

Company number: 4782018

**RSL STEEPER GROUP LIMITED**

(the Company)

---

**PRINT OF WRITTEN RESOLUTIONS**

(Pursuant to section 381(A),  
Companies Act 1985)

(Passed <sup>15</sup> ~~14~~ DEC. 2005)

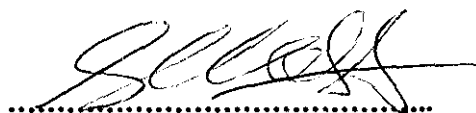
---

On the above date, all the members of the Company who at the date of this resolution were entitled to attend and vote at general meetings of the Company, **RESOLVED AS FOLLOWS:**

**That:**

**SPECIAL RESOLUTIONS**

1. Each of the 16,999 issued B Ordinary Shares of £0.0001 each in the capital of the Company be redesignated as C Ordinary Shares of £0.0001 each in the capital of the Company having the rights set out in the articles of association of the Company to be adopted pursuant to resolution 5 below;
2. New articles of association of the Company in the form annexed hereto be and they are approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company.



.....  
**Director**



*BW*

Company No 4782018

THE COMPANIES ACTS 1985 AND 1989

---

COMPANY LIMITED BY SHARES

---

NEW ARTICLES OF ASSOCIATION

of

RSL STEEPER GROUP LIMITED

(Adopted by special resolution passed on *15th December* 2005)

## CONTENTS

Clause	Page
1. Preliminary	2
2. Share Capital	28
3. Share Rights	30
4. Class Rights	43
5. Lien	53
6. Calls	54
7. Issues of Shares	55
8. Provisions Applying on Every Transfer of Shares	61
9. Permitted and Mandatory Transfers of Shares	65
10. Transfer Provisions - General	108
11. Pre-emption Provisions	125
12. Drag Along and Tag Along	149
13. Compliance	162
14. General Meetings	164
15. Directors	166
16. Investor Director and Observer	197
17. Chairman	203
18. Indemnities and Insurance	206

Company No 4782018

THE COMPANIES ACTS 1985 AND 1989

---

COMPANY LIMITED BY SHARES

---

NEW ARTICLES OF ASSOCIATION

of

RSL STEEPER GROUP LIMITED  
(the "Company")

(Adopted by special resolution passed on

2005)

1. PRELIMINARY

1.1 In these Articles:-

"Acquisition Agreement"	means the agreement between (1) Pinto & Partners Limited and others and (2) the Company for the acquisition of the entire issued share capital of Meditech Group Limited
"Act"	means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force
"A Ordinary Share"	means an A ordinary share of £0.0001p in the capital of the Company
"Bad Leaver"	means a Leaver who is not a Good Leaver or an Early Leaver
"Board"	means the board of directors of the Company (or any duly authorised committee thereof) from time to time
"B Ordinary Share"	means a B ordinary share of £0.0001p in the capital of the Company
"C Ordinary Share"	means a C ordinary share of £0.0001p in the capital of the Company

<b>"Chairman"</b>	has the meaning given in Article 17
<b>"Controlling Interest"</b>	means an interest in shares in a company conferring in aggregate more than 50% of the total voting rights conferred by all the issued shares in that company, taking account at the relevant time of provisions regarding voting rights contained in the articles of association of that company
<b>"Connected Person"</b>	has the meaning attributed by section 839 ICTA
<b>"Early Leaver"</b>	means a Leaver, other than a Good Leaver, who becomes a Leaver by reason of ceasing to be an Employee at any time after two (2) years following the date on which he/she became a holder of shares in the Company or, if earlier, in the case of a Leaver who acquired his/her Shares pursuant to the exercise of an option, after two years following the date on which he/she became an option holder together with any other person who becomes a Leaver as a consequence thereof
<b>"Employee"</b>	means a person (other than an Investor Director or Existing Investor Director) who at any time is a director and/or an employee of any Group Company or whose services are made available to any Group Company under the terms of an agreement between any Group Company on the one hand and such individual or any other person on the other hand (and "employment" shall be construed accordingly to include such an agreement)
<b>"Employee Trust"</b>	means a trust established with Lead Investor Consent and whose beneficiaries are the bona fide employees of any Group Company
<b>"Equity Shares"</b>	means the A Ordinary Shares
<b>"Excluded Person"</b>	means:- <ul style="list-style-type: none"> <li>(a) any Leaver;</li> <li>(b) any Employee who has given, or been given, notice to terminate his contract of employment with any Group Company;</li> </ul>
<b>"Existing Investor"</b>	has the meaning given to it in the Investment Agreement;
<b>"Existing Investor Director"</b>	means a director appointed pursuant to Article 16.2
<b>"Fair Price"</b>	means such price as the Independent Expert shall determine pursuant to Article 10.4
<b>"Family Trust"</b>	means a trust, the terms and trustees of which have been approved by Lead Investor Consent, (such consent not to be unreasonably withheld) which does

not permit any of the property subject to the trust or the income therefrom (or any interest in such property and/or income) to be applied otherwise than for the benefit of:-

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

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the Manager or the Privileged Relations of the Manager; and "trust" includes a trust arising under a settlement, or declaration of trust, inter vivos but excludes testamentary disposition or a trust arising on an intestacy

**"financial year" and  
"financial period"**

an accounting reference period (as defined by the Act) of the Company

**"Good Leaver"**

means:-

- (a) a person who ceases to be an Employee where such cessation occurs for one of the following reasons:-
  - (i) that person's death; or
  - (ii) illness or disablement of that person giving rise to permanent incapacity to continue in employment or termination of his employment by a Group Company by reason of illness or disablement; or
  - (iii) his employer ceasing to be a Group Company; or
  - (iv) the sale of the business or a substantial part of the Group's business which employs the Employee concerned; or
  - (v) termination of his/her employment contract by the employing Group Company other than where such termination is by reason of summary dismissal for misconduct or equivalent circumstances pursuant to the terms of such employment contract; or

(vi) retirement at the Company's normal retirement age from time to time; or

(b) a person who ceases to be an Employee where the Board with Lead Investor Consent resolves that such person is to be treated as a Good Leaver in circumstances where such person would not, but for this provision, be a Good Leaver;

together with, in each case, any other person who becomes a Leaver as a consequence thereof

**"Group"** means the Company and its subsidiaries from time to time

**"Group Company"** means each of the companies referred to in the definition in these Articles of **"Group"**

**"ICTA"** means the Income and Corporation Taxes Act 1988

**"Independent Expert"** means an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales

**"Investment Agreement"** means the agreement for loan stock and share subscriptions dated 5 March 2004 between (1) the Company; (2) the Managers; (3) David Whittaker; (4) Wittington (as such term is defined therein); (5) the Existing Investors (as such term is defined therein); (6) Jon Moulton; (7) William Hobhouse; (8) Charter (as such term is defined therein); (9) Wisteria (as such term is defined therein) and (10) Mahesh Patel

**"Investors"** means the Investors as defined in the Investment Agreement and any person who is or becomes an Investor for the purposes of the Investment Agreement or any nominee of an Investor or any such person and **"Investor"** means any of them. The expression **"member of an Investor's Group"** shall mean an Investor, any subsidiary of that Investor, any holding company of that Investor, any subsidiary of any such holding company and any nominee of any of the foregoing and **"Investor's Group"** shall be construed accordingly

**"Investor Director"** means a director appointed pursuant to Article 16.1

**"Investor Shares"** means A Ordinary Shares other than:-

- (a) any A Ordinary Shares held by a Manager; or
- (b) any A Ordinary Shares resulting from conversion pursuant to Article 11.3.2,

in each case, regardless to whom such A Ordinary Shares are subsequently transferred (including, without limitation, an Investor) and regardless of how many times such A Ordinary Shares are transferred

**"Issue Price"**

means, in relation to a Share, the price at which such Share is issued, being the aggregate of the amount paid up or credited as paid up in respect of the nominal value of such Share and any share premium thereon

**"Lead Investor"**

means Wittington Investments Limited ("**Wittington**") for so long as it holds Shares representing at least forty per cent of the Investor Shares in issue at the relevant time, and thereafter any successor to Wittington holding Shares transferred to it by Wittington which taken together with other Shares held by it (if any), represent at least forty per cent of the Investor Shares in issue at the relevant time; or, if at any time neither Wittington nor any such successor holds such Shares, the holder or holders at the relevant time of a majority of the Shares then in issue other than those then held by the Managers and their Privileged Relations;

**"Lead Investor Consent"**

means the giving of a prior written consent by the Lead Investor, such consent to be at the absolute discretion of the Lead Investor.

**"Leaver"**

means:-

- (a) any Employee who is a Shareholder who ceases to be an Employee for whatever reason;
- (b) any Shareholder who is the trustee of a Family Trust of any person who ceases to be an Employee;
- (c) any Shareholder who is a Privileged Relation of any person who ceases to be an Employee;
- (d) any person who becomes entitled to any Shares:-
  - (i) on the death of a Shareholder (if an individual);
  - (ii) on the receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of a Shareholder (if a company); or
  - (iii) on the exercise of an option after ceasing to be an Employee;
- (e) any Shareholder holding Shares as a nominee for any person who ceases to be an Employee;

**"Leaver's Shares"**

all of the Shares (if any) held by a Leaver, or to which he is entitled, on the Leaving Date and any Shares acquired by a Leaver after the Leaving Date whether



under an employees' share scheme or otherwise

**"Leaving Date"**

means, in relation to a Leaver, the date on which the relevant person becomes a Leaver, which in the case of any Shareholder who becomes a Leaver by virtue of any person ceasing to be an Employee shall be the Termination Date in relation to such Employee and in the case of any shareholder who becomes a Leaver by virtue of the death of a shareholder shall be the date of death

**"Listing"**

mean the admission of any Shares to the Official List of the UK Listing Authority and such admission becoming effective or the grant of permission for any Shares to be dealt in on a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or any other public securities market and such permission becoming effective

**"Loan Stock"**

means the principal sum fixed rate unsecured stock 2011 of the Company constituted by an instrument dated 5 March 2004

**"Manager"**

has the meaning given to it in the Investment Agreement

**"Mandatory Leaver Transfer"**

has the meaning given in Article 9.7

**"Mandatory Transfer Notice"**

means a transfer notice which a shareholder is bound to give or is deemed to have given pursuant to any of Articles 9.7, 9.8, 9.9 or 9.10

**"Material Default"**

means for so long as any of the following situations exist:-

- (a) the Company is in breach of any of the covenants contained in Schedule 4 of the Senior Loan Agreement where the Senior Bank has indicated in writing that it will not waive such breach without additional capital support being provided to the Company and/or any other member of the Group; or
- (b) circumstances exist such that in the reasonable opinion of the Lead Investor the Company is likely to breach any of the covenants contained in Schedule 4 of the Senior Loan Agreement and in the reasonable opinion of the Lead Investor additional capital support is required by the Company and/or any member of the Group.

**"Privileged Relation"**

means, in relation to a Shareholder, the spouse of the Shareholder and the Shareholder's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Shareholder's children

<b>"Restricted Leaver"</b>	means any Leaver during the period commencing on that Leaver's Leaving Date and ending on the date 36 months after that Leaver's Leaving Date (the <b>"Restricted Period"</b> )
<b>"Sale Price"</b>	has the meaning given in Article 10.3
<b>"Sale Shares"</b>	has the meaning given in Article 10.1
<b>"Seller"</b>	the holder of a Share which is the subject of a Transfer Notice
<b>"Senior Bank"</b>	means the Governor and Company of Bank of Scotland
<b>"Senior Loan Agreement"</b>	means the agreement dated 5 March 2004 entered into between the Company and the Senior Bank relating to the making available of term loan facilities to the Company
<b>"Share"</b>	means any share in the capital of the Company from time to time (and <b>"Shares"</b> shall be construed accordingly)
<b>"Shareholder"</b>	means a holder of any Share
<b>"Shareholder Contract"</b>	means any contract, agreement, arrangement or transaction, including in particular (but without limitation) contracts of employment or for the provision of services, made between any Manager (or any person who in relation to such Manager is a Connected Person) and any Group Company
<b>"Share Sale"</b>	means the completion of any sale of any interest in any Shares (whether in one transaction or a series of related transactions) resulting in the transferee (either alone or together with its Connected Persons) holding a Controlling Interest in the Company
<b>"Table A"</b>	means Table A in the Companies (Tables A–F) Regulations 1985 as amended by the Companies (Tables A–F) (Amendment) Regulations 1985
<b>"Termination Date"</b>	means:- <ul style="list-style-type: none"> <li>(a) where the Employee concerned is a director (but not an employee) of any Group Company, the date on which the contract for the provision of his services (whether entered into directly with him or with a third party) with any Group Company is terminated; or</li> <li>(b) in any other case, the date on which the contract of employment is terminated</li> </ul>
<b>"Third Party Purchaser"</b>	means a person who is not an Investor or a Connected Person of an Investor, whether or not an existing

## Shareholder

### "voting rights"

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

- 1.2 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.
- 1.3 In the last paragraph of Regulation 1 of Table A, the words "and in articles of association adopting the same" shall be inserted after the word "regulations" in the first line, the words from "but excluding" to "company" shall be deleted and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force." shall be inserted at the end of that paragraph.
- 1.4 Regulations 26, 50, 54, 64, 73-82 (inclusive), 85, 86, 94-98 (inclusive) and 118, and the last sentence of regulation 112, of Table A shall not apply to the Company.

## 2. SHARE CAPITAL

- 2.1 The authorised share capital of the company is £100 divided into 976,182 A Ordinary Shares, 6,819 B Ordinary Shares and 16,999 C Ordinary Shares provided that upon conversion or redesignation of shares from one class to another pursuant to these Articles such authorised capital shall be adjusted accordingly.
- 2.2 Upon repayment in full of the Loan Stock and all accrued interest thereon, each of the B Ordinary Shares and C Ordinary Shares then in issue shall automatically and thereupon be and become converted into and redesignated an A Ordinary Share and shall carry the rights of an A Ordinary Share as set out in these Articles

## 3. SHARE RIGHTS

The A Ordinary Shares, B Ordinary Shares and C Ordinary Shares, shall have and be subject to, the following rights and restrictions:-

### 3.1 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares (pari passu as if the same constituted one class of share).

### 3.2 Voting

- 3.2.1 In relation to any matter to be decided at a meeting of the A Ordinary Shareholders, the Lead Investor shall have the right to call for such matter to be decided on a poll.
- 3.2.2 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands every A Ordinary Shareholder who (being an individual) is present in person or (being a corporation) is present by a representative not being himself an A Ordinary Shareholder shall have one vote, and on a poll every A Ordinary Shareholder who is present in person or by proxy or

(being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Equity Share of which he is the holder.

3.2.3 If a Material Default has occurred and the Lead Investor has delivered a notice (a "voting adjustment notice") to that effect to the Company then the voting rights attaching to the Investor Shares other than those Investor Shares registered in the name of an Existing Investor shall be amended with effect from the date of the voting adjustment notice to the effect that on a poll each holder of such A Ordinary Shares present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one thousand votes for every A Ordinary Share in the capital of the Company of which he is the holder until the earlier of:-

- (a) the date that the Material Default has been rectified; and
- (b) the date that the Lead Investor give notice in writing to the Company cancelling the voting adjustment notice

PROVIDED THAT in relation to the A Ordinary Shares, such enhanced voting rights shall not be exercised to amend or disapply Article 7.1 or the provisions of the Act therein referred to nor to amend or override Articles 9.5.3 or 12.8.

3.2.4 The C Ordinary Shares shall entitle the holders thereof to receive notice of or to attend or vote at general meetings of the Company on a resolution to declare a dividend. At such meetings, subject to any special rights or restrictions as to voting attaching to any Shares by or in accordance with these Articles, on a show of hands every C Ordinary Shareholder who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a C Ordinary Shareholder shall have one vote, and on a poll every C Ordinary Shareholder who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every C Ordinary Share of which he is the holder. Save as aforesaid the C Ordinary Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company.

3.2.5 The B Ordinary Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company.

#### 4. CLASS RIGHTS

4.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated only with the consent in writing of the holders of more than 50% in nominal value of the issued shares of that class.

4.2 Without prejudice to the generality of Article 4.1, the special rights attached to the A Ordinary Shares shall be deemed to be varied by any of the following effected without prior written Lead Investor Consent:-

- 4.2.1 any variation in the authorised or issued share capital of the Company or any Group Company other than by the issue of shares pursuant to the exercise of options permitted by the Investment Agreement; or
- 4.2.2 the creation or grant of any option or other right over or to subscribe for shares or by the creation, issue or grant of any security convertible into any shares in the capital of the Company or any Group Company, in each case save as permitted in the Investment Agreement; or
- 4.2.3 any alteration or variation of any of the rights attached to any of the shares for the time being in the capital of the Company or any Group Company; or
- 4.2.4 the application by way of capitalisation of any sum in or towards paying up any share or loan capital of the Company or any Group Company; or
- 4.2.5 the redemption of any of the Company's shares or the shares of any Group Company (otherwise than pursuant to these Articles) or by the entering into of a contract by the Company or any Group Company to purchase any of its shares; or
- 4.2.6 the appointment or removal of any director of the Company or any Group Company (other than pursuant to and in accordance with Article 16); or
- 4.2.7 the appointment or removal of auditors to the Company or any Group Company; or
- 4.2.8 any alteration of the accounting reference date of the Company or any Group Company; or
- 4.2.9 any resolution (whether pursuant to Part II of the Act or otherwise) to change the classification or status of the Company or any Group Company; or
- 4.2.10 any alteration to the Memorandum of Association or Articles of Association of the Company; or
- 4.2.11 any resolution to wind up the Company or any Group Company (other than a non-trading subsidiary); or
- 4.2.12 any sale, transfer or other disposal by the Company or any Group Company of the whole or substantially the whole of its undertaking, business or assets; or
- 4.2.13 the acquisition of any interest in any share in the capital of any company by any Group Company;
- 4.2.14 the transfer by the Company or any Group Company of any profits to reserves or the taking of any other action (excluding the lawful payment of dividends declared pursuant to and in accordance with Article 4.2.18) which will or may reduce the amount of its profits available for distribution; or
- 4.2.15 any suspension or relaxation by the Company or any Group Company of any provision of its articles of association which prohibits a director from voting at a meeting of the Directors or of a committee of the Directors in certain circumstances; or
- 4.2.16 any sale, transfer or other disposal by the Company or any Group Company of all or any part of, or any interest in, the shares of any Group Company by the Company or any other Group Company; or

4.2.17 the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the class rights of the A Ordinary Shares; or

4.2.18 the declaration of any dividends by the Company or any Group Company.

## 5. LIEN

The lien conferred by regulation 8 of Table A shall apply to all Shares whether fully paid or not and to all Shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

## 6. CALLS

The liability of any Shareholder in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the company by reason of such non-payment".

## 7. ISSUES OF SHARES

7.1 Subject to these Articles the pre-emption provisions of sub-section (1) of section 89 and sub-sections (1) to (6) of section 90 of the Act shall apply to any allotment of the Company's equity securities, provided that:-

7.1.1 for the purposes of those sub-sections the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be treated as one class;

7.1.2 the period specified in section 90(6) of the Act shall be 14 days;

7.1.3 the Shareholders who accept Shares shall be entitled to indicate that they would accept Shares that have not been accepted by other Shareholders ("**Excess Shares**") on the same terms as originally offered to all Shareholders and any Shares not so accepted shall be allotted to the Shareholders who have indicated they would accept Excess Shares. Such Excess Shares shall be allotted in the numbers in which they have been accepted by Shareholders or, if the number of Excess Shares is not sufficient for all Shareholders to be allotted all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Shareholder indicated he would accept bears to the total number of Excess Shares applied for;

7.1.4 the pre-emption provisions specified in Article 7.1 and Article 11 shall not apply to the granting of options to subscribe for up to a maximum aggregate of 6,819 B Ordinary Shares ("**Option Shares**") to persons decided upon by the Remuneration and Appointments Committee (each, an "**Option Holder**") (as such term is defined in the Investment Agreement) and, pursuant to the provisions of such options, the issue of such Option Shares to the relevant Option Holder; and

7.1.5 paragraph (a) of section 94 (5) shall be deemed to be omitted.

7.2 The preceding Article 7.1 may be disapplied by written consent of the holders of not less than eighty per cent of the then issued A Ordinary Shares, the holders of not less than eighty per cent of the then issued B Ordinary Shares and the holders of not less than eighty per cent of the then issued C Ordinary Shares.

## **8. PROVISIONS APPLYING ON EVERY TRANSFER OF SHARES**

- 8.1 The Board shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the Directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.
- 8.2 Save for transfers pursuant to Articles 9 to 12 (inclusive) no Shares may be transferred unless:-
- 8.2.1 Board Approval (with Lead Investor Consent, and is the transfer if of Shares held by the Lead Investor, with the consent of the Existing Investor Director) has been obtained; and
- 8.2.2 the proposed transferee has entered into an agreement to be bound by the Investment Agreement in the form required by that agreement.
- 8.3 A reference in these Articles to a transfer of Shares shall include a transfer of any interest in Shares (whether legal, beneficial or otherwise) other than any charge, mortgage or other encumbrance granted over Shares and these Articles shall take effect accordingly.

## **9. PERMITTED AND MANDATORY TRANSFERS OF SHARES**

- 9.1 Save as expressly provided for in this Article 9 or with Lead Investor Consent, the holder of any B Ordinary Shares or C Ordinary Shares shall not transfer and the Directors shall not be permitted to register any transfer of any B Ordinary Shares or C Ordinary Shares for so long as the holder thereof remains an Employee.

### **9.2 Permitted Transfers by Individual Shareholders to Privileged Relations and Family Trusts**

Subject to Article 9.6, any Shareholder (other than a Manager who is an Excluded Person) may at any time transfer any Shares held by him to a Privileged Relation over the age of 17 or to trustees to be held upon a Family Trust of which he is the settlor provided that:-

- 9.2.1 an individual Shareholder who is a Manager may not transfer any of his Shares under this Article 9.2 if, after the registration of any such transfer in the register of members of the Company, the total number of Shares of any class registered in the name of that individual Shareholder would amount to 50% or less of the total number of Shares of such class registered in the names of the individual Shareholder, the trustees of the individual Shareholder's Family Trusts and his Privileged Relations;
- 9.2.2 any transfer of Shares by a Manager to trustees to be held upon a Family Trust made during the lifetime of the Shareholder making the transfer may only be made with Board Approval (with Lead Investor Consent);
- 9.2.3 any transfer of Shares by an individual Shareholder who is a Manager to a Privileged Relation or trustees of the individual Shareholder's Family Trusts pursuant to this Article 9.2 will be on terms (approved before such transfer by the

Board with Lead Investor Consent) that the Privileged Relation or trustees (as the case may be) shall:-

- (a) undertake to exercise all voting rights attaching to such Shares and to sign all proxies, consents to short notice and other documents relating to such exercise in accordance with the directions of the individual Shareholder; and
- (b) give the individual Shareholder full unconditional and irrevocable authority to sell such Shares on behalf of the trustees or Privileged Relation (as the case may be) on a Listing or a Share Sale or pursuant to Article 12;

9.2.4 the Privileged Relations and/or the trustees of Family Trusts to whom Shares are transferred by an individual Shareholder pursuant to this Article 9.2 may transfer such Shares in accordance with Article 9.3 at any time but shall not otherwise be entitled to transfer such Shares pursuant to this Article 9.2.

### 9.3 Permitted transfers by Privileged Relations and/or Family Trusts

Subject to Article 9.6:-

9.3.1 the Privileged Relations to whom Shares are transferred by a Shareholder pursuant to Article 9.2 may at any time transfer such Shares to the Shareholder concerned or to a person to whom that Shareholder may transfer Shares pursuant to Article 9.2, but shall not otherwise be entitled to transfer such Shares pursuant to this Article 9.3 without Board Approval with Lead Investor Consent

9.3.2 where any Shares are held by trustees upon a Family Trust:-

- (i) on any change of trustees such Shares may be transferred to the new trustees of that Family Trust; and
- (ii) such Shares may be transferred at any time to the settlor or to another Family Trust of which the Shareholder is the settlor or to any Privileged Relation of the Shareholder.

### 9.4 Permitted transfers of Investor Shares

Notwithstanding any other provision in these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall be registered by the Directors (subject to stamping):-

9.4.1 any holder of Investor Shares which is a body corporate may transfer any such shares to its ultimate parent company or any other body corporate controlled, directly or indirectly, by it or its ultimate parent company **PROVIDED ALWAYS THAT** the transferee gives an undertaking to the Company that, in the event of any such body corporate ceasing to be controlled, directly or indirectly, by the original shareholder or such ultimate parent company, immediately prior to it so ceasing such shares shall be transferred to another body corporate so controlled (for which purposes "control" has the same meaning as in section 840 of the Income and Corporation Taxes Act 1988);

9.4.2 any Investor Shares held by a corporate trust or trustee or by a body corporate wholly-owned by a corporate trust or trustee ("**Trust Body Corporate**") may, with prior Lead Investor Consent (such consent not to be unreasonably withheld), be transferred to the settlor, trustees or beneficiaries of such trust (or, in the case of



a corporate trustee, or Trust Body Corporate) of such trust to which such trustee or Trust Body Corporate relates.

- 9.4.3 any Investor Shares which are held by or on behalf of an Investment Trust (as defined in chapter 21 of the Listing Rules published by the UK Listing Authority) whose shares are listed on the Official List of the UK Listing Authority may be transferred to another such Investment Trust whose shares are also so listed;
- 9.4.4 any Investor Shares held by or on behalf of a unit trust or partnership or other unincorporated association or fund may with Lead Investor Consent be transferred or disposed of to the holder or holders of units in such unit trust or partners in such partnership or members of such unincorporated association or investors in such fund from time to time or to trustees for any such person;
- 9.4.5 any holder of Investor Shares which is a nominee or trustee, whether directly or indirectly, for an approved scheme or schemes as defined in section 612 of the Income and Corporation Taxes Act 1988 may transfer any Investor Shares to any other nominee or trustee, whether direct or indirect, for the same approved scheme or schemes;
- 9.4.6 any Investor Shares held by a nominee or trustee of a partnership may be transferred to the partnership or to any new nominee or trustee for such partnership;
- 9.4.7 any Investor Shares held by or on behalf of a partnership, unit trust, investment trust, unincorporated association or other fund or corporation may be transferred to another partnership, unit trust, investment trust, unincorporated association or other fund or corporation which is managed or advised by the same manager or adviser as the transferor or by a holding company of such manager or adviser or any subsidiary company of such holding company;
- 9.4.8 any holder of Investor Shares may transfer any such shares to a "**Co-investment Scheme**" being a scheme under which certain officers, employees or partners of a holder of Investor Shares or of its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares; or
- 9.4.9 any holder of Investor Shares which is a Co-investment Scheme which holds shares through a body corporate or another vehicle may transfer Investor Shares to:-
  - (a) another body corporate or another vehicle which holds or is to hold shares for the Co-investment Scheme; or
  - (b) an officer, employee or partner entitled to shares under the Co-investment Scheme.

## 9.5 Other Permitted Transfers

### 9.5.1 Transfers from an Employee Trust

Notwithstanding any other provision of these Articles, the trustee or trustees of an Employee Trust may, with Board Approval (with Lead Investor Consent), at any time transfer all or any Shares to an Employee other than a Manager at a price not less than the price paid per Share by the Employee Trust.

#### **9.5.2 Transfers to the Company**

Any holder of Shares may at any time, with Lead Investor Consent, transfer Shares to the Company in accordance with the Act and these Articles.

#### **9.5.3 Transfers with Shareholder Approval**

Notwithstanding any other provisions of these Articles a transfer of any Shares approved by the holders of more than 65% in aggregate nominal value of A Ordinary Shares then in issue may be made without restriction as to price or otherwise.

#### **9.5.4 Transfers pursuant to a Listing, a Share Sale or Article 12**

Notwithstanding any other provision of these Articles, a transfer of any Share made pursuant to and in accordance with a Listing, a Share Sale or Article 12 shall be registered by the Directors (subject to stamping).

9.6 At any time after a Shareholder becomes an Excluded Person any outstanding Mandatory Transfer Notice deemed to have been given by such Shareholder and by the Privileged Relations and by the trustees of the Family Trusts of such Shareholder prior to that event under Articles 9.9 or 9.10 shall be deemed to be revoked. These Articles shall thereafter operate as if no such Mandatory Transfer Notice had been given provided that such revocation shall be without prejudice to any sale of the Shares which were the subject of the Mandatory Transfer Notice completed prior to such revocation.

#### **9.7 Mandatory Transfers in respect of Leavers**

9.7.1 Transfers under this sub-Article are in these Articles referred to as Mandatory Leaver Transfers.

9.7.2 Immediately upon a Shareholder or other relevant person becoming a Leaver there shall be deemed to have been given by such Leaver on the relevant Leaving Date a Mandatory Transfer Notice in respect of all B Ordinary Shares and C Ordinary Shares then owned and/or held by that Leaver.

9.7.3 Immediately upon the Company becoming aware (whether within or without the relevant Restricted Period) of a Restricted Leaver (either alone or jointly with or as officer, manager, agent, consultant or employee of any person) during the Restricted Period directly or indirectly carrying on or being engaged in any activity or business in competition with the business of the Company or any Group Company as carried on immediately following the date on which he became a Leaver it may give notice to the Restricted Leaver of such fact and there shall be deemed to have been given by such Restricted Leaver on the date that such notice is given in accordance with Table A, a Mandatory Transfer Notice in respect of all Shares then owned and/or held by that Restricted Leaver. On the date that such notice is given in accordance with Table A, the Restricted Leaver shall immediately be classified as a Bad Leaver for the purposes of these Articles. PROVIDED THAT:

(a) if the Restricted Leaver became a Leaver by reason of:-

(i) his employer ceasing to be a Group Company; or

(ii) the sale of the business or a substantial part of the Group's business which employed the Restricted Leaver concerned,

his continuing to be employed by the former Group Company or business, or for its parent company (which has such meaning as set out in section 259 of the Act) or any group undertaking of such parent company (which has such meaning as set out in section 259 of the Act) shall not constitute being engaged in any activity or business in competition with the business of the Company or any Group Company for the purposes of this Article 9.7.3; and

- (b) for this purpose a person shall not be acting in competition merely by reason of his holding not more than five per cent of the issued share capital of a company which is dealt in on a recognised investment exchange (as defined in section 285 Financial Services and Markets Act 2000) or investing in any unit trust, investment trust, venture capital trust, venture capital or private equity fund or similar institution or through any professionally managed investment arrangements.

#### **9.8 Mandatory Transfer on change of control of Shareholder**

If a Shareholder being a company ceases to be within the control (as such term is defined by Section 840 of the Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a Shareholder or on the date of adoption of these Articles (whichever shall be the later) it shall be deemed to have immediately given a Mandatory Transfer Notice in respect of all the Shares as shall then be registered in its name provided that this Article 9.8 shall have no application to an Investor or any nominee of an Investor.

#### **9.9 Mandatory transfers by Family Trusts**

If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor in accordance with Article 9.3) or there cease to be any beneficiaries of the Family Trust other than a charity or charities:-

- 9.9.1 the trustees of the Family Trust shall notify the Company in writing that such event has occurred; and
- 9.9.2 within 60 days of such event (or longer period agreed by the Board) the trustees shall transfer the Shares to the Shareholder related (as settlor or otherwise) to such Family Trust (the "Related Shareholder") or to a Privileged Relation of such Related Shareholder (at a price to be agreed between the transferor and transferee) and if they fail to do so the Directors may serve notice on the trustees requiring them to effect such transfer within 14 days of such notice; and
- 9.9.3 in default of compliance with such notice the trustees shall be deemed to have given a Mandatory Transfer Notice in respect of the Shares held by the trustees and such Shares may not otherwise be transferred.

#### **9.10 Mandatory transfers by Privileged Relations**

If and whenever a Privileged Relation to whom Shares have been transferred pursuant to Article 9.1 ceases to be a Privileged Relation of the transferring party:-

- 9.10.1 the transferring party shall notify the Company in writing that such cessation has occurred; and
- 9.10.2 within 60 days of such event (or longer period agreed by the Board) the former Privileged Relation shall transfer the Shares to the Related Shareholder (as settlor or otherwise) to such Privileged Relation or to a Privileged Relation of

such Related Shareholder (at a price to be agreed between the transferor and the transferee) and if they fail to do so the Directors may serve notice on the former Privileged Relation requiring them to effect such transfer within 14 days of such notice; and

- 9.10.3 in default of compliance with such notice the former Privileged Relation shall be deemed to have given a Mandatory Transfer Notice in respect of the Shares held by the former Privileged Relation and such Shares may not otherwise be transferred.

## 10. TRANSFER PROVISIONS - GENERAL

### 10.1 Transfer notices

Save as otherwise provided in these Articles every Shareholder who desires to transfer any shares shall give to the Company notice in writing of such desire ("**Transfer Notice**"). Transfer Notices and Mandatory Transfer Notices shall constitute the Company the agent of any Shareholder who has given or (in accordance with these Articles) is deemed to have given a Transfer Notice or Mandatory Transfer Notice as the case may be (in either case the "**Seller**") for the sale of the shares specified therein (the "**Sale Shares**") in one or more lots at the discretion of the Directors at the Sale Price. In the event that the Seller has reached an agreement or arrangement with a Third Party Purchaser for the bona fide sale on arm's lengths terms of the Sale Shares to such Third Party Purchaser, the Seller shall state in the Transfer Notice the name of such third party and the price per share at which the Sale Shares are to be sold ("**Third Party Price**").

- 10.2 Any shares which are currently the subject of a Mandatory Transfer Notice and if the Investor Director (or if no Investor Director is appointed, the Lead Investor) serve(s) a notice to that effect, any Shares which are the subject of a Transfer Notice shall, until transferred, not entitle the transferor of such shares to receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of shares of the same class and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of a written resolution or a written consent of any member or class of members nor shall the holder of such shares be entitled to participate in any offer made to members pursuant to Article 11, nor in any allotment of shares pursuant to Article 7.

### 10.3 Calculation of the Sale Price

Subject to Article 10.5, the price for the Sale Shares (the "**Sale Price**") shall be: (i) if applicable under Article 10.1, the price stated in the Transfer Notice as the Third Party Price or, if none, (ii) the price agreed by the Seller and with Lead Investor Consent, the Company, and if the Seller and the Company are unable to agree a price within 14 days of the Transfer Notice being given, or the Mandatory Transfer Notice being deemed to have been given (as the case may be), (iii) the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair price for the Sale Shares (the "**Fair Price**").

- 10.4 If the Fair Price falls to be determined by an Independent Expert:-

- 10.4.1 the Company shall immediately instruct the Independent Expert to determine the Fair Price on the basis which, in the Independent Expert's opinion, represents a fair price for the Sale Shares as between a willing seller and a willing buyer and, in making such determination, the Independent Expert shall ignore the fact that such Sale Shares can be subject to the compulsory transfer requirements of

Articles 9.7 to 9.10 and 12 (Drag Along) and shall ignore the obligation to procure a purchase offer under Article 12.8;

- 10.4.2 the Independent Expert shall certify the Fair Price as soon as possible after being instructed by the Company and in so certifying the Independent Expert shall be deemed to be acting as expert and not as arbitrator and the Arbitration Act 1996 shall not apply;
- 10.4.3 the certificate of the Independent Expert shall, in the absence of manifest error, be final and binding; and
- 10.4.4 the Company shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company unless (i) such an arrangement would not be permitted by the Act or (ii) other than in the case of Mandatory Leaver Transfers the Fair Price as determined by the Independent Expert is the same as, or within 10% of, that price (if any) which the Company had previously notified to the Seller as being in its opinion the Fair Price, in which event the cost shall be borne by the Seller.

#### 10.5 Restriction of Sale Price for transfers by Leavers

In the case of Mandatory Leaver Transfers:-

- 10.5.1 where the Leaver is a Bad Leaver the Sale Price of the Sale Shares shall be the lesser of the Issue Price and the Fair Price determined in accordance with Article 10.4;
- 10.5.2 where the Leaver is a Good Leaver the Sale Price shall be the Fair Price determined in accordance with Article 10.4; and
- 10.5.3 where the Leaver is an Early Leaver the Sale Price of the Sale Shares shall be either:-
- (a) the Fair Price determined in accordance with Article 10.4 if such is determined to be less than the Issue Price; or
  - (b) if the Fair Price determined in accordance with Article 10.4 is determined to be equal to or greater than the Issue Price, then the Sale Price of the Sale Shares shall be a price equal to the Issue Price plus the relevant percentage of the difference between the Fair Price and the Issue Price as detailed below:-

Year of Leaving	Relevant Percentage of difference between Fair Price and Issue Price
after 2nd anniversary of holding shares	25%
after 3rd anniversary of holding shares	50%
at any time after the Loan Stock together with all interest accrued thereon has been repaid to the Investors	100%

10.6 If a person who is deemed to have given a Mandatory Transfer Notice pursuant to Articles 9.7 to 9.10 (inclusive) has not transferred such Shares in accordance with the Mandatory Transfer Notice by the date falling 30 days after the date on which the Mandatory Transfer Notice is deemed to have been given or within 5 days of the expiry of the Second Offer Period pursuant to Article 11.4.2, if later, the Company may nominate some person to execute an instrument of transfer of such Shares in the name and on behalf of the holder of such Shares and thereafter, when the instrument has been duly stamped, the Company shall cause the name of the transferee to be entered in the register of members as the holder of such Shares.

10.7 **Right of Seller to reject partial sales**

A Transfer Notice (but not a Mandatory Transfer Notice) may contain a condition (a "**Total Transfer Condition**") that unless all the shares comprised therein are sold by the Company pursuant to this Article 10.7 none shall be sold. Any such provision shall be binding on the Company.

10.8 **Certification of the Sale Price and right of Seller to cancel**

If the Independent Expert is asked to determine the Fair Price his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. The Seller shall be entitled by notice in writing given to the Company within ten days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Mandatory Transfer Notice.

11. **PRE-EMPTION PROVISIONS**

11.1 **Pre-emptive offers - general**

Forthwith upon the Sale Price being agreed or determined in accordance with Article 10 and unless the Seller gives a valid notice of cancellation pursuant to Article 10.8 the Sale Shares shall be offered for sale as set out in this Article 11. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

11.2 **Preliminary offer to Employee Trust**

Unless the Lead Investor agrees otherwise, any shares being sold by reason of a Mandatory Leaver Transfer shall first be offered to the Employee Trust or a person or persons intended to take the place of the Leaver upon such terms (as between the Company and the trustees of the Employee Trust or such person or persons as the case may be) as the Remuneration and Appointments Committee may determine but (as between the Seller and the transferee) upon the terms provided by Article 10. Any Sale Shares not sold under this sub-Article 11.2 within 21 days of such offer will be offered for sale to the Shareholders of the Company as set out below.

11.3 **First Offer**

The Sale Shares shall forthwith upon the Sale Price being agreed or determined (subject to Article 11.2) be offered for sale by the Company as follows:-

11.3.1 in the case of A Ordinary Shares, first to all holders of A Ordinary Shares (other than the Seller) pro rata as nearly as may be to the respective numbers of A Ordinary Shares held by such members; and

11.3.2 in the case of B Ordinary Shares and C Ordinary Shares, first to the Employee Trust and then in respect of those Shares not taken up by the Employee Trust to

all holders of A Ordinary Shares (other than the Seller) pro rata or nearly as may be to the respective numbers of A Ordinary Shares held by such members. Upon any such transfer, each B Ordinary Share and C Ordinary Share to be transferred to a holder of A Ordinary Shares shall immediately upon transfer be re-designated as an A Ordinary Share in the Company and carry the rights of the A Ordinary Shares as set out herein.

Any offer made by the Company under this sub-Article 11.3 will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for twenty one days (the "First Offer Period").

#### 11.4 **Second Offer**

If at the end of the First Offer Period there are any Sale Shares offered which have not been allocated the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them and such members as had not been offered the Sale Shares in the First Offer Period (the "Relevant Members"). This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. This further offer will remain open for a further period of twenty one days (the "Second Offer Period").

11.4.1 If there are sufficient Sale Shares to meet the demand then the Directors will allocate the Sale Shares according to the maximum number of shares the Relevant Members have stated they wish to purchase;

11.4.2 If there are insufficient Sale Shares to meet the demand then the Directors will allocate the Sale Shares as follows:-

(a) Where there are insufficient Sale Shares to meet the demand of the Relevant Members who hold A Ordinary Shares:-

- (i) first, pro rata as nearly as may be in proportion to the number of A Ordinary Shares held or deemed to be held by the Relevant Members, and
- (ii) thereafter, the Directors shall continue to allocate the Sale Shares on the same terms to the Relevant Members until all the Sale Shares have been so allocated;

(b) Where there are sufficient Sale Shares to meet the demand of the Relevant Members who hold A Ordinary Shares but not the Relevant Members who hold/also hold B Ordinary Shares or C Ordinary Shares:-

- (i) first, to the Relevant Members who hold A Ordinary Shares according to the maximum number of shares such Members have stated they wish to purchase;
- (ii) second, pro rata as nearly as may be in proportion to the number of B Ordinary shares or C Ordinary Shares held or deemed to be held by the Relevant Members; and
- (iii) thereafter, the Directors shall continue to allocate the Sale Shares on the same terms to the Relevant Members until all the Sale Shares have been so allocated.

11.5 Subject to any Total Transfer Condition, allocations of Sale Shares made by the Company pursuant to this Article 11 shall constitute the acceptance by the Shareholders to whom

they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares that he has indicated to the Company he is willing to purchase.

- 11.6 Subject to any Total Transfer Condition, the Company shall forthwith upon allocating any Sale Shares give notice in writing (a "Sale Notice") to the Seller and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable therefor. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within five days after the date of the Sale Notice whereupon the Seller shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and deliver the relevant Share certificates.
- 11.7 Save in the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 11.6 to a person to whom such Shares have been allocated (the "allocated person"), the Company may receive the relevant purchase money from the allocated person and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when the instrument has been duly stamped, the Company shall cause the name of the allocated person to be entered in the register of members as the holder of such Sale Shares and shall hold the purchase money on trust (without interest) for the Seller. The receipt of the Company for the purchase money shall be a good discharge to the allocated person (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 11.6, the Company may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Seller.
- 11.8 If not all of the Sale Shares are sold under the pre-emption provisions contained in Articles 11.1 to 11.7 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller. Save in the case of a Restricted Leaver and/or a Mandatory Leaver Transfer the Seller shall be entitled, in compliance with Article 12.8, to sell and transfer any of the Sale Shares for which no buyer has been found (including, without limitation, all of the Sale Shares if not all of the Sale Shares have been sold pursuant to a Transfer Notice validly containing a Total Transfer Condition in accordance with Article 10.7) ("Surplus Sale Shares") at any time within three months from the date of such notification at a price not less than and upon terms no less favourable to the Seller, than those upon which the Sale Shares were offered under Articles 11.2 to 11.4.
- 11.9 For the purposes of this Article 11, references to the holders of A Ordinary Shares or the holders of B Ordinary Shares or the holders of C Ordinary Shares who are to be offered any shares the subject of a Transfer Notice shall be deemed to be a reference to such of those shareholders who are on the register at the close of business on the date of the Transfer Notice other than any Shareholder who at any time before such offer is made has given (or is deemed to have given) a current Transfer Notice in respect of any Shares or who is bound under these Articles to give a Transfer Notice in respect of his Shares or any of them.
- 11.10 Any purported transfer of Shares otherwise than in accordance with the foregoing provisions of these Articles shall be void and have no effect.



## 12. DRAG ALONG AND TAG ALONG

- 12.1 If (pursuant to Article 12.8 or otherwise) the holders of more than 65% in aggregate nominal value of the A Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all their interest in Shares to a Third Party Purchaser pursuant to a bona fide sale at arm's length the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell with full title guarantee and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 12.
- 12.2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Shares of the Selling Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares, B Ordinary Shares and C Ordinary Shares (the "**Called Shares**") pursuant to this Article 12, the person to whom they are to be transferred, the price at which the Called Shares are to be transferred (calculated in accordance with Article 12.4) and the proposed date of transfer ("**Completion**").
- 12.3 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of shares by the Selling Shareholders to the Third Party Purchaser within 60 days of the date of the Drag Along Notice.
- 12.4 The Called Shareholders shall be obliged to sell each of the Called Shares at the price attributed by the offer from the Third Party Purchaser for an A Ordinary Share.
- 12.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless:-
- 12.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or
- 12.5.2 that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.
- 12.6 The rights of pre-emption set out in these Articles shall not arise on any transfer of shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 12.7 If any Shareholder does not on completion of the sale of Called Shares execute transfer(s) in respect of the Called Shares held by him the Directors shall be irrevocably entitled to and shall authorise and instruct such person as they shall think fit to execute necessary transfer(s) on his behalf and against receipt by the Company (on trust for such member) of the purchase monies payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person.
- 12.8 Any Seller (other than a Restricted Leaver or a Seller pursuant to a Mandatory Leaver Transfer) intending, in accordance with Article 11.8, to transfer any Surplus Sale Shares for a consideration in money or monies worth (an "**Intending Seller**") to a Third Party Purchaser or otherwise (an "**Intended Transferee**") shall:-
- 12.8.1 give notice to the Company of such intention, stating the number of Surplus Sale Shares to be transferred (the "**Transfer Shares**"), the identity of the Intended

Transferee, the consideration and all other material terms of the proposed transfer ("**Tag Transfer Notice**");

12.8.2 within seven days of receipt of the Tag Transfer Notice the Company shall give to each Shareholder other than the Intending Seller and any Restricted Leaver(s) a copy of the Tag Transfer Notice and, at any time within thirty days from the date of such notice by the Company, any of such Shareholders may, by notice to the Company require that the Intending Seller procure an offer from the Intended Transferee to purchase the number of Shares specified in such notice, being some or all of that number of Shares held by him as represents the same proportion of all Shares held by him as the proportion which the Transfer Shares represent of the total number of Shares held by the Intending Seller ("**a Tag Along Notice**"); and

12.8.3 if a Tag Along Notice is given by any Shareholder within the time allowed by the preceding Article 12.8.2, the Intending Seller shall not transfer any of his Shares or receive value in respect of the same from the Intended Transferee without procuring the purchase (including due completion of such purchase by payment of the price to the giver of the Tag Transfer Notice) of the number of Shares specified in the Tag Along Notice, on the same terms and at the same time as the sale of the Transfer Shares is completed as specified in the Tag Transfer Notice.

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

### 13. COMPLIANCE

13.1 For the purpose of ensuring compliance with the transfer provisions of these Articles, the Company may with Lead Investor Consent require any Leaver or other Shareholder to procure that:-

13.1.1 he; or

13.1.2 any proposed transferee of any Shares; or

13.1.3 such other person as is reasonably believed to have information and/or evidence relevant to such purpose

provides to the Company any information and/or evidence relevant to such purpose and until such information and/or evidence is provided the Company shall refuse to register any relevant transfer.

13.2 Each Shareholder hereby irrevocably appoints the Company as his attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this power of attorney) to give effect to the provisions of these Articles.

### 14. GENERAL MEETINGS

14.1 The final sentence of Regulation 38 of Table A shall be modified by the insertion of the words "known by the Board to be" after the words "to all persons".

14.2 No meeting of Shareholders shall be quorate unless those Shareholders present include (whether in person or by a duly authorised representative or a proxy) holders of more than

65% of the A Ordinary Shares in issue for the time being and Regulation 40 of Table A shall be construed accordingly.

- 14.3 Regulation 62 of Table A shall be modified by the substitution in paragraph (a) of the words "at any time" in place of "48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "24 hours".

## 15. DIRECTORS

### 15.1 Numbers of Directors

The number of directors (including the Investor Director but excluding alternate directors) shall not be less than two in number.

### 15.2 Appointment and removal of Directors

- 15.2.1 Subject to Articles 16 and 17 the Directors may appoint a person who is willing to act as a director, either to fill a vacancy or as an additional director.

- 15.2.2 Regulation 84 of Table A shall be modified by the deletion of the third and fourth sentences.

- 15.2.3 No director shall be required to vacate his office as a director, nor shall any person be ineligible for appointment as a director, by reason of his having attained any particular age.

- 15.2.4 The office of a director shall be vacated if:-

- (a) he ceases to be a director by virtue of any provision of the Act or these Articles (including (without limitation) Article 15.2.6) or he becomes prohibited by law from being a director of a company; or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) he is, or may be, suffering from mental disorder and either:-
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice in writing to the Company; or
- (e) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or
- (f) in the case of a person who is also an employee of the Company or another Group Company, he ceases to be such an employee without becoming or remaining an employee of any other member of the Group; or

- (g) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated; or
- (h) (save in the case of an Investor Director) all the other Directors unanimously resolve that his office be vacated.

15.2.5 Without prejudice to Article 15.2.1 and subject to Articles 16 and 17, the Company may by ordinary resolution appoint a person who is willing to act as a director, either to fill a vacancy or as an additional director.

15.2.6 In addition and without prejudice to the provisions of Section 303 of the Act (and subject to Articles 16.3 and 16.4), the Company may by ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place.

### 15.3 Alternate Directors

An Investor Director and an Existing Investor Director shall be entitled to appoint any person willing to act, whether or not he is a director, to be his alternative director. The appointment of an alternate director by an Investor Director or an Existing Investor Director shall not require approval by a resolution of the Directors but any appointment of an alternate director shall not be made without Lead Investor Consent and Regulation 65 of Table A shall be modified accordingly.

### 15.4 Proceedings of Directors

15.4.1 Notice of every meeting of the Directors shall be given to each director at any address in the United Kingdom supplied by him to the Company for that purpose whether or not he is present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he does so it shall be no objection to the validity of the meeting that notice was not given to him.

15.4.2 Regulation 89 of Table A shall be modified:-

- (a) by the deletion of the words "may be fixed by the Directors and unless so fixed at any other number" in the first sentence; and
- (b) by the addition of the following as the final sentence:-

"In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum notwithstanding their absence, and if on that basis there is a quorum the meeting may be held notwithstanding the fact (if it is the case) that only one director is physically present".

- (c) by the deletion of the word "two" in the second line thereof and the substitution therefor of the word "one".

15.4.3 Notices of meetings of the Directors shall be given in writing and in its application to the Company, Regulation 111 of Table A shall be modified accordingly.

15.4.4 Any director including an alternate director may participate in a meeting of the Directors or a committee of the Directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons

participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

15.4.5 Any quorum for the transaction of business at a meeting of the Directors shall, save with the prior written consent of the Investor Director, include the Investor Director (if appointed). If at any meeting of the Directors the Investor Director (if appointed) is not present within sixty minutes of the time for which the meeting was convened and has not agreed in writing that the meeting may proceed without his being present, the meeting shall not proceed and shall be reconvened to be held at a time and place of which at least seven days' notice is given to each Director and the presence at such reconvened meeting of the Investor Director shall not be required to form a quorum provided that at least seven days' notice was given to each Director of the original meeting.

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

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- (e) shall subject to Article 15.4.7 be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article.

15.4.7 For the purposes of this Article:-

- (a) a general notice to the Directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted)

connected with a Director shall be treated as an interest of the Director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

15.4.8 Where the Company is in a state of Material Default and a voting adjustment notice has been served and not cancelled then, notwithstanding any other provision of these Articles, no meeting of the Board shall be quorate unless the Investor Director (if appointed) is present in person, and at such meeting:-

- (a) if the Investor Director votes at such meeting against any resolution put to that meeting, that resolution shall be deemed not to have been carried notwithstanding that the number of votes cast in its favour exceeds those cast against it and notwithstanding any of the provisions of these Articles or any regulation of Table A to the contrary; and
- (b) if the Investor Director votes at such meeting in favour of any resolution put to that meeting, that resolution shall be deemed to have been carried notwithstanding that the number of votes cast against such resolution exceeds those cast in its favour and notwithstanding any of the provisions of these Articles or any regulation of Table A to the contrary.

## 16. INVESTOR DIRECTOR AND OBSERVER

- 16.1 Notwithstanding any other provisions of these Articles the Lead Investor shall be entitled (with prior consultation with the Board as to identity) by notice in writing to the Company to appoint as a director of the Company any person (the "Investor Director") and at any time and from time to time to remove from office in like manner any person so appointed and to appoint (with prior consultation with the Board as to identity) another person in his place. The remuneration and reasonable expenses to be paid to the Investor Director shall be payable by the Company. Upon request by the Lead Investor the Company shall also procure that the Investor Director be appointed a director to any subsidiary of the Company.
- 16.2 Notwithstanding any other provisions of these Articles the Existing Investors shall be entitled by notice in writing to the Company to appoint as a director of the Company any one of Messrs. Maurice Pinto, Rob Johnson or David Astor (or otherwise with Lead Investor Consent) (the "Existing Investor Director") and at any time and from time to time to remove from office in like manner any person so appointed and to appoint another director, being any one of Messrs. Pinto, Johnson or Astor (or otherwise with Lead Investor Consent) in his place. Upon request from the Existing Investors the Company shall also procure that the Existing Investor Director be appointed as director to any subsidiary of the Company.
- 16.3 On any resolution to remove an Investor Director, the Lead Investor shall carry at least one vote in excess of 75% of the votes exercisable, in relation to such resolution only, at the general meeting at which such resolution is proposed.
- 16.4 On any resolution to remove an Existing Investor Director, the Existing Investors shall collectively carry at least one vote in excess of 75% of the votes, in relation to such resolution only, exercisable at the general meeting at which such resolution is proposed.
- 16.5 The Lead Investor shall have the right to designate one representative to attend, as an observer, and speak at all meetings of the Directors and at all meetings of all committees of the Directors. Such representative will be entitled to receive all written materials and other information given to the Directors and to members of the committees of the

Directors in connection with such meetings at the same time as those materials or information are given to the Directors or, as the case may be, to such members. Such observer shall have the same obligations of confidentiality as if he were a director.

**17. CHAIRMAN**

- 17.1 The Lead Investor will consult with the Existing Investor Director and the Chief Executive of the Company, in each case as appointed at the relevant time and each will use their reasonable endeavours to unanimously agree a candidate to be appointed as non-executive Chairman of the Board (the "Nominated Chairman").
- 17.2 In the event that the identity of the Nominated Chairman cannot be agreed in accordance with Article 17.1, the identity of the Nominated Chairman shall be finally determined by the Lead Investor.
- 17.3 Once a Nominated Chairman has been chosen in accordance with Article 17.1 or Article 17.2 as the case may be, the Lead Investor shall have the right at any time by notice in writing to the Board to instruct the Board to appoint the Nominated Chairman as Chairman of the Board and (after consultation on the same terms as in Article 17.1) shall have the right to instruct the Board to remove from the office of the Chairman of the Board any person appointed by it pursuant to Article 17.3 and to appoint (in accordance with the provisions of Articles 17.1 and 17.2) another person in his or her place.

**18. INDEMNITIES AND INSURANCE**

- 18.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 18.2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any liability which may lawfully be insured against by the Company.