

Company No: 04925179

The Companies Acts 1985 to 1989

Company limited by shares

Resolutions

- of -

Southern Derbyshire Lift Company Limited

24 November 2004

We the undersigned being the sole member of the above-named Company for the time being entitled to attend and vote at general meetings of the Company **RESOLVE** that the following resolutions be passed by way of written resolution:

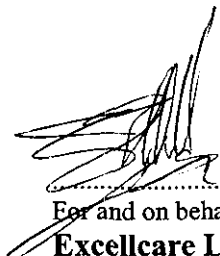
Ordinary Resolutions

- 1 "That the authorised share capital of the Company be increased from £100 to £8,000 by:
- (i) the reclassification of the existing 1 issued ordinary share into 1 Class C Share;
 - (ii) the reclassification of the 99 authorised but unissued ordinary shares into 99 Class A Shares;
 - (iii) the creation of a further 1,501 Class A Shares;
 - (iv) the creation of 1,600 Class B shares; and
 - (v) the creation of a further 4,799 Class C shares.

all of £1 each ranking pari passu with each other in the capital of the Company."

Special Resolutions

- 2 "That the Company adopts new Memoranda and Articles of Association in the form attached hereto in place of its existing Memoranda and Articles of Association."


For and on behalf of
Excellcare Limited



Company Number: 04925179

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION



OF

SOUTHERN DERBYSHIRE LIFT COMPANY LIMITED

- 1 The name of the Company is Southern Derbyshire Lift Company Limited.
- 2 The registered office of the Company will be situated in England and Wales.
- 3 The objects for which the Company is established are:-
 - 3.1 To engage in the provision of integrated primary health care and social care accommodation within the Southern Derbyshire area and promote the improvement of services in connection therewith pursuant to the NHS Lift Initiative (the "Project").
 - 3.2 To borrow and raise money and accept money on deposit for any purpose in connection with the objects for which the Company is established.
 - 3.3 To lend money, grant or provide credit and financial accommodation to any person and to deposit money with any person for any purpose in connection with the objects for which the Company is established.
 - 3.4 To enter into swaps and derivatives and any other interest rate or foreign exchange hedging agreement or arrangements.
 - 3.5 For the above purposes to (i) secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, by arranging for the provision of guarantees, indemnities, policies of insurance and other similar obligations and by the creation and issue of securities; (ii) take the benefit of security or of guarantees, indemnities, policies of insurance or other similar obligations; (iii) enter into arrangements to regulate the relationship between creditors of the Company; (iv) make arrangements for the management, administration and enforcement of the Company's borrowings, loans and security; (v) refinance the Company's borrowings; (vi) enter into any guarantee, interest rate exchange transaction, contract for differences, contract of indemnity or suretyship; and (vii) enter into any other agreements and arrangements in connection with an incidental to such purposes in each case in relation to itself or any person, as the case may be.
 - 3.6 To invest money of the Company in any investments and to hold, sell or otherwise deal with such investments.
 - 3.7 To acquire and hold any kind of interest in, or provide any form of capital for, any person or undertaking of any kind, to carry on business as a holding and investment company and to co-ordinate and manage the activities of, and to provide finance, service and facilities to, any person or undertaking controlled directly or indirectly by the Company or in which the Company is interested, whether as a Shareholder or otherwise and whether directly or indirectly.

- 3.8** To apply for and take out, purchase or otherwise acquire any trade and service marks and names, designs, patents, licenses, intellectual property rights, patent rights, inventions and secret processes.
- 3.9** To sell, exchange, mortgage, charge, grant options and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking property and assets (present and future) of the Company for any consideration.
- 3.10** To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- 3.11** To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
- 3.12** To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of securities of the Company or in or about the formation of the Company or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting any company, fund or trust.
- 3.13** To pay all the costs, charges and expenses preliminary or incidental to the promotion, formation, establishment and incorporation of the Company.
- 3.14** To distribute the property of the Company among its creditors or members in specie or kind.
- 3.15** To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, scrip, warrants, debentures and other negotiable or transferable instruments.
- 3.16** To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- 3.17** To the extent permitted by law to give financial assistance for the purpose of the acquisition of shares of the Company or of any company or association, (including housing associations or registered social landlords) of which the Company is a subsidiary and for the purpose of reducing or discharging a liability incurred for the purpose of such an acquisition and to give such assistance by means of a gift, loan or guarantee, indemnity, the provision of security or otherwise.
- 3.18** To remunerate any person, firm or company or association, (including housing associations or registered social landlords) rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- 3.19** To support or subscribe to any charitable, benevolent or useful object of a public character and to establish, support and subscribe to any association, institution, society, fund or club which may be for the benefit of the Company or its Directors, ex-Directors, employees, or ex-employees or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, bonuses and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or of any company or association, (including housing associations or registered social landlords) which is a subsidiary of the Company or the holding company

or association, (including housing associations or registered social landlords) of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company or association, (including housing associations or registered social landlords) and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance for the benefit of such persons as aforesaid; and to set up, establish support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing, share purchase and share option schemes for the benefit of any of the employees or Directors of the Company or of any such subsidiary, holding or fellow subsidiary company or association, (including housing associations or registered social landlords) and to lend money to any such employees or to trustees on their behalf to enable any such schemes to be established or maintained.

- 3.20** To apply for, promote and obtain Acts of Parliament, Provisional Orders or licences of the Department of Trade which may seem calculated, directly or indirectly to benefit the Company, or be in the interests of the trade carried on by the Company or other companies carrying on similar businesses, and to oppose any Bills, Provisional Orders or any other proceedings in Parliament or elsewhere, which may seem calculated, directly or indirectly, to prejudice the Company's interests and to subscribe to the expenses thereof.
- 3.21** To enter into any arrangement with any Governments or Authorities, supreme, local, municipal or otherwise, or any corporations, companies, firms or persons which may seem conducive to the attainment of the Company's objects or any or them and to obtain from any such Government, Authority, corporation, company, firm or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- 3.22** To do all such things as in the opinion of the board of directors of the Company are or may be incidental or conducive to the attainment of the Company's objects or any of them.
- 3.23** To procure the provision of any of the aforementioned objects.

And it is hereby declared that:

"company" in this Clause, except where used in reference to this Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere and "person" shall include any company as well as any other legal or natural person;

"securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit, receipt, bill, note, warrant, coupon, right to subscribe or concert, or similar right or obligation;

"and" and "or" shall mean "and/or" where the context so permits;

"other" and "otherwise" shall not be construed in a restrictive manner where a wider construction is possible; and

the objects set forth in each sub-clause of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or from the name of the Company or the nature of any business carried on by the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said sub-clauses defined the objects of a separate, distinct and independent company.

4. The liability of the members is limited.
5. The share capital of the Company is £8,000 divided into 1,600 A Shares of £1 each, 1,600 B Shares of £1 each and 4,800 C shares of £1 each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

COMPANY NUMBER: 04925179

DATED 24 NOVEMBER 2004

A handwritten signature in black ink, consisting of several loops and a final vertical stroke.

ARTICLES OF ASSOCIATION
of
SOUTHERN DERBYSHIRE LIFT COMPANY LIMITED

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THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

OF

SOUTHERN DERBYSHIRE LIFT COMPANY LIMITED

(Adopted by Special Resolution passed on 24 November 2004)

1 DEFINITIONS AND INTERPRETATION

- 1.1** In these Articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended prior to the adoption of these Articles. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.
- 1.2** In these Articles, "the Act" means the Companies Act 1985 as amended prior to adoption of these Articles.
- 1.3** References in these Articles and in Table A to writing shall be construed as including references to any method of representing or reproducing words in a legible and non-transitory form.

1.4 In these Articles,

"Chairman" means such independent non-executive Director as may from time to time be appointed by the Shareholders;

"Deed of Adherence" means a deed of adherence to a shareholders agreement relating to the Company existing at the relevant time (if any) in such form as the Shareholders shall agree;

"family member" means, in relation to any person, any of his spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren);

"family trust" means, in relation to a Member, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Member or any of his family members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustee or such Member or any of his family members;

"investment fund" means any arrangement constituting a collective investment scheme for the purpose of section 75 Financial Services Act 1986 (as amended or re-enacted for the time being) or which would constitute such a scheme if it did not fall within an exemption or exclusion to that section;

"a member of the same group" means, in relation to a body corporate, any other body corporate which is for the time being a holding company of that body corporate or a subsidiary of that body corporate or a subsidiary of any holding company of which that body corporate is also a subsidiary;

"loan stock" means any debenture, bond, note, loan stock, commercial paper or other similar form of document or instrument issued by the Company;

"Member" means a registered holder of shares in the Company;

"Market Value" has the meaning given in Article 8.4.2.2;

"Permitted Transfer" means any transfer of Shares permitted under Article 7;

"Family Shares" means, in relation to a Member, any shares for the time being held by that Member or any of his family members or trustees of his family trust.

"Valuers" means the auditors of the Company unless:

- (a) a report on Market Value is to be made pursuant to a Deemed Transfer Notice and, within 21 days after the date of the Deemed Transfer Notice, the Vendor notifies the Board in writing that it objects to the auditors making that report; or
- (b) the auditors decline an instruction to report on Market Value;

when the valuers for the purpose of that report shall be a firm of chartered accountants agreed between the Vendor and the Board or, in default of agreement within 20 Business Days after the event referred to in (a) or (b) above, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or the Board.

- 1.5 Headings in these Articles are for convenience only and shall not affect the interpretation hereof.

2 ADOPTION OF TABLE A

- 2.1 The Regulations contained in Table A shall, except where they are modified or excluded by these Articles or are inconsistent herewith, apply to the Company and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other regulations set out in any statute or in any statutory instrument or other subordinate legislation.

- 2.2 Regulations 2, 8 to 22 (inclusive), 24, 26, 32 to 34 (inclusive), 35, 40, 41, 50, 54, 57, 58, 60, 61, 62, 64 to 69 (inclusive), 73 to 80 (inclusive), 88 to 90 (inclusive), 91, 94, 110, 112 and 115, of Table A shall not apply to the Company.

3 SHARE CAPITAL

- 3.1 The share capital of the Company at the date of adoption of these Articles is £8,000 divided into 1,600 A shares of £1 each ("A shares") and 1,600 B shares of £1 each ("B shares"), and 4,800 C shares of £1 each ("C shares")

- 3.2 Except as otherwise provided in these Articles, the A shares, B shares and the C shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

- 3.3 No variation of the rights attaching to any class of shares shall be effective except with:

3.3.1 the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class; or

3.3.2 the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the relevant class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy and holding or representing not less than one-third in nominal value of the issued shares of the relevant class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the class present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. For the purpose of this Article one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

3.4 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

3.4.1 any alteration in the memorandum of association of the Company or these Articles;

3.4.2 any increase or reduction or other alteration in the authorised or issued share capital of the Company or any of the rights attaching to any share capital; and

3.4.3 any resolution to put the Company into liquidation.

4 ALLOTMENT OF SHARES

4.1 Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the directors who may (subject to section 80 of the Act and the Articles) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

5 INITIAL AUTHORITY TO ISSUE RELEVANT SECURITIES

5.1 The directors are authorised to exercise all powers of the Company to allot relevant securities, but only if the allotment otherwise conforms to the requirements of these Articles. The maximum nominal amount of relevant securities which may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of this Article or such other amount as may from time to time be authorised by the Company in general meeting.

5.2 The authority conferred on the directors by this Article shall remain in force for a period of five years from the date of adoption of this Article but may be revoked, varied or renewed from time to time by the Company in general meeting in accordance with the Act.

6 TRANSFERS – GENERAL

6.1 The Board shall not register the transfer of any share or any interest in any Share unless:

6.1.1 the transfer is either:

6.1.1.1 permitted by Article 7 (Permitted Transfers); or

6.1.1.2 made in accordance with Article 8 (Voluntary Transfers of A and B shares), or Article 9 (Compulsory Transfers); and

6.1.2 the transferee (if not an existing Member) has delivered to the Board a duly executed a Deed of Adherence.

6.2 For the purpose of ensuring that a transfer of Shares is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice (as defined in Article 8.1) the Board may from time to time require any Member or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as the Board deems relevant to such purpose. Failing such information or evidence being furnished to its reasonable satisfaction within a reasonable time after request the Board may in its absolute discretion refuse to register the transfer in question (provided that the Board gives the Member concerned and the person named as transferee in the transfer 14 days' notice of its intention to do so) or (in case no transfer is in question) require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned within the period (being not more than 28 days) specified in that notice. If such information or evidence discloses to the satisfaction of the Board in its absolute discretion that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may in its absolute discretion by notice in writing to the Member(s) concerned require that a Transfer Notice be given in respect of the Shares concerned within the period (being not more than 28 days) specified in that notice.

6.3 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.

6.4 No arrangement shall be entered into by any Member whereby the terms upon which that Member holds any shares are to be varied if as a result any interest in those Shares is varied, disposed of or created or extinguished.

6.5 Regulations 30 and 31 shall be modified to reflect the provisions of this Article 6 and Articles 7, 8, 9, 10, 11.

7 TRANSFERS - PERMITTED TRANSFERS

7.1 Transfers to Relations and Trustees

7.1.1 Subject to Articles 7.1.2 to 7.1.3 inclusive, any Member who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:

- 7.1.1.1** a family member of his; or
- 7.1.1.2** trustees to be held under a family trust for that member.
- 7.1.2** Subject to Article 7.1.4, no Shares shall be transferred under Article 7.1.1 by any person who previously acquired those Shares by way of transfer under Article 7.1.1.
- 7.1.3** No transfer of Shares shall be made by a Member under Article 7.1.1.
- 7.1.3.1** unless in the case of a transfer under Article 7.1.1.2 the holders of 75 per cent of the B Shares have confirmed in writing their satisfaction:
- 7.1.3.1.1** with the terms of the instrument constituting the relevant family trust and in particular with the powers of the trustees;
- 7.1.3.1.2** with the identity of the trustees and the procedures for the appointment and removal of trustees;
- 7.1.3.1.3** with the restrictions on changes in the terms of the trust instrument and on distributions by the trustees; and
- 7.1.3.1.4** that none of the costs incurred in establishing or maintaining the relevant family trust will be payable by any member of the Group; and
- 7.1.3.2** unless the aggregate number of Shares held by that Member following that transfer exceeds the aggregate number of Shares held by that Member's family trusts and family members.
- 7.1.4** Where shares are held by trustees under a family trust:
- 7.1.4.1** those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that family trust whose identity has been approved in writing by the holders of 75 per cent of the B Shares;
- 7.1.4.2** those Shares may at any time be transferred by those trustees to the settlor of that trust or any other person to whom that settlor could have transferred them under Article 7.1.1 if he had remained the holder of them; and
- 7.1.4.3** if any of those Shares cease to be held under a family trust (other than by virtue of a transfer made under Article 7.1.4.2, the trustees shall give a Transfer Notice (as defined in Article 8.1) in respect of all the

Shares then held by those trustees within 28 days of the Shares ceasing to be so held.

7.1.5 If:

7.1.5.1 any person has acquired Shares as a family member of a Member by way of one or more permitted transfers; and

7.1.5.2 that person ceases to be a family member of that Member,

that person shall forthwith transfer all the Shares then held by that person back to that Member, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period shall during the remainder of the 28 day period after the cessation, give a Transfer Notice in respect of all of the Shares then held by that person.

7.1.6 If the personal representatives of a deceased Member are permitted under these Articles to become registered as the holders of any of the deceased Member's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under this Article 7.1 to any person to whom the deceased Member could have transferred such Shares under this Article if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this Article 7.

7.2 Transfers Within Groups of Companies

7.2.1 Any Member which is a body corporate may at any time transfer any Shares held by it to a member of the same group.

7.2.2 Where Shares have been transferred under Article 7.2.1 (whether directly or by a series of such transfers) from a Member (the "**Transferor**") which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group as the Transferor (the "**Transferee**") and subsequently the Transferee ceases to be a member of the same group as the Transferor, the Transferee shall forthwith transfer all the Shares held by it to the Transferor, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period, shall during the remainder of the 28 day period after the cessation, give a Transfer Notice in respect of all of the Shares then held by the Transferee.

7.3 Transfers between funds

Any Shares held by or on behalf of an investment fund may be transferred:

7.3.1 to the investment fund for whom the Shares are held; or

7.3.2 to another investment fund which is managed or advised by the same manager or adviser as the transferor or by a manager or adviser which is a member of the same group as the transferor's manager or adviser; or

7.3.3 to any unit holder, shareholder, partner or participant in, or manager or adviser (or an officer or employee, past or present, of such partner, manager or adviser) of that investment fund; or

7.3.4 to any custodian or nominee or other person so authorised, to be held solely on behalf of any person referred to in 7.3.1, 7.3.2 or 7.3.3 above.

7.4 Transfer of successors of public sector bodies

A transfer of any share held by a member to a successor body shall be treated as a permitted transfer for the purpose of these Articles. For the purpose of this Article a body is a successor body to another body if it assumes some or all of the functions formerly exercised by the other body.

7.5 Transfers with Consent

Notwithstanding any other provision of these Articles, a Member may transfer Shares to any person at any time with the prior written consent of Members holding 75 per cent or more of the Shares.

7.6 Transfers of entire interests

A transfer of any Share pursuant to this Article 7 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such Share, free from any lien, charge or other encumbrance (save for any interest of beneficiaries under the relevant family trust, where applicable).

8 TRANSFERS - VOLUNTARY TRANSFERS

8.1 Except as permitted under Article 7 (Permitted Transfers), any Member (a "**Vendor**") shall, before transferring or agreeing to transfer any Share, serve notice in writing (a "**Transfer Notice**") on the Company of his wish to make that transfer.

8.2 In the Transfer Notice, the Vendor shall specify:

8.2.1 the number and class of Shares ("**Sale Shares**") which he wishes to transfer;

8.2.2 the identify of the person (if any) to whom the Vendor wishes to transfer the Sale Shares (save where such proposed transferee is a Shareholder);

8.2.3 the price per share at which the Vendor wishes to transfer the Sale Shares (the "**Proposed Sale Price**");

8.2.4 any other terms relating to the transfer of the Sale Shares which are not prohibited by these Articles; and

8.2.5 whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 8 (a "**Total Transfer Condition**")

8.3 Each Transfer Notice shall:

- 8.3.1 constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 8;
 - 8.3.2 save as provided in Article 8.5, be irrevocable; and
 - 8.3.3 not to be deemed to contain a Total Transfer Condition unless expressly stated otherwise or required by these Articles
- 8.4 The Sale Shares shall be offered for purchase in accordance with this Article 8 at:
 - 8.4.1 a price per Sale Share (the "**Sale Price**") agreed between the Vendor and the Board; or
 - 8.4.2 in default of agreement under Article 8.4.1 within 21 days after the date of service of the Transfer Notice, the lower of:
 - 8.4.2.1 the Proposed Sale Price; and
 - 8.4.2.2 if the Board elects within 28 days after the date of service of the Transfer Notice to instruct Valuers, the price per Share reported on by the Valuers as their written opinion of the open market value of each Sale Share in accordance with Article 8.14 (the "**Market Value**") as at the date of service of the Transfer Notice.
- 8.5 If the Market Value is reported on by the valuers under Article 8.4.2.2 to be less than the Proposed Sale Price specified in the Transfer Notice, the Vendor may revoke the Transfer Notice by written notice given to the Board within the period (the "**Withdrawal Period**") of 14 days after the date the Board serves on the Vendor the valuers' written opinion of the Market Value.
- 8.6 The Board shall offer the Sale Shares for purchase at the Sale Price by a written offer notice (the "**Offer Notice**") within 7 days after the Sale Price is agreed or determined under Article 8.4 or, if the Transfer Notice is capable of being revoked under Article 8.5, within 7 days after the expiry of the period for revocation in Article 8.5.
- 8.7 An Offer Notice shall:
 - 8.7.1 specify the Sale Price;
 - 8.7.2 expire 28 days after its service;
 - 8.7.3 contain the other details included in the Transfer Notice; and
 - 8.7.4 invite the relevant Members to apply in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their application.
- 8.8 Sale Shares of a particular class specified in column (1) in the table in Article 10 shall be treated as offered:
 - 8.8.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table in Article 10;

8.8.2 to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table in Article 10; and

8.8.3 to the extent not accepted by persons in columns (2) and (3), to all persons set out in the corresponding line in column (4) in the table Article 10

but no Shares shall be treated as offered to the Vendor or any other Member who is then bound to give or deemed to have given a Transfer Notice.

8.9 After the expiry date of the Offer Notice, (or, if earlier, upon valid applications being received for all the Sale Shares in accordance with Article 8.7 and the Board resolving that it will not select any person who is not a Member other than those (if any) already selected), the Board shall, in the priorities and in respect of each class of persons set out in the columns in the table in Article 10 allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles and Table A, save that:

8.9.1 if there are applications from any class of Members for more than the number of Sale Shares available for that class of Members, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Member more Sale Shares than the maximum number applied for by him) to the number of Shares of the relevant class then held by them respectively;

8.9.2 if it is not possible to allocate any of the Sale Shares without involving fractions, those fractions shall be aggregated and allocated amongst the applicants of each class in such manner as the Board thinks fit;

8.9.3 if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.

8.10 The Board shall, within 7 days of the expiry of the Offer Notice, give notice in writing (a "**Sale Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them, and the time for completion of each sale and purchase.

8.11 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than 1 week nor more than 2 months after the expiry of the Offer Notice, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser.

8.12 The Vendor may, during the period falling between one and two months after the expiry of the Offer Notice, sell any Sale Shares for which a Sale Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this Article 8, save with the written consent of all the other Members.

8.13 If a Vendor fails to transfer any Sale Shares when required pursuant to this Article 8, the Board may authorise any person (who shall be deemed to be the attorney of the Vendor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money of the Sale Shares from the Purchaser and shall, upon receipt of the transfer duly stamped, register the Purchaser as the holder of those Sale Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the Purchaser (who shall not be concerned to see to the application of it) and, after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this Article 8, the validity of that exercise shall not be questioned by any person.

8.14 If instructed to report on their opinion of Market Value under Article 8.4.2.2 the Valuers shall:

8.14.1 act as expert and not as arbitrator and their written determination shall be final and binding on the Members save in the case of manifest error; and

8.14.2 proceed on the basis that:

8.14.2.1 the open market value of each Sale Share shall be the sum which an informed willing purchaser would agree with a willing vendor on an arms length basis (other than in a forced or liquidation sale) to be the purchase price for all the class of Shares of which the Sale Shares form part, divided by the number of issued Shares then comprised in that class;

8.14.2.2 there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares; and

8.14.2.3 any difficulty in applying either of the foregoing bases shall be resolved by the Valuers as they think fit in their absolute discretion.

8.15 The Company will use its best endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board within 28 days of the Board electing to instruct them under Article 8.4.

9 TRANSFERS - COMPULSORY TRANSFERS

9.1 In this Article 9 a "Transfer Event" means, in relation to any Member:

9.1.1 a Member who is an individual:

9.1.1.1 becoming bankrupt; or

9.1.1.2 dying; or

- 9.1.1.3 suffering from mental disorder and being admitted to hospital or becoming a patient for any purpose of any enactment relating to mental health;
 - 9.1.2 a Member making any arrangement or composition with his creditors generally
 - 9.1.3 a Member which is a body corporate:
 - 9.1.3.1 having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
 - 9.1.3.2 having an administrator appointed in relation to it; or
 - 9.1.3.3 entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
 - 9.1.3.4 having any equivalent action taken in any jurisdiction;
 - 9.1.4 a Member or any family member or any family trust of that member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with Article 7 (Permitted Transfers), Article 8 (Voluntary Transfers) and this Article 9 (Compulsory Transfers) , or Article 11 (Prohibited Transfers);
 - 9.1.5 a Member not giving a Transfer Notice in respect of any Shares or not transferring any Shares (as the case may be) as required by Articles 6.2, 7.1.5 or 7.2.2.
- 9.2 Upon the happening of any Transfer Event, the Member in question and any other member who has acquired Shares from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them (a **"Deemed Transfer Notice"**). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.
- 9.3 Notwithstanding any other provision of these Articles any Member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of 3 months after the date of the Sale Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the holder of those Shares.
- 9.4 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 8 as if they were Sale Shares in respect of which a Transfer Notice had been given save that:
 - 9.4.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of the first meeting of the Board at which details of the facts or circumstances giving rise to the Deemed Transfer Notice are tabled;
 - 9.4.2 the Sale Price shall be a price per Sale Share agreed between the Vendor and the Board or, in default of agreement within 21 days after

the date of the transfer Event, the Market Value, less in each case any dividends on the Sale Shares referred to in Article 9.4.4 and retained by the Vendor; and

9.4.3 a Deemed Transfer Notice shall be deemed to contain a Total Transfer Condition and shall be irrevocable;

9.4.4 the Sale Shares shall be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date.

10 TRANSFERS – OFFER TABLE

Class of Sale Shares	Offered first to:	Offered secondly to:	Offered thirdly to:
A shares	Holders of A shares	Holders of B shares	Holders of C shares
B shares	Holders of B shares	Holders of A shares	Holders of C shares
C shares	Holders of C shares	Holders of A and B shares	

11 TRANSFERS – PROHIBITED TRANSFERS

11.1 Notwithstanding any other provision of these Articles, no transfer of any Share shall be registered if it is to:

11.1.1 any infant, bankrupt, trustee in bankruptcy or person of unsound mind; or

11.1.2 any person (if not an existing Member) who has not executed a Deed of Adherence.

12 QUORUM AT GENERAL MEETINGS

12.1 The quorum at any general meeting of the Company or adjourned general meeting shall be three persons present in person or by proxy, of whom one shall be a holder of A shares, one shall be a holder of B shares and one shall be a holder of C shares.

12.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

12.3 If within thirty minutes (or such longer time as the persons present may all agree to wait) from the time appointed for any general meeting a quorum is not present, the meeting shall be dissolved.

13 VOTES

13.1 At a general meeting, on a show of hands every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder, except that no shares of one class shall confer any right to vote upon a resolution for the removal from office

of a director appointed by holders of shares of the other class under a right to appoint which is a class right.

14 PROXIES

- 14.1** An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the directors may approve, and the directors may at their discretion treat a faxed or other machine-made copy of an instrument in any such form as an original copy of the instrument. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates, and shall be deemed to include authority to vote as the proxy thinks fit on any amendment of a resolution put to the meeting for which it is given.
- 14.2** The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority (certified notarially or in any other manner approved by the directors) may be delivered to the registered office, or to some other place or to some person specified or agreed by the directors, before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to act or, in case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll, and an instrument of proxy which is not so delivered shall be invalid.

15 NUMBER AND AGE OF DIRECTORS

The number of directors shall not be less than two. No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director by reason of his having attained any particular age.

16 APPOINTMENT AND REMOVAL OF DIRECTORS

- 16.1** The holders of a majority of the A shares for the time being shall be entitled to appoint one person to be a director of the Company ("A director"), the holders of a majority of the B shares for the time being shall be entitled to appoint one person to be director of the Company (the "B director") and the holders of a majority of the C shares for the time being shall be entitled to appoint three persons to be directors of the Company (the "C directors").
- 16.2** Any A director may at any time be removed from office by the holder of a majority of the A shares, any B director may at any time be removed from office by the holder of a majority of the B shares and any C director may at any time be removed from office by the holder of a majority of the C shares.
- 16.3** If any A director, any B director or any C director shall die or be removed from or vacate office for any cause, the holders of a majority of the A shares (in the case of an A director), the holders of a majority of the B shares (in the case of a B director) or the holders of a majority of the C shares (in the case of a C director) shall, as soon as reasonably practical after the relevant office becomes vacant, appoint in his place another person to be an A director, a B director or a C director (as the case may be).
- 16.4** Any appointment or removal of a director pursuant to this Article shall be in writing and signed by or on behalf of the holder of a majority of the issued A shares, B shares or C shares (as the case may be) and served on each of the other members and the Company at its registered office, marked for the attention of the Secretary or delivered to a duly constituted meeting of the directors of the

Company. Any such appointment or removal shall take effect as at the time of such lodgement or delivery or at such later time as shall be specified in such notice.

16.5 The right to appoint and to remove A, B or C directors under this Article shall be a class right attaching to the A shares, B shares and the C shares respectively.

16.6 No A director, B director or C director shall be appointed or removed otherwise than pursuant to this Article, save as provided by law.

17 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

17.1 The Shareholders appointing each of the directors shall in addition be entitled to appoint persons to be alternate directors and to replace such persons as alternate directors.

17.2 An alternate director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of directors of which the Director for whom he is the alternate director is a member, to attend and vote at such meetings at which that Director is not personally present, and generally to perform all the functions of that Director in his absence.

17.3 An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director.

18 NOTICE OF BOARD MEETINGS

18.1 A director may, and the secretary at the request of a director shall, call a meeting of directors.

18.2 Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned.

18.3 A director absent or intending to be absent from the United Kingdom may request the directors that notices of meetings of the directors shall during his absence be sent in writing to him at an address or to a fax number given by him to the Company for this purpose, but if no request is made to the directors it shall not be necessary to give notice of a meeting of the directors to any director who is for the time being absent from the United Kingdom.

18.4 A director may waive notice of any meeting either prospectively or retrospectively.

19 PROCEEDINGS OF DIRECTORS

19.1 Subject as provided in these Articles, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

19.2 The quorum at any meeting of the directors shall be three directors, of whom one at least shall be the A director, one at least the B director and one at least a C director. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum as an A director, B director or C

director (as the case may be) reflecting the designation of his appointor. No business shall be transacted at any meeting of the directors unless a quorum is present at the commencement of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time for the relevant meeting as set out in the notice of meeting then the meeting shall be adjourned for 7 days and at the adjourned meeting the quorum shall be any two directors.

- 19.3** If the holders of any class of Share fail to appoint a Director (and there is no alternate director appointed by the holders of Shares in that class to attend meetings of the Directors), then, if a meeting of the Directors is called in accordance with these Articles and notice of the meeting is given to each of the holders of Shares in that class as if they were Directors, the meeting shall be deemed to be quorate notwithstanding the fact that no Director appointed by holders of Shares in that class is present.
- 19.4** At any meeting of directors each director, other than the Chairman, shall have one vote. If at any meeting of the directors there is only one or two C directors present then such director(s) shall together have three votes.
- 19.5** A committee of the directors shall include at least one A director, one B director and one C director. The provisions of Article 19.2 shall apply equally to meetings of any committee of the directors as to meetings of the directors.
- 19.6** All or any of the directors or members of any committee of the directors may participate in a meeting of the directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum; and accordingly, subject to Article 19.2, a meeting of the directors or committee of the directors may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment as aforesaid. A meeting where those present or deemed to be present are in different locations 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.

20 DIRECTORS' INTERESTS - DISCLOSURE OF INFORMATION

- 20.1** A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors in accordance with the Act. Subject, where applicable, to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.
- 20.2** A director who has been appointed to the Board by a member or a class of members pursuant to these Articles or any agreement (meaning any agreement between all of the members of the company from time to time) to represent the interests of that member or class of members, shall not be taken to be in breach of his/her fiduciary duty to act in the best interest of the company by reason only that, in the performance of his/her duties and exercise of powers, the director has regard to the interest and acts upon the wishes of that member or class of members, unless no honest and reasonable director could have formed the view that in doing so, a director was also promoting the interests of the company as a whole.
- 20.3** Any A director, B director or C director shall be entitled from time to time to disclose to the holders of the A shares, holders of the B shares or (as the case may be) the

holders of the C shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A shareholder, B shareholder or (as the case may be) C shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.

21 NOTICES - TIME OF SERVICE

- 21.1** Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by pre-paid registered post (air mail in the case of an address for service outside the United Kingdom) addressed to the member at his registered address or by fax to a number provided by the member for this purpose, or by leaving it at his registered address addressed to the member, or by any other means authorised in writing by the member concerned.
- 21.2** In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 21.3** Any notice or other document if given personally shall be deemed served when delivered, if sent by registered post, shall be deemed to have been served or delivered 48 hours after posting to an address in the United Kingdom or five days after posting to an address outside the United Kingdom, and if sent by fax shall be deemed served when despatched. In proving such service or delivery, it shall be sufficient to prove that the notice or document was delivered to the address given for notice, or properly addressed, stamped and put in the post or, in the case of a fax, that such fax was duly despatched to a current fax number of the addressee.
- 21.4** Any requirement in these Articles or in Table A for any notice, resolution or other document to be signed by or on behalf of any person shall be deemed satisfied where a notice, resolution or other document is received with the signature of the relevant person reproduced thereon by means of facsimile copy if such signature is confirmed by receipt of the notice, resolution or document bearing the original signature in manuscript within 14 days of receipt of the reproduction.