidential information received by him (other than by virtue of his position as a Director) relating to such matter office employment engagement position transaction or arrangement or interest or to use such information in relation to the Company's affairs if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter office employment engagement position transaction or arrangement or interest
- 28 7 For the purposes of this Article 29 a conflict of interest includes a conflict of interest and duty and a conflict of duties

29 ACCOUNTING FOR PROFIT WHEN INTERESTED

- 29 1 Subject to compliance with the Companies Acts (including section 177 (*Duty to declare interest in proposed transaction or arrangement*) and 182 (*Declaration of interest in existing transaction or arrangement*) of the Act)
- 29 1 1 a Director shall not be accountable to the Company for any profit remuneration or other benefit which he (or a person connected with him as defined in section 252 of the Act) derives from or in connection with any interest (whether directly or indirectly) in any transaction or arrangement with the Company
- 29 1 2 no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest profit remuneration or benefit and
- 29 1 3 the receipt of any such profit remuneration or other benefit shall not constitute a breach of his duty under section 176 of the Act
-

29 2 Subject always to the obligation of the Director to disclose his interest in accordance with Article 28 2 and to the terms on which any authorisation for the purposes of section 175 of the Act has been given

29 2 1 a Director shall not be accountable to the Company for any profit remuneration or other benefit which he (or a person connected with him as defined in section 252 of the Act) derives from or in connection with anything authorised pursuant to Article 28 1 or by the Directors for the purposes of section 175 of the Act

29 2 2 no such thing authorised shall be liable to be avoided on the grounds of any such interest profit remuneration or benefit and

29 2 3 the receipt of any such profit remuneration or other benefit shall not constitute a breach of his duty under section 176 of the Act

30 METHODS OF APPOINTING DIRECTORS

30 1 The Board will be comprised of up to five members of whom (in each case subject to the other provisions of these Articles)

30 1 1 One Investor Director who shall be appointed from time to time (and removed from time to time subject to compliance with the Companies Acts) according to Article 33

30 1 2 One director who may be appointed from time to time (and removed from time to time subject to compliance with the Companies Acts) in writing by the holders of a majority of the Ordinary A Shares (the **Peacocks Director**)

30 1 3 For so long as he holds 1 000 Ordinary B Shares subject to his eligibility under the Act Mr David Stevens shall be a director of the Company

30 1 4 The General Manager of the Company and

30 1 5 One independent external director who may be appointed from time to time (and removed from time to time subject to compliance with the Companies Acts) in writing by the holders of a majority of the Ordinary A Shares with the consent of the Investor

30 2 Any appointment or the removal of any director to be effected pursuant to Article 31 1 shall be effected by the relevant party or parties giving notice in writing to the Company signed by (or in the case of a corporation signed on its behalf by a director or by a person authorised by a decision of the directors or other governing body) the holder or holders of such number of Shares as confer the relevant appointment right (and may consist of several documents in similar form each signed by or on behalf of one or more holders) such appointment to take effect when the notice is received by the Company or on such later date (if any) specified in the notice or

31 TERMINATION OF DIRECTOR S APPOINTMENT

A person ceases to be a Director as soon as

31 1 that person ceases to be a Director by virtue of any provision of the Companies Acts (including pursuant to section 168 of the Act) or is prohibited from being a Director by law

- 31 2 a bankruptcy order is made against that person
- 31 3 a composition or arrangement is made with that person's creditors generally in satisfaction of that person's debts
- 31 4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months
- 31 5 notice in writing is received by the Company from the Director that he is resigning from office and such resignation has taken effect in accordance with its terms
- 31 6 notice in writing of such removal is received from the person or persons entitled to appoint such director in accordance with Article 31

32 DIRECTORS REMUNERATION AND EXPENSES

Model Articles 19 (*Directors remuneration*) and 20 (*Directors expenses*) apply provided that only a director appointed pursuant to Article 31 1 3 or 31 1 4 shall be entitled to received remuneration for their position

33 INVESTOR DIRECTOR

- 33 1 Without prejudice to any right the Investors may have to appoint or remove a Director under Articles 30 1 or under the Act the Investor shall have the right (but not the obligation) to appoint one person as a non executive Director of the Company (**Investor Director**) Any such appointment must be effected by notice in writing to the Company by the Investor who may in a similar manner remove from office any Investor Director appointed pursuant to this Article and appoint any person in place of any such Investor Director so removed any such appointment or removal to take effect when such notice is received by the Company or on such later date (if any) specified in the notice
- 33 2 The Investor Director shall be entitled (but shall not be obligated) to be appointed to any committee of the Directors and to the board of directors of any Group Member and to any committee of the directors of any Group Member
- 33 3 Any consent or approval direction agreement opinion (of satisfaction or otherwise) request decision determination or notice which is required to be given or may be given by the Investor Director whether acting as agent on behalf of the Investor or otherwise pursuant to these Articles may be subject to reasonable conditions

34 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 34 1 Any Director (other than an alternate director) (**Appointor**) may appoint any of the following as an alternate to exercise that Director's powers and carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor and may remove from office an alternate so appointed by him
- 34 1 1 in the case of an Investor Director any person willing to act who possesses the traits required to fulfill such duties and
- 34 1 2 in the case of any other Director any other Director or any other person willing to act who is approved by resolution of the Directors
-

34 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor or in any other manner approved by the Directors. The appointment or removal shall take effect subject to any required approval of the Directors when the notice is received by the Company or on such later date (if any) specified in the notice.

34 3 The notice must

34 3 1 identify the proposed or existing alternate and

34 3 2 in the case of a notice of appointment contain (or be accompanied by) a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

34 4 A person may act as an alternate for more than one Director.

35 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

35 1 Except as these Articles specify otherwise, alternate directors

35 1 1 are deemed for all purposes to be Directors

35 1 2 are liable for their own acts and omissions

35 1 3 are subject to the same restrictions as their Appointors and

35 1 4 are not deemed to be agents of or for their Appointors

35 2 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of his Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

35 3 Subject to these Articles, an alternate director has the same rights in relation to any decision of the Directors and any meetings of committees of Directors as each of the alternate's Appointors. In particular, each alternate director is entitled to receive notice of all proposed Directors' written resolutions and of all Directors' meetings and meetings of committees of Directors which each of his Appointors is entitled to receive.

36 TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate for an Appointor terminates

36 1 when that Appointor removes his alternate director in accordance with Article 34 (*Appointment and removal of alternate directors*)

36 2 on the occurrence in relation to the alternate director of any event which, if it occurred in relation to that Appointor, would result in the termination of that Appointor's appointment as a Director

36 3 on the death of that Appointor

36 4 when that Appointor's appointment as a Director terminates or

- 36 5 when notice in writing is received by the Company from the alternate director that he is resigning as an alternate director of that Appointor and such resignation has taken effect in accordance with its terms

37 DIRECTORS INDEMNITY AND INSURANCE

To the extent permitted by the Companies Acts the Company may

- 37 1 indemnify any director of the Company or of any associated company against any liability
- 37 2 purchase and maintain insurance against any liability for any director of the Company or of any associated company

38 WRITTEN RESOLUTIONS

- 38 1 A resolution of the Shareholders (or a class of Shareholders) may be passed as a written resolution in accordance with chapter 2 of part 13 of the Act
- 38 2 A proposed written resolution lapses if it is not passed before the end of the period of 28 days beginning with the circulation date (as defined in section 290 of the Act)

39 CALLING GENERAL MEETINGS

- 39 1 Any holder of Ordinary A Shares or Preference A Shares acting alone may call a general meeting
- 39 2 A Shareholder present in person or by proxy at a general meeting shall be deemed to have received proper notice of the meeting and if required of the purposes for which it was called

40 QUORUM FOR GENERAL MEETINGS

- 40 1 Subject to Article 40 2 the quorum for a general meeting shall be as stated in the Act but the quorum must include at least two Shareholders (one being the Investor) present in person or by proxy
- 40 2 If a general meeting is adjourned pursuant to Model Article 41(1) (applied by Article 46 (*Voting at general meetings Model Articles*)) and at such an adjourned meeting the persons attending within half an hour of the time at which the meeting was due to start do not constitute a quorum or if during such an adjourned meeting a quorum ceases to be present then the quorum shall be one holder of Ordinary A Shares or Preference A Shares present in person or by proxy

41 VOTING RESTRICTIONS

Without prejudice to the other provisions of these Articles the voting rights of Shareholders as stated in the Act are subject to Article 43 (*Voting Equity Shares*) and the voting rights of Shareholders as stated in the Act and in Article 43 (*Voting Equity Shares*)

42 NO VOTING OF SHARES ON WHICH MONEY DUE AND PAYABLE

Unless the Directors otherwise determine no voting rights attached to a Share may be exercised unless all amounts (including the nominal value and any share premium) due and payable to the Company in respect of that Share have been paid

43 VOTING EQUITY SHARES

- 43 1 The holders of Ordinary A Shares Ordinary B Shares and Preference A Shares shall (in that capacity) be entitled to receive notice of and to attend speak and vote at general meetings of the Company and to vote on any written resolution of the Shareholders
- 43 2 Notwithstanding any other provisions of these Articles the holders of Deferred Shares Ordinary C Shares and Preference B Shares shall not (in that capacity) be entitled to receive notice of or to attend or speak at general meetings of the Company and shall further not be entitled to vote at general meetings of the Company or on any written resolution of the Shareholders
- 43 3 Upon any resolution proposed at a general meeting of the Company on a show of hands and on a poll every holder of Ordinary A Shares and Ordinary B Shares who is present in person or by proxy shall have one vote in respect of each Ordinary A Share and Ordinary B Share registered in his name and on a vote on a written resolution of the Shareholders every holder of Ordinary A Shares and Ordinary B Shares shall have one vote in respect of each Ordinary A Share and Ordinary B Share registered in his name
- 43 4 Upon any resolution proposed at a general meeting of the Company on a show of hands and on a poll and on a vote on a written resolution of the Shareholders every holder of Preference A Shares shall in respect of each Preference A Share registered in his name have such voting rights as he would be entitled on an as converted basis

44 DELIVERY OF PROXY NOTICES

- 44 1 A proxy notice must be received by the Company before the commencement of the general meeting or adjourned meeting to which it relates
- 44 2 A person who is entitled to attend speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it even though a valid proxy notice has been delivered to the Company by or on behalf of that person However if that person votes at the meeting or adjourned meeting on a resolution then as regards that resolution any proxy notice delivered to the Company by or on behalf of that person shall
- 44 2 1 on a show of hands be invalid
- 44 2 2 on a poll be invalid to the extent that such person votes in respect of the Shares to which the proxy notice relates
- 44 3 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given A notice revoking a proxy appointment only takes effect if it is received by the Company before the commencement of the meeting or adjourned meeting to which it relates
- 44 4 When two or more valid but different proxy notices are received in respect of the same Share for use at the same meeting or adjourned meeting the one which is last validly received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that Share If the Company is unable to determine which was last received none of them shall be treated as valid in respect of that Share
-

- 44 5 If a proxy notice or notice of revocation of a proxy notice is not signed by the person appointing or revoking the proxy it must be accompanied by written evidence of the authority of the person who executed it to execute it on the Appointor's behalf

45 CORPORATE REPRESENTATIVES

Where a Shareholder that is a corporation has authorised a representative or representatives to act on its behalf at a general meeting or at any separate meeting of the holders of any class of Share in accordance with the Act

- 45 1 the corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if any such representative is present at it and all references to attendance and voting in person shall be construed accordingly
- 45 2 a Director or the company secretary (if any) may require any such representative to produce a certified copy of such authority (certified by an officer of such Shareholder) before such representative is entitled to exercise any power on behalf of the corporation which he represents and
- 45 3 a vote given or poll demanded by such representative at a general meeting or adjourned meeting (or at any separate meeting of the holders of any class of Share) shall be valid even though his authority has previously terminated unless notice in writing of the termination was received by the Company before the commencement of that meeting

46 VOTING AT GENERAL MEETINGS MODEL ARTICLES

The following Model Articles apply

37	Attendance and speaking at general meetings
38	Quorum for general meetings
39	Chairing general meetings
40	Attendance and speaking by directors and non members
41 except that Model Article 41(1) shall be subject to Article 40 2	Adjournment
42	Voting general
43	Errors and disputes
44 except that an Investor may demand a poll and polls must be taken immediately and in such manner as the chairman of the meeting directs	Poll Votes
45	Content of proxy notices
47	Amendments to resolutions

47 VARIATION OF SHARE RIGHTS

- 47 1 Without derogating from the protective provisions in the Shareholders Agreement the rights attached to any class of Shares may be varied
- 47 1 1 with the consent in writing from the holders of not less than 50 per cent in nominal value of the Shares of that class that are eligible to vote at a separate meeting of the holders of that class or
- 47 1 2 by a special resolution passed at a separate meeting of the holders of that class sanctioning the variation
- 47 2 Subject to Article 47 3 the allotment of or the grant of rights to subscribe for or to convert any securities into Shares which have preferential rights to one or more existing classes of Shares shall not constitute an alteration of the rights attached to any such existing classes of Shares
- 47 3 Without prejudice to the general effect of Article 47 1 and the provisions of Article 47 2 the following will be deemed to constitute a variation of the rights attached to the Preference A Shares (unless Investor Consent is received)
- 47 3 1 the passing of any resolution to reduce the Company's share capital or any amount standing to the credit of its share premium account or capital redemption reserve fund or to reduce any uncalled liability in respect of partly paid shares
- 47 3 2 the passing of any resolution to alter the Company's articles of association in a manner that adversely effects the rights attached to the Preference Shares
- 47 3 3 the payment of any distribution or return of a capital nature to any shareholder other than in accordance with these Articles and the Shareholders Agreement
- 47 3 4 the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of any reserve) or of any sums standing to the credit of the Company's share premium account or capital redemption reserve fund except in each case pursuant to Article 9 (*Anti dilution*)
- 47 3 5 the payment of any distribution or return of an income nature to any shareholder to the extent it is not declared and distributed in accordance with these Articles and the Shareholders Agreement or
- 47 3 6 the allotment or grant of rights to subscribe for or to convert any securities into Shares which have preferential rights (as regards income capital redemption and/or voting) to the Preference Shares
- 47 3 7 other than pursuant to rights outstanding as of the date of the adoption of these Articles known to the Investor or pursuant to an Employee Share Scheme duly adopted by the Board (with the Investor Consent) the creation or grant of any option or other right to subscribe for convert into or issue any shares or other securities in the capital of any Group Member or
- 47 3 8 the taking of any steps to wind up or dissolve any Group Member
-

48 CLASS MEETINGS

The provisions of these Articles relating to general meetings apply with any necessary modifications to meetings of the holders of any class of Shares. In particular, any separate meeting for the holders of any class of Shares shall be called and conducted in all respects as nearly as possible in the same way as a general meeting of the Company provided that

- 48 1 no Shareholder other than a Director shall be entitled to notice of or to attend or speak at any such meeting unless he is a holder of Shares of that class
- 48 2 the quorum at any such meeting (other than an adjourned meeting) shall be two persons (or if there is only one person holding Shares of that class one person) present in person or by proxy holding or representing by proxy at least one third in nominal value of the Shares of that class (excluding any shares of that class held as treasury shares)
- 48 3 the quorum at any adjourned meeting shall be one person holding Shares of that class who is present in person or by proxy and
- 48 4 a poll may be demanded by any person holding Shares of that class who is present in person or by proxy and entitled to vote at the meeting and subject to these Articles on a poll every Shareholder who is present in person or by proxy shall have one vote for every Share of that class he holds
- 48 5 No separate class meeting shall be held for any of the Deferred Shares the Ordinary B Shares Ordinary C Shares or Preference B Shares and any resolution passed in accordance with these Articles shall be binding on the holders thereof notwithstanding that no class consent or approval has been given in respect of the Deferred Shares the Ordinary B Shares Ordinary C Shares or Preference B Shares

49 DISTRIBUTIONS MODEL ARTICLES

Subject to the terms of these Articles the following Model Articles apply

30	Procedure for declaring dividends
31	Payment of dividends and other distributions
32	No interest on distributions
33	Unclaimed distributions
35	Waiver of distribution

50 INTERESTS IN SHARES

Model Article 23 (*Company not bound by less than absolute interests*) shall apply

51 RESERVED

52 CAPITALISATION

Model Article 36 shall apply but any Shares allotted pursuant to Model Article 36(3) can only be allotted to the persons entitled (and not as they direct) and for the purposes of Model Article 36 unless the relevant ordinary resolution provides otherwise if the Company holds treasury shares of the relevant class it shall be treated as if it were entitled to receive the dividends in respect of those treasury shares which would have been payable if those treasury shares had been held by a person other than the Company

53 FRACTIONS ARISING ON CONSOLIDATION AND DIVISION

53 1 Whenever as the result of any consolidation or consolidation and division of Shares any Shareholders would become entitled to fractions of Shares the Directors may subject to the provisions of the Companies Acts allot to each such Shareholder credited as fully paid by way of capitalisation the minimum number of new Shares required to round up his holding following the consolidation to a whole number (such allotment being deemed to have been effected immediately before consolidation) For such purpose the Directors may

53 1 1 capitalise a sum equal to the aggregate nominal amount of the new Shares to be allotted on that basis out of any profits or reserve of the nature referred to in Model Article 36(1) and

53 1 2 appropriate and apply such sum in paying up in full the appropriate number of new Shares for allotment and distribution to such Shareholders on that basis and

53 1 3 generally do all acts and things required to give effect to any capitalisation pursuant to this Article 53

54 COMPANY SECRETARY

The Directors may appoint any person who is willing to act to be the company secretary for such term and on such conditions as they think fit and may remove any company secretary so appointed The initial Secretary shall be John Colin Peacock

55 SHARE CERTIFICATES COMPANY SEAL AND RECORDS

The following Model Articles apply

24 except 24(5)(a)	Share certificates
25	Replacement share certificates
49 except to the extent relating to security seals	Company seals
50	No right to inspect accounts and other records

56 FORM OF NOTICE

Any notice or other document to be given pursuant to these Articles (other than a notice calling a meeting of the Directors) must be in writing

57 CONSENTS, DIRECTIONS NOTICES BY INVESTOR

Any consent or approval direction agreement opinion (of satisfaction or otherwise) request decision determination or notice which is required to be given or may be given by or on behalf of the Investors or the Investor (including an Investor Consent) pursuant to these Articles may be given by the Investor Director acting as agent on behalf of the Investor may consist of several documents in similar form each signed by or on behalf of one or more Investors and may be subject to reasonable conditions

58 NOTICES TO THE COMPANY

Any notice document or other information may be served on or sent or supplied to the Company by anyone

58 1 by sending it through the post in a prepaid envelope addressed to the Company or any officer of the Company at its registered office or such other place in the United Kingdom as may from time to time be specified by the Company for that purpose

58 2 by delivering it by hand to or leaving it at its registered office or such other place in the United Kingdom as may from time to time be specified by the Company for that purpose in an envelope addressed to the Company or any officer of the Company

58 3 by sending or supplying it by electronic means to an address specified by the Company from time to time for that purpose or

58 4 by any other means authorised in writing by the Company

59 NOTICES TO SHAREHOLDERS AND TRANSMITTEES

59 1 Any notice document or other information may be served on or sent or supplied to any Shareholder

59 1 1 personally

59 1 2 by sending it through the post in a prepaid envelope addressed to the Shareholder at his registered address

59 1 3 by delivering it by hand to or leaving it at that address in an envelope addressed to the Shareholder

59 1 4 by sending or supplying it by electronic means to an address notified by the Shareholder to the Company from time to time for that purpose or

59 1 5 by any other means authorised in writing by the relevant Shareholder

59 2 Nothing in Article 59 1 shall affect any provision of the Companies Acts requiring offers notices or documents to be served on or sent or supplied to a Shareholder in a particular way

59 3 In the case of joint holders of a Share

59 3 1 all notices documents or other information shall be served on or sent or supplied to the person named first in the register in respect of the joint holding and notice so given shall be sufficient notice to all joint holders and

59 3 2 any request for consent to the receipt of communications in electronic form shall be sent or supplied to the person named first in the register in respect of the joint holding and any express consent given by such holder to the receipt of communications in such manner shall bind all joint holders

59 4 If a notice document or other information is served on or sent or supplied to a Shareholder in respect of Shares and a Transmittee is entitled to those Shares the Transmittee is bound by the notice

59 5 Notices documents or other information to be served on or sent or supplied to a Transmittee may be served on or sent or supplied to him by name or by the title of the representative of the deceased or trustee of the bankrupt (or by any like description) at an address supplied for the purpose by him Articles 59 1 and 61 shall apply to any notice document or information so served sent or supplied as if references in those Articles to

59 5 1 **Shareholder** are to the Transmittee and

59 5 2 a Shareholder's **registered address** or **address** are to the address so supplied

This Article 59 4 is without prejudice to paragraph 17 of schedule 5 to the Act

60 NOTICES TO DIRECTORS

Any notice document or other information may be served on or sent or supplied to a Director by the Company or by any other Director or the company secretary (if any)

60 1 personally

60 2 (other than a notice of a proposed Directors written resolution) by word of mouth

60 3 by sending it through the post in a prepaid envelope addressed to the Director at his registered address or such other postal address as may from time to time be specified by him for that purpose

60 4 by delivering it by hand to or leaving it at that address in an envelope addressed to him

60 5 by sending or supplying it by electronic means to an address specified from time to time by the Director for that purpose or

60 6 by any other means authorised in writing by the Director

61 SERVICE OF NOTICES ON SHAREHOLDERS OR DIRECTORS

Any notice document or other information (other than any notice document or other information given to the Company including for the avoidance of doubt the appointment of a proxy)

61 1 addressed to a Shareholder or a Director in the manner prescribed by these Articles shall if sent by post (whether in hard copy form or electronic form) be deemed to have been received

61 1 1 (if prepaid as first class) 24 hours after it was posted

61 1 2 (if prepaid as second class) 48 hours after it was posted

61 1 3 (if prepaid as airmail) 72 hours after it was posted

and in proving such receipt it shall be sufficient to prove that the envelope containing such notice document or other information was properly addressed prepaid and put in the post

61 2 not sent by post but addressed to a Shareholder or a Director and delivered by hand to or left at an address in accordance with these Articles shall be deemed to have been received on the day it was so delivered or left

61 3 served sent or supplied to a Shareholder or a Director by electronic means shall be deemed to have been received on the day it was sent and in proving such receipt it shall be sufficient to show that such notice document or information was properly addressed

61 4 served sent or supplied by any other means authorised in writing by the Shareholder or the Director shall be deemed to have been received when the Company has carried out the action it has been authorised to take for that purpose

62 PUT OPTIONS

62 1 Any holder of Ordinary B Shares may at any time subject to the Act require the Company to purchase his entire (but not part thereof) holding of Ordinary B Shares which for such purpose shall include any Ordinary B Shares held by the personal representatives of any such holder of Ordinary B Shares for a price of £2 00 per Share (Put Price) Any Ordinary B Shares so purchased shall be sold by the relevant holder of the Ordinary B Shares (and/or his personal representatives) with full title guarantee and free from encumbrances

62 2 The option granted pursuant to article 62 1 shall be exercised by the relevant holder of the Ordinary B Shares serving a notice of exercise on the Company (Put Notice)

62 3 The completion of the relevant sale of Ordinary B Shares pursuant to the service of a Put Notice shall take place at the registered office of the Company on the date specified in the Put Notice which shall be no later than the 20th Business Day after the date of service of the Put Notice (Put Completion)

62 4 The Put Price shall be paid on Put Completion by electronic transfer of cleared funds against delivery or duly endorsed share certificates or other instruments representing such Ordinary B Shares sold or other necessary or appropriate transfer documentation
