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THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

(amended by Special Resolution passed  
on 24 June 2011)

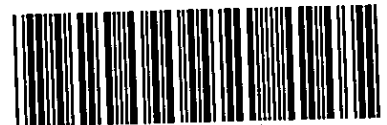
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PD PARKS HOLDINGS LIMITED

MACFARLANES

Macfarlanes LLP  
20 Cursitor Street  
London EC4A 1LT

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**PD PARKS HOLDINGS LIMITED**

**1 Interpretation**

**1.1 In these Articles**

**the 2006 Act:** means the Companies Act 2006 including any statutory modification or re-enactment for the time being in force;

**the Act.** means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force,

**Adoption Date:** *[date on which the amended articles are adopted]*,

**Affiliate:** means in relation to a member, as applicable

- (a) the ultimate parent undertaking of that member and any subsidiary undertaking of such parent undertaking,
- (b) any entity which Controls, manages or advises that member or which is a parent undertaking of any such entity or a subsidiary undertaking of any such parent undertaking or which has substantially similar shareholders to any such entity, parent undertaking or subsidiary undertaking,
- (c) any entity managed, advised or Controlled by that member or a person referred to in sub-paragraph (b) above of this definition; or
- (d) any Family Member or any Family Trust of that member,

provided that this shall not include any limited partner of a limited partnership (or their nominees) or any holders of units in unit trusts (or their nominees) or investor in an investment fund or company (or their nominees) which, in each case, is managed or advised by a member or any other entity or person which would be an Affiliate of such member under this definition,

**Alchemy:** means Alchemy Partners (Guernsey) Limited,

**Alchemy Director.** means a director appointed as such under the Shareholders Agreement and the terms "Alchemy Directors" shall be construed accordingly and where the consent

or approval of such Alchemy Directors is required under these Articles such consent or approval may be given by any one of them,

**Applicable Percentage:** means the percentage holding in nominal value of Ordinary Shares by a shareholder required to appoint a director of the Company pursuant to Article 17 4 3, being 10 per cent., as may be adjusted from time to time to the extent required to account for (i) any increase in the equity share capital of the Company as a result of an issue of Shareholder Instruments as consideration for an acquisition by the Company of shares, other securities or assets (excluding the allotment and issue of any Super Preferred Shares of Preferred Shares), (ii) any increase in the equity share capital of the Company as a result of a breach of the provisions of Article 16 (Pre-Emption Rights on Issue) (other than the issue of Super Preferred Shares or Preferred Shares), or (iii) a reduction in the holding of Ordinary Shares by a shareholder or shareholders as a result of the operation of Article 12 (Drag Along Rights), any such adjustment being certified in writing by the auditors of the Company for the time being,

**Asking Price:** means the price specified in a Sale Notice,

**Competitor:** means any person, body corporate, association, partnership or other entity, or any Affiliate of any such person, body corporate, association, partnership or entity, which directly or indirectly is concerned or interested in any business an activity of which is owning and/or operating a caravan park or a holiday park the annual revenues of which exceed £40 million per annum (or its equivalent in local currency),

**Compulsory Transfer Notice:** has the meaning set out in Article 13 4,

**Control:** means the ability to exercise the majority of the voting rights of the relevant person, whether by law, agreement or otherwise and "Controlled" shall be construed accordingly,

**Default.** has the meaning given to it in the Facility Agreement,

**Deferred Shares:** deferred shares of £0 00001 each in the capital of the Company,

**Deferred Shareholders.** means the holders of Deferred Shares,

**Employee.** an individual who is employed by, or is a director of, the Company or any of its 51 per cent subsidiaries or an individual whose services are otherwise made available to the Company or any of its 51 per cent subsidiaries (and "employment" shall be construed accordingly to include such an arrangement),

**Event of Default:** has the meaning given to it in the Facility Agreement,

**Excluded Shareholder.** a Shareholder

- (a) who is an Employee and whose employment is subject to notice of termination, or
- (b) who was, but has ceased to be, an Employee,

**Facility Agreement:** means the facility agreement of 16 March 2006 between the Company (1), and Anglo Irish Bank Corporation Plc (2) (as amended from time to time) together with all documents delivered or executed in connection therewith,

**Family Members:** means the spouse, parents and every child and remoter descendant of any member (including stepchildren and adopted children),

**Family Trust:** in relation to any member, means trusts established by that member for the benefit of such member and/or his Family Members,

**Fully Diluted Share Capital:** means the aggregate at the relevant time of

- (a) all issued shares, and any other issued shares forming part of the Company's equity share capital (as defined in section 548 of the 2006 Act); and
- (b) all other shares which the Company has agreed to create or issue at the relevant time (whether conditionally or otherwise) which if issued would form part of the Company's equity share capital,

**Group:** means the Company, any holding company of the Company (as defined in the Act) and any subsidiary (as defined in the Act) of any such holding company;

**Good Leaver:** means a Shareholder who becomes an Excluded Shareholder by reason of his death or becoming permanently incapable of discharging efficiently the duties of his employment or any other comparable employment with Company and its 51 per cent subsidiaries by reason of ill-health or infirmity of mind (evidenced to the satisfaction of the Alchemy Directors acting reasonably),

**Hurdle Amount:** means, in respect of Realisation Proceeds

- (a) £47,700,000, if the Realisation Date occurs on or prior to 31 January 2012, -
- (b) £49,800,000, if the Realisation Date occurs between 1 February 2012 and 31 July 2012 (both dates inclusive)
- (c) £52,100,000 if the Realisation Date occurs between 1 August 2012 and 31 January 2013 (both dates inclusive)
- (d) £54,400,000 if the Realisation Date occurs between 1 February 2013 and 31 July 2013 (both dates inclusive);
- (e) £56,900,000 if the Realisation Date occurs on or after 1 August 2013,

**Inspection Percentage:** means the percentage holding of the Ordinary Shares required by a shareholder to request information pursuant to Article 17.12, being 5 per cent., as may be adjusted from time to time to the extent required to account for

- (a) any increase in the equity share capital of the Company as a result of an issue of Shareholder Instruments as consideration for an acquisition by the Company of shares, other securities or assets (excluding the allotment and issue of any Super Preferred Shares of Preferred Shares);
- (b) any increase in the equity share capital of the Company as a result of a breach of the provisions of Article 16.1 (Pre-Emption Rights on Issue) (excluding the issue of any Super Preferred Shares of Preferred Shares), or
- (c) a reduction in the holding of Ordinary Shares by a shareholder or shareholders as a result of the operation of Article 12.1 (Drag Along Rights), any such adjustment being certified in writing by the auditors of the Company for the time being,

**Intercreditor Deed:** means the Intercreditor Deed dated 16 March 2006 and made between, among others, the Company, PD Parks Limited, Anglo Irish Bank Corporation Plc as agent, security trustee, arranger and original lender as may be amended from time to time,

**Listing:** the effective admission of the entire issued share capital of the Company (or any holding company of the Company)

- (a) to listing on the Official List of the Financial Services Authority, acting in its capacity as the competent authority for listing pursuant to Part VI Financial Services and Markets Act 2000, and to trading on the Main Market of the London Stock Exchange plc, or

(b) to trading on AIM, a market operated by the London Stock Exchange plc,

**Ordinary Shares:** ordinary shares of 1 pence each in the share capital of the Company but, where shares are held in trust, the beneficial interest in the ordinary shares,

**Ordinary Shareholders:** means the holders of Ordinary Shares,

**Permitted Transferee:** any person to whom Restricted Shares may be transferred pursuant to Article 9,

**Polygon:** Polygon Recovery Fund, L P ;

**Preferred Return:** means a sum equal to the lower of

- (a) 87.5 per cent of the Realisation Proceeds, and
- (b) the Hurdle Amount,

**Preferred Shareholders:** means the holders of Preferred Shares,

**Preferred Shares:** preferred ordinary shares of £0.00001 each in the share capital of the Company but, where shares are held in trust, the beneficial interest in the preferred ordinary shares,

**Realisation:** means a Listing, a Sale, or a winding-up of the Company,

**Realisation Date:** means

- (a) in the case of a Listing, the date on which dealings commence in respect of the shares the subject of the Listing, or
- (b) in the case of a Sale, the date of completion of the Sale;

**Realisation Proceeds:** means.

- (a) in the event of a Listing, the cash received in respect of all the Shares (excluding, for the avoidance of doubt, any shares to be issued by the Company on the Listing to raise additional finance for the Company),
- (b) in the event of Sale, the cash received on completion of the Sale in respect of all the Shares, and
- (c) in the event of a winding up of the Company, the total cash received in relation to such winding up in respect of all the Shares,

**Relevant Period** means

- (a) in respect of Ordinary Shares, two months from the date on which the Shareholder becomes (on any occasion) an Excluded Shareholder (both dates inclusive), and
- (b) in respect of Super Preferred Shares, the period commencing on (and including) the date falling two months from the date on which the Shareholder becomes (on any occasion) an Excluded Shareholder and expiring on (and including) the date falling two months after such date,

**Relevant Shares:** (so far as the same remain held by a Family Member or the trustees of any Family Trusts) the Shares originally transferred to the Family Member or trustees in question and any additional Shares issued to such Family Member or trustees by way of capitalisation or acquired by such Family Member or trustees in exercise of any right or

option granted or arising by virtue of the holding of the Shares or any of them or the membership thereby conferred,

**Restricted Shares:** the Ordinary Shares and the Super Preferred Shares,

**Sale:** means

- (a) the sale of the whole of the issued share capital of the Company or any holding company of the Company to a bona fide third party single buyer or to one or more buyers as part of a single transaction, or
- (b) the sale of less than the whole of the issued share capital of the Company or any holding company of the Company to a bona fide party single buyer or to one or more buyers as part of a single transaction at arms' length in circumstances where the Company (or such holding company) has received independent advice satisfactory to it that the purchaser or purchasers is or are (or will upon the agreement or agreements for such sale becoming unconditional be) entitled to acquire that part of the issued share capital of the Company not agreed to be acquired pursuant to such agreement or agreements in accordance with the provisions of Chapter 3, Part 28 of the 2006 Act or pursuant to Article 12,

**Sale Notice:** means a written notice served by a Selling Shareholder on the Company in accordance with Article 10 1,

**Selling Shareholder:** means an Ordinary Shareholder other than an Excluded Shareholder who wishes to transfer Ordinary Shares to a person to whom Article 9 does not apply,

**Shareholders:** means the Ordinary Shareholders, Preferred Shareholders, Super Preferred Shareholders and Deferred Shareholders or such of them as the context may require,

**Shareholder Instrument:** means:

- (a) shares in the Company,
- (b) any debt securities or any other instrument evidencing indebtedness proposed to be issued by the Company or any of its subsidiaries to any member or any Affiliate of any member (excluding any securities or other instruments issued in satisfaction of accrued interest on such securities or other instruments), and
- (c) an instrument carrying rights to subscribe for or convert into such shares, debt securities or instrument, and

**Shareholders Agreement:** means the agreement of 17 March 2006 made by John Waterworth and others (1), Alchemy (2), the Company (3), and PD Parks Limited (4) as amended from time to time,

**Shares** means the Ordinary Shares, the Super Preferred Shares, the Preferred Shares and the Deferred Shares or such of them as the context may require,

**Super Preferred Return:**

means a sum calculated in accordance with the following equation

$$A \times \frac{B}{C}$$

where

A is an amount equal to the lower of (i) 12.5 per cent of the Realisation Proceeds and (ii) £8,100,000,

B is the aggregate number of Super Preferred Shares held by Employees or former Employees as at the Realisation Date; and

C is the aggregate number of Super Preferred Shares comprised in the share capital of the Company as at the Adoption Date, specified in Article 4.1.2,

**Super Preferred Shareholders.** means the holders of Super Preferred Shares, and

**Super-Preferred Shares:** super preferred ordinary shares of £0.00001 each in the share capital of the Company but, where shares are held in trust, the beneficial interest in the super preferred ordinary shares—

1.2 Words and expressions defined in the Act have the same meanings in these Articles, unless inconsistent with the context

1.3 Any reference to 51 per cent subsidiaries is to be construed in accordance with section 838(1)(a) Income and Corporation Taxes Act 1988

1.4 The renunciation of a right to be allotted shares shall be treated as if it were a transfer of those shares and therefore shall be governed by Articles 6.4 to 13

1.5 Notwithstanding any other provisions contained herein these Articles shall be subject to the terms of the Intercreditor Deed and the Facility Agreement

## 2 Table A

2.1 The Regulations contained or incorporated in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) Amendment Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 ("Table A") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles

2.2 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" where it first appears in the last paragraph of that Regulation 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 Regulation

2.3 The first sentence of regulation 24 and regulations 64, 73 to 78, 80, 81, 90, 94, 95, 115 and 118 of Table A do not apply

## 3 Private company

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

## 4 Share capital

4.1 The share capital of the Company at the Adoption Date is divided into

4.1.1 1,220,936 Ordinary Shares,

4.1.2 50,000 Super Preferred Shares,

4.1.3 45,195 Preferred Shares, and

4.1.4 Deferred Shares



## **5 Rights attaching to Shares**

The Shares shall have the following rights and be subject to the following restrictions

### **5.1 Income**

5.1.1 Sums distributed by the Company in respect of any financial year in the nature of income shall be apportioned amongst the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively

5.1.2 The Preferred Shares and the Super Preferred Shares shall not be entitled to receive any sums distributed by the Company in respect of any financial year in the nature of income

### **5.2 Realisation**

5.2.1 On a Realisation, the Realisations Proceeds shall be apportioned amongst the Shareholders in the following order of priority.

5.2.1.1 first, in paying to the Ordinary Shareholders, the Super Preferred Shareholders and the Preferred Shareholders, in respect of the Ordinary Shares, Super Preferred Shares and Preferred Shares held by them, an aggregate sum of £100 in proportion to the number of such Shares held by them respectively,

5.2.1.2 second, in paying to the Deferred Shareholders (if any), in respect of the Deferred Shares held by them, an aggregate sum of £0.01 in proportion to the number of Deferred Shares held by them respectively,

5.2.1.3 third, in paying to the Super Preferred Shareholders, in respect of the Super Preferred Shares held by them, an aggregate amount equal to the Super Preferred Return in proportion to the number of Super Preferred Shares held by them respectively;

5.2.1.4 fourth, in paying to the Preferred Shareholders, in respect of the Preferred Shares held by them, an aggregate amount up to the Hurdle Amount in proportion to the number of Preferred Shares held by them respectively; and

5.2.1.5 fifth, in paying the balance to the Ordinary Shareholders, in respect of the Ordinary Shares held by them, in proportion to the number of Ordinary Shares held by them respectively

### **5.3 Voting**

5.3.1 On a show of hands every Ordinary Shareholder who (being an individual) is present or (being a corporation) is present by a representative shall have one vote and on a poll every Ordinary Shareholder who is present in person or by a proxy or (being a corporation) by a representative shall have one vote, for every Ordinary Share of which he is the holder

5.3.2 The Preferred Shares and the Super Preferred Shares carry no right to vote

## **6 Variation of class rights**

6.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated either whilst the Company is a going concern, or during or in contemplation of a winding up, with the consent in writing of the

- holders of three fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of that class or, in the case of the Ordinary Shares or Deferred Shares, in accordance with Article 6.3
- 6.2 Section 334 of the 2006 Act and the provisions of these Articles relating to general meetings shall, with necessary modifications, apply to every such separate general meeting, but so that any holder of Shares of the class in question present in person or by proxy may demand a poll
- 6.3 The rights attaching to the Ordinary Shares or the Deferred Shares each as a class may be varied or abrogated by a special resolution of the Company—
- 6.4 The rights attached to any class of shares shall not (unless otherwise provided by the rights attached to the shares of that class) be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* with or in priority to those shares or by the purchase or redemption by the Company of any of its own shares
- 7 Provisions applying on every transfer of Preferred Shares**
- Subject to Articles 11 and 12.3, Preferred Shareholders may transfer all or any part of their holding of Preferred Shares to any other person.
- 8 Provisions applying on every transfer of Restricted Shares**
- 8.1 Shareholders are not entitled to transfer and the directors may not register a transfer of Restricted Shares unless
- 8.1.1 it is expressly permitted by Article 9 or has been made in accordance with Articles 10 (in the case of Ordinary Shares only), 11, 12, or 13 (as appropriate), and
- 8.1.2 (if required by the Alchemy Director) the proposed transferee has entered into an agreement to be bound by the Shareholders Agreement in the form required by the Shareholders Agreement
- 8.2 In the event of an infringement of this Article, the relevant Shareholder shall:
- 8.2.1 in respect of any holding of Ordinary Shares, be bound to give a Sale Notice in accordance with Article 10 in respect of all the Ordinary Shares in which he is interested, and
- 8.2.2 in respect of any holding of Super Preferred Shares, be deemed to have given a Compulsory Transfer Notice in accordance with Article 13 in respect of all of his Super Preferred Shares in which he is interested to such person(s) (being a person or persons set out in Article 13.2) as may be selected by the Alchemy Director and otherwise on the terms of Article 13
- 8.3 For the purpose of ensuring that a transfer of Restricted Shares is permitted under these Articles or that there has been no breach of these Articles, the directors (acting by a majority) may from time to time require any member or the legal personal representative of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors may reasonably think fit regarding any matter which they may deem reasonably relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the directors within a reasonable time after request, the directors shall be entitled to refuse to register the transfer in question or, in case no other transfer is in question, to require by notice in writing that a Sale Notice or a Compulsory Transfer Notice (as the case may be) be given in respect of the Restricted Shares concerned. If such information or evidence discloses that a Sale Notice or Compulsory Transfer Notice ought to have been given in respect of any Restricted Shares, the directors may by notice in writing require that a Sale Notice or Compulsory Transfer Notice be given in respect of the Restricted Shares

concerned. In any case where the directors have duly required a Sale Notice or Compulsory Transfer Notice to be given in respect of any Restricted Shares and such Sale Notice or Compulsory Transfer Notice is not duly given within a period of 14 days, or such longer period as the directors may allow for the purpose, such Sale Notice or Compulsory Transfer Notice shall (except and to the extent that a transfer permitted under these Articles of any such Restricted Shares shall have been lodged) be deemed to have been given on the date after the expiration of the said period as the directors may by resolution determine and the provisions of the Article relating to Sale Notices or Compulsory Transfer Notices shall take effect accordingly save that the Asking Price shall be calculated as provided in Article 13 4

## **9 Permitted Transfers of Restricted Shares**

- 9 1 With the written consent of the holders of 70 per cent or more of the Ordinary Shares in issue, Restricted Shares may be transferred to any person unless such transfer is a transfer to which Article 11 applies, in which event Restricted Shares may be transferred to any person with the written consent of the holder of 50 per cent or more of the Ordinary Shares in issue
- 9 2 Ordinary Shares held by Polygon (or any of its Permitted Transferees) may be transferred to any person (other than a Competitor of any member of the Group) after 29 June 2012
- 9 3 A shareholder which is a body corporate may transfer Restricted Shares to a member of the same group (meaning a subsidiary or holding company of the body corporate or a subsidiary of a holding company of the body corporate) if the transferee gives an undertaking to the Company that if the transferee ceases to be a member of the same group, all its Restricted Shares in the Company will, before the cessation, be transferred to another member of the same group
- 9 4 A Shareholder who holds Restricted Shares as nominee or trustee for a limited partnership or unit trust which is primarily a vehicle for institutional investors may transfer those Restricted Shares
  - 9 4 1 to another nominee or trustee for the limited partnership or unit trust,
  - 9 4 2 on a distribution in kind under the relevant partnership agreement or trust deed, to the partners of the limited partnership or their nominees or the holders of units in the unit trust or their nominees, or
  - 9 4 3 to a nominee or trustee for a limited partnership, unit trust or investment trust which is primarily a vehicle for institutional investors and which is advised or managed by the adviser or manager of the former limited partnership or unit trust
- 9 5 The trustees of any employees' share scheme of the Company and its 51 per cent subsidiaries may transfer Restricted Shares held by them to the beneficiaries of such scheme
- 9 6 An individual member (not being a holder of the shares concerned as a trustee) may at any time transfer any Restricted Shares to trustees to be held on Family Trusts applicable to him provided that the prior written consent of Alchemy has been obtained (such consent not to be unreasonably withheld or delayed) and provided further that the aggregate number of Restricted Shares so transferred does not exceed 50 per cent of the aggregate of the Restricted Shares held by such member
- 9 7 Where Restricted Shares have been transferred under Article 9 6 to trustees of Family Trusts, the trustees and their successors may transfer all or any of the Relevant Shares as follows
  - 9 7 1 on any change of trustees, the Relevant Shares may be transferred to the trustees for the time being of the Family Trusts concerned,

- 9 7 2 pursuant to the terms of such Family Trusts or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Relevant Shares may be transferred to the trustees for the time being of any other Family Trusts of the same individual member or deceased or former individual member.
- 9 8 In the event that any Relevant Shares held by trustees cease to be held on Family Trusts (otherwise where an authorised transfer of those shares has been made) the member holding the shares shall notify the directors in writing that such an event has occurred and the member shall be bound, if and when required in writing by the directors to do so (and unless such member has, within 28 days of such cessation, transferred the Relevant Shares to the individual member who originally transferred such Relevant Shares to trustees in accordance with Article 9 5), to give a Sale Notice in respect of the Relevant Shares (but without specifying an Asking Price), such Sale Notice, once given, to be irrevocable and the provisions of Article 10 shall apply in respect of the Relevant Shares
- 10 Pre-emption rights on transfer of Ordinary Shares**
- 10 1 A Selling Shareholder shall serve a Sale Notice on the Company stating the number and class of Ordinary Shares he wishes to transfer (the "Sale Shares") and the Asking Price per Sale Share
- 10 2 The Selling Shareholder may state in the Sale Notice that he is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them
- 10 3 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the following terms, which the Company shall notify to the other Shareholders within seven days of receiving the Sale Notice
- 10 3 1 the price for each Sale Share is the Asking Price,
- 10 3 2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them,
- 10 3 3 each of the other holders of Ordinary Shares (except those who are Compulsory Sellers for the purposes of Article 13) is entitled to buy the Sale Shares in proportions reflecting, as nearly as possible, the nominal amount of their existing holdings of Ordinary Shares an Ordinary Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement;
- 10 3 4 holders of Ordinary Shares may offer to buy any number of the Ordinary Shares that are not accepted by the other Shareholders on the first offer (the "Excess Shares"), and
- 10 3 5 any additional terms specified pursuant to Article 10 2
- 10 4 21 days after the Company's despatch of the terms for the sale of the Sale Shares (the "Closing Date")
- 10 4 1 the Sale Notice shall become irrevocable,
- 10 4 2 a holder of Ordinary Shares who has not responded to the offer in writing shall be deemed to have declined it, and
- 10 4 3 each offer made by a holder of Ordinary Shares to acquire Sale Shares shall become irrevocable
- 10 5 If any holder of Ordinary Shares declines (or is deemed to have declined) the offer (in whole or in part), each such holder of Ordinary Shares who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of

- Excess Shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received
- 10 6 Within seven days after the Closing Date, the Company shall notify the Selling Shareholder and the holders of Ordinary Shares who offered to buy Sale Shares of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer
- 10 6 1 the Company shall notify the Selling Shareholder of the names and addresses of the holders of Ordinary Shares who are to buy Sale Shares and the number to be bought by each,
- 10 6 2 the Company shall notify each holder of Ordinary Shares of the number of Sale Shares he is to buy, and
- 10 6 3 the Company's notices shall state a place and time, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed.
- 10 7 If the Selling Shareholder does not transfer Sale Shares in accordance with Article 10.6, the directors may authorise any director to transfer the Sale Shares on the Selling Shareholder's behalf to the buying Shareholders concerned against receipt by the Company of the Asking Price per share. The Company shall hold the Asking Price in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the Asking Price shall be a good discharge to the buying Shareholder. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Asking Price for the Sale Shares
- 10 8 If, by the Closing Date, the Company has not received offers for all the Sale Shares, the Selling Shareholder may within the next two months transfer the Sale Shares for which offers were not received (or, if the Sale Notice stated that he was only willing to transfer all the Sale Shares, all the Sale Shares) to any person at no less than the Asking Price per share, with any other terms being no more favourable than those in the Sale Notice
- 10 9 If a Selling Shareholder becomes an Excluded Shareholder the directors may at any time thereafter by notice in writing to such Selling Shareholder revoke any Sale Notice given by such Selling Shareholder prior to that event and the provisions of Article 13 shall then apply, provided that such revocation shall be without prejudice to any sale of Sale Shares the subject of a Sale Notice completed prior to such revocation
- 11 **Tag along**
- 11 1 No transfer of Ordinary Shares or Preferred Shares ("**Offered Shares**") by a member ("**the Original Transferor**") proposed to be made under these Articles (unless such transfer is under Articles 9 2, 9 3, 9 4 1, 9 4 2, or 9 5 to 9.8 (inclusive) or 13 in relation to which this Article 11 1 shall never apply) may be made or registered if
- 11 1 1 it is by a member who immediately before such transfer holds more than 20 per cent of the Ordinary Shares then in issue, or
- 11 1 2 the number of Ordinary Shares comprised within the Offered Shares together with any Ordinary Shares already held by members of the purchasing group equals more than 50 per cent of the Ordinary Shares then in issue,
- unless the proposed transferee or transferees of the Offered Shares (each a "**member of the purchasing group**") has made an offer to all other holders of Shares to buy a number of Shares held by them (including any such Shares issuable on the exercise of any then outstanding subscription rights) ("**Tag Shares**") on the terms set out in Article 11 2 and Article 11 3

- 11 2 The offer by the member(s) of the purchasing group pursuant to Article 11 1 shall be made to each holder of Shares (other than the Original Transferor and any other member of the purchasing group (if a member)) in respect of the Applicable Number of Shares and class of Shares held by him PROVIDED THAT if the number of Ordinary Shares comprised within the Offered Shares together with any Ordinary Shares already held by members of the purchasing group equals more than 50 per cent of the Ordinary Shares then in issue, the offer shall be made to each holder of Shares (other than the Original Transferor and any other member of the purchasing group (if a member)) in respect of all of the remaining issued Shares held by them
- 11 3 Any offer made pursuant to Articles 11 1 and 11 2 shall have the following further terms
- 11 3 1 it shall be open for acceptance for at least 21 days,
- 11 3 2 it shall specify the consideration for each relevant class of Share; and
- 11 3 3 the consideration for each Tag Share shall be the consideration (whether in cash, securities or otherwise or in any combination) equivalent to –
- 11 3.3.1 in the case of each Ordinary Share comprised in the Offered Shares, that which is proposed to be paid for each Offered Share which is an Ordinary Share,
- 11 3 3 2 in the case of each Preferred Share comprised in the Offered Shares, that which is proposed to be paid for each Offered Share which is a Preferred Share (as determined in accordance with these Articles as if there had been a Realisation),
- 11 3 3.3 in the case of each Super Preferred Share comprised in the Offered Shares, such amount calculated by reference to the price proposed to be paid for each Preferred Share (as determined in accordance with these Articles as if there had been a Realisation), or
- 11 3 3 4 in each case if higher, the highest consideration paid by any member of the purchasing group for a Share of each relevant class of Share in the twelve months prior to the offer
- 11 4 Any dispute on the appropriate consideration for the Shares under Articles 11 or 12 shall be referred to an umpire chosen by the parties concerned or, if they cannot agree on an umpire, nominated by the President of the Institute of Chartered Accountants in England and Wales. The umpire shall act as an expert and not as an arbitrator and his decision shall be final and binding. Unless the umpire otherwise decides, the Original Transferor wishing to sell Shares to the proposed transferee shall pay half the umpire's costs and Shareholders in dispute with the proposed transferee shall pay the other half
- 11 5 At the option of the Specified Shareholders (as such term is defined in Article 12) the provisions of this Article 11 shall not apply where the provisions of Article 12 are proposed to be operated
- 11 6 For the purpose of this Article 11 the expression "**Applicable Number of Shares**" means, in relation to a member to whom an offer is made pursuant to Articles 11 1 and 11 2
- 11 6 1 such number of Ordinary Shares as is calculated by multiplying the total number of Ordinary Shares held by him by the percentage which the number of Ordinary Shares proposed to be sold by the Original Transferor bears to the total number of Ordinary Shares held by the Original Transferor (and for the avoidance of doubt if there are no Ordinary Shares comprised in the Offered Share, then the number shall be zero) ;

- 11.6.2 such number of Preferred Shares as is calculated by multiplying the total number of Preferred Shares held by him by the percentage which the number of Preferred Shares proposed to be sold by the Original Transferor bears to the total number of Preferred Shares held by the Original Transferor (and for the avoidance of doubt if there are no Preferred Shares comprised in the Offered Share, then the number shall be zero) and
- 11.6.3 such number of Super Preferred Shares as is calculated by multiplying the total number of Super Preferred Shares held by him by the percentage which the number of Preferred Shares proposed to be sold by the Original Transferor bears to the total number of Preferred Shares held by the Original Transferor (and for the avoidance of doubt if there are no Preferred Shares comprised in the Offered Shares then the number shall be zero)
- 11.7 Nothing in this Article 11 shall require a holder of Shares to transfer all or any Shares held by him but he can, if he so wishes, transfer Shares in an amount which is up to but does not exceed the maximum number of Shares which he is entitled to transfer pursuant to this Article 11
- 12 **Drag-along rights**
- 12.1 In the event that
- 12.1.1 a proposed bona fide arm's length transfer or transfers by a member or members acting together who had, prior to such proposed transfer, held 50 per cent. or more of the Ordinary Shares in issue would result in such member or (as the case may be) members ceasing to hold 50 per cent. or more of such Ordinary Shares (unless such transfer is under Articles 9.2, 9.3, 9.4-1, 9.4.2, or 9.5 to 9.8 (inclusive) or 13 in which event this Article shall never apply), and
- 12.1.2 the Shareholders proposing to make such transfer or transfers (the "**Specified Shareholders**") procure that a member (or members) of the purchasing group (as such term is defined in Article 11) makes an offer open for acceptance for at least 15 business days to purchase the Relevant Number of Shares held by all other holders of Shares (other than (if relevant) any member or members of the purchasing group) ("**the Minority Shareholders**") at a consideration for each such Share (whether in cash, securities or otherwise or in any combination) equivalent to that which is calculated in accordance with Article 5.2 and proposed to be paid to the Specified Shareholders, assuming a purchase of the entire issued share capital of the Company (or, if higher, the highest consideration paid by any member of the purchasing group for a Share of the relevant class of Share in the twelve months prior to the offer),
- then, following the expiry of such period, the Specified Shareholders (or any of them) may give notice in writing to all the Minority Shareholders requiring them within two business days of the date of the notice to transfer the Relevant Number of Shares held by them to the specified member or members of the purchasing group and the Specified Shareholders may complete their proposed transfer. Written notice under this Article 12.1 shall be accompanied by a stock transfer form (and, if required, an indemnity for lost share certificate) required to be executed by the relevant Minority Shareholder to give effect to the required transfer
- 12.2 If any Minority Shareholder shall fail to transfer Shares as required by Article 12.1, simultaneously with the transfer of the Specified Shareholders' Shares the directors may authorise any individual to execute on behalf of and as attorney for the Minority Shareholder any necessary stock transfer form and shall register the relevant member of the purchaser's group as the holder of the shares. The Company's receipt of the purchase money shall be a good discharge to the relevant member of the purchasing group, and the Company shall thereafter hold the same on trust for the Minority Shareholder (without any requirement to account for interest thereon). After the name of the relevant member of the purchasing

group has been entered into the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

- 12 3 While Article 12 applies to a Minority Shareholder's Shares, those shares may not be transferred otherwise than under Article 12.
- 12 4 For the avoidance of doubt the pre-emption rights contained in Article 10 (if otherwise capable of application) shall not apply to any transfer or proposed transfer to which this Article 12 relates.
- 12 5 For the purpose of this Article 12, the expression "**Relevant Number of Shares**" means, in relation to each Minority Shareholder such number of each class of Share held by him as is calculated by multiplying the total number of Shares of such class held by him by the percentage which the number of Shares of such class proposed to be sold by the Specified Shareholders bears to the total number of Shares of such class held by the Specified Shareholders provided that in relation to a Minority Shareholder who holds Super Preferred Shares, the Relevant Number of Shares shall be calculated by multiplying the total number of Super Preferred Shares held by him by the percentage which the number of Preferred Shares proposed to be sold by the Specified Shareholders bears to the total number of Preferred Shares of such class held by the Specified Shareholders.

### 13 **Compulsory transfer**

- 13 1 Article 13 applies to a Shareholder who becomes (on any occasion) an Excluded Shareholder

- 13 2 Subject to Article 13 9, the Alchemy Directors may, during the Relevant Period, serve notice requiring such Shareholder (or his personal representatives in the case of his death) (a "**Compulsory Seller**") to offer some or all of his Shares ("**Sale Shares**") to

- 13 2 1 a person or persons intended to take the Employee's place,
- 13 2 2 any of the existing Employees,
- 13 2 3 participants or potential participants in, or trustees of an employees' share scheme of the Company and its 51 per cent subsidiaries; and/or
- 13 2 4 (with the written consent of the holders of 70 per cent of the Ordinary Shares (excluding those shares held by the Compulsory Seller)) any other person or persons approved by resolution of the directors

(together the "**Offerees**")

- 13 3 The Alchemy Directors' notice may reserve the Alchemy Director the right to finalise the identity of the Offerees once the price for the Sale Shares has been agreed or certified
- 13 4 The Compulsory Seller shall then offer his Sale Shares to the Offerees (a "**Compulsory Transfer Notice**") free from all liens, charges and encumbrances together with all rights attaching to them on the following terms

- 13 4 1 the price per Sale Share shall be

- 13 4 1 1 in the case of a Sale Share which is an Ordinary Share, the price agreed between the Compulsory Seller and the Alchemy Directors (the "**Agreed Price**") or, if they do not agree a price within 14 days of an Alchemy Director's notice, the price certified by the Company's auditors (or, should they be unable or unwilling to act, such other firm of accountants as may be agreed between them or, in the absence of such agreement, appointed at the instance of either party by the President of the



Institute of Chartered Accountants of England and Wales), acting as experts and not as arbitrators, to be

- (i) the market value—which is in the opinion of the auditors/accountants likely to result in a sale of the Sale Shares immediately after the cessation of employment, or
- (ii) if the employment ceases less than one year after the date on which the Excluded Shareholder was registered as the holder of the Sale Shares which are Ordinary Shares, the price at which such Ordinary Shares were issued or transferred to him if less; and

13.4.1.2

in the case of a Sale Share which is a Super-Preferred Share, the price agreed between the Compulsory Seller and the Alchemy Directors (the “Agreed Price”) or, if they do not agree a price within 14 days of an Alchemy Director’s notice, the price certified by the Company’s auditors (or, should they be unable or unwilling to act, such other firm of accountants as may be agreed between them or, in the absence of such agreement, appointed at the instance of either party by the President of the Institute of Chartered Accountants of England and Wales), acting as experts and not as arbitrators, to be

- (i) in the case of a Compulsory Seller whose Employment ceases for reasons of gross misconduct, the lower of
  - (a) the market value which, on the assumption that all Super Preferred Shares will be held by Employees on a Realisation Date occurring immediately after the cessation of employment, is in the opinion of the auditors/accountants the amount likely to be ascribed to the Super Preferred Shares in accordance with Article 5.2 as a result of such Realisation, and—
  - (b) the price at which such Super Preferred Shares were issued or transferred to him, or
- (ii) in the case of a Compulsory Seller whose Employment ceases for any reason other than gross misconduct
  - (a) the market value which, on the assumption that all Super Preferred Shares will be held by Employees on a Realisation Date occurring immediately after the cessation of employment, is in the opinion of the auditors/accountants the amount likely to be ascribed to the Super Preferred Shares in accordance with Article 5.2 as a result of such Realisation, and
  - (b) if the Employment ceases less than one year after the date on which the Excluded Shareholder was registered as the holder of the Sale Shares which are Super Preferred Shares, the price at which such Super Preferred Shares were issued or transferred to him if less than the market value determined in accordance with Article 13.4.1.2(ii)(a) above, and

(in each case the "Certified Price")

- 13 4 2 within seven days after the price has been agreed or certified
- 13 4 2-1 the Company shall notify the Compulsory Seller of the names and addresses of the Offerees and the number of Sale Shares to be offered to each,
- 13 4.2 2 the Company shall notify each Offeree of the number of Sale Shares on offer to him, and
- 13 4.2.3 the Company's notices shall specify the Agreed Price or the Certified Price (as the case may be) and state a date, between seven and 14 days later, on which the sale and purchase of the Sale Shares is to be completed (the "Completion Date")
- 13 5 By the Completion Date the Compulsory Seller shall deliver stock transfer forms for the Sale Shares, with the relevant share certificates, to the Company. On the Completion Date the Company shall pay the Compulsory Seller, on behalf of each of the Offerees, the Agreed Price or the Certified Price (as the case may be) for the Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the Agreed Price or the Certified Price (as the case may be) in trust for the Compulsory Seller without any obligation to pay interest
- 13 6 To the extent that Offerees have not, by the Completion Date, put the Company in funds to pay the Agreed Price or the Certified Price, the Compulsory Seller shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares and the Compulsory Seller shall have no further rights or obligations under Article 13 in respect of those Sale Shares
- 13 7 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares to the Company by the Completion Date, the directors may (and shall, if requested by the Alchemy Director) authorise any director to transfer the Sale Shares on the Compulsory Seller's behalf to each Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the Agreed Price or the Certified Price (as the case may be) for the Sale Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Agreed Price or Certified Price for the Sale Shares
- 13 8 While Shares are liable to be Sale Shares by virtue of Article 13.2, they may not be transferred under Articles 9 or 10 which shall not apply during such period.
- 13 9 An Alchemy Director may only serve notice on a Good Leaver (or his personal representatives in the case of his death) in accordance with Article 13.2 in respect of the following percentage of his holding of Shares
- 13 9 1 where the Good Leaver has been a holder of Ordinary Shares (or, in the case of a Good Leaver who is not a holder of Ordinary Shares as at the Adoption Date, Super Preferred Shares) for a period of one year or less immediately before becoming a Good Leaver, one hundred per cent of his Shares,
- 13 9 2 where the Good Leaver has been a holder of Ordinary Shares (or, in the case of a Good Leaver who is not a holder of Ordinary Shares as at the Adoption Date, Super Preferred Shares) for a period of more than one year but less than two years immediately before becoming a Good Leaver, seventy five per cent of his Shares,
- 13 9 3 where the Good Leaver has been a holder of Ordinary Shares (or, in the case of a Good Leaver who is not a holder of Ordinary Shares as at the Adoption

Date, Super Preferred Shares) for a period of more than two years but less than three years immediately before becoming a Good Leaver, sixty five per cent of his Shares,

- 13 9 4 where the Good Leaver has been a holder of Ordinary Shares (or, in the case of a Good Leaver who is not a holder of Ordinary Shares as at the Adoption Date, Super Preferred Shares) for a period of three years or more immediately before becoming a Good Leaver, fifty per cent of his Shares

and the term "Sale Shares" shall be construed accordingly

#### 14 **Deferred Shares**

- 14 1 Immediately prior to, but conditional upon, a Realisation, each Super Preferred Share held by any Shareholder who is not

14.1.1 an Employee,

14 1 2 a former Employee or

14 1 3 a Permitted Transferee of such Employee or former Employee,

shall convert automatically into an equal number of Deferred Shares

- 14 2 The Deferred Shares shall have no right to receive notice of any general meeting of the Company or to attend, speak or vote at any such general meeting

- 14 3 Other than as specified in Article 5.2.1.2, the Deferred Shares shall carry no right to participate in any dividend or other distribution

- 14 4 Deferred Shareholders are not entitled to transfer and the directors may not register a transfer of Deferred Shares unless

14 4 1 it is expressly permitted by Article 9 or has been made in accordance with Articles 11 or 12 (as appropriate),

14 4 2 such transfer is made directly in respect of a Realisation, or

14 4 3 the Alchemy Director has consented to such transfer

- 14 5 The Company may (and shall if requested by the Alchemy Director) at any time

14 5 1 appoint any person on behalf of any Deferred Shareholder to sign a transfer of such Deferred Share for such consideration and to such person as the Directors may determine, and

14 5 2 subject to the provisions of the 2006 Act, cancel any Deferred Share without making any payment to or obtaining the sanction of the holder of such share

#### 15 **Related party transactions**

Except for (1) revenue transactions in the ordinary course of business between (i) the Company or any of its subsidiaries and (ii) a member who is also an Employee of the Company or any of its subsidiaries which relate to the member in his capacity as such an Employee, (2) transactions to which the Company or any of its subsidiaries is a party which are permitted or provided for by these Articles and (3) any transaction to which the Company is a party on arm's length terms which does not exceed £500,000 in value, if the Company or any of its subsidiaries is proposing to enter into a transaction with any member or any Affiliate of a member or any owner of the beneficial interest in any Shares or any Affiliate of such owner, prior to entering into such transaction, the Company shall obtain the consent of its members by ordinary resolution, or by the written consent of such members as hold

voting rights sufficient to pass such ordinary resolution were a general meeting of the Company to be held for this purpose and, in each case, the relevant member who is or whose Affiliate, or the holder of the beneficial interest in the share of which, is interested in the relevant transaction shall not, and shall not be entitled to, vote on such resolution or sign such consent (as the case may be)

## 16 Pre-emption rights on issue

16 1 ~~The pre-emption provisions of section 89(1) of the Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the Act shall not apply to any allotment of the Company's equity securities (as defined in section 94 of the Act)~~

16 2 Subject to Article 16.4, ~~the Company shall not, and shall procure that its subsidiaries shall not, issue any Shareholder Instruments unless~~

16 2 1 in relation to an issue of shares or securities forming part of the ~~equity share capital of the Company including any right to subscribe for or convert any security into shares of the Company, such shares or securities are first offered to each member in a proportion as nearly as practicable as is equal to their percentage ownership of the Fully Diluted Share Capital at that time,~~

16 2 2 in ~~relation to an issue of shares or securities not forming part of the equity share capital of the Company, if such class of shares or securities has not previously been issued, such shares or securities are first offered to each member in a proportion as nearly as practicable as is equal to their percentage ownership of the Fully Diluted Share Capital at that time or, if such shares or securities have previously been issued, such shares or securities are first offered to each member in a proportion as nearly as practicable as is equal to their percentage ownership of such class of shares or securities at that time,~~

16 2 3 in relation to any Shareholder Instruments ~~except for those referred to in Articles 16 2.1 or 16 2 2, such Shareholder Instruments are first offered to each member in a proportion as nearly as practicable as is equal to the proportion of the total shareholder debt amount (being the aggregate amount of principal and accrued but unpaid interest of all Shareholder Instruments in issue which evidence indebtedness) represented by the aggregate amount of principal of, and accrued but unpaid interest on, all such Shareholder Instruments held by that member at that time~~

16 3 ~~The following provisions apply to any offer made pursuant to Article 16 2~~

16 3 1 such offer shall be open for a period of 14 days,

16 3 2 such offer shall be on the same terms and conditions for all members to whom the offer is made,

16 3 3 any member shall be ~~entitled to elect that any shares or securities which are not accepted by it but which it is entitled to subscribe for shall be allotted in such proportion as he may determine to any person to whom such member would be entitled to transfer Shares pursuant to Articles 9 2 to 9 6 (inclusive) (the "Election") (and any such member shall notify the Company of this Election within the 14 day offer period),~~

16 3 4 the members who accept the offer made pursuant to Article 16 2 shall be entitled to indicate that they would accept Shareholder Instruments (and the maximum number that they would accept) that have not been accepted by other members or by any person in whose favour an Election was made ("Remaining Shareholder Instruments") The Remaining Shareholder Instruments shall then be allotted to the members who have indicated that they would accept Remaining Shareholder Instruments in the numbers they have indicated or, if there are insufficient Remaining Shareholder Instruments, as

nearly as practicable in the proportion that the number of Remaining Shareholder Instruments each member indicated he would accept, bears to the total number of Remaining Shareholder Instruments, and

- 16 3 5 any shares which are not accepted by any member or by any person in whose favour an Election was made may be allotted to such other person as the directors determine --
- 16 4 The provisions of Articles 16 2 and 16 3 do not apply to any issue of Shareholder Instruments:
  - 16 4 1 as consideration for an acquisition by the Company of shares, other securities or assets, in each case, on arm's length terms; or
  - 16 4 2 where, in reasonable the opinion of the directors of the Company, the need for the Company to receive promptly the proceeds of an allotment of Shareholder Instruments means it is not practicable to comply in advance of such receipt with the obligations otherwise imposed by Articles 16 2 and 16 3 (an "Emergency Issue")
- 16 5 Within 30 days of any allotment of Shareholders Instruments which was an Emergency Issue, the Company shall offer all members to whom such Shareholder Instruments have not been offered but who would otherwise have been entitled to such offer pursuant to Article 16 2 (the "Non-Participating Members") the opportunity by notice in writing to the Company to require the Company to have issued to them Shareholder Instruments of the same type and on the same terms as those issued pursuant to an Emergency Issue as if such Shareholder Instruments were offered for subscription on the basis envisaged by Article 16 3 above (including the ability to elect for Remaining Shareholder Instruments that have not been accepted by other Non-Participating Members) so as to ensure that their percentage ownership of the Fully Diluted Share Capital after such offer is equal to their percentage ownership of the Fully Diluted Share Capital prior to the Emergency Issue
- 16 6 The Deferred Shareholders shall not be entitled to participate in any offer of Shares made pursuant to this Article 16 or otherwise
- 17 **General provisions**
  - 17 1 **Shareholders' meetings and resolutions**
    - 17 1 1 Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days" and by the insertion of the words "or the Alchemy Director acting alone" after the second word of that regulation
    - 17 1 2 Regulation 40 of Table A is modified by the deletion of the second sentence and the substitution for it of the words "A person or persons (being a member or a proxy for a member or a duly authorised representative of a corporation) holding or representing at least 50 per cent in nominal value of the Ordinary Shares in issue shall be a quorum"
    - 17 1 3 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member
    - 17 1 4 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote and regulation 46 of Table A is modified accordingly

- 17 1 5 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose
- 17 1 6 Regulation 53 of Table A is modified by the addition at the end of the following sentence "If a resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly"
- 17 1 7 Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine"
- 17 1 8 Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it"
- 17 1 9 Regulation 62 of Table A is modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraphs (a) and (aa) of the words, "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours"

## 17 2 Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) is not subject to any maximum and the minimum number is one

## 17 3 Alternate directors

- 17 3 1 The Alchemy Director and any director appointed pursuant to Article 17 4 3 is entitled to appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director That person need not be approved by resolution of the directors and regulation 65 of Table A is modified accordingly --
- 17 3 2 An alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A is modified accordingly.
- 17 3 3 Regulation 68 of Table A is modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post, facsimile transmission or electronic communication to the office or such other place as may be designated for the purpose by the directors "

## 17 4 Appointment, retirement and removal of directors

- 17 4 1 The directors are not subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation is to be disregarded
- 17 4 2 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director
- 17 4 3 Any member of the Company holding the Applicable Percentage or more in nominal value of the Ordinary Shares in issue from time to time shall have the right to appoint a person who is willing to act to be a director and shall have the right to remove such appointed director and appoint a replacement in his place, in each case, by serving notice on the Company Such appointed director shall automatically cease to be a director if and at the time his appointor ceases to hold the Applicable Percentage in nominal value of the Ordinary Shares in issue from time to time

- 17 4 4 A person appointed by the directors to fill a vacancy or as an additional director... need not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A are deleted
- 17 4 5 The holders of a majority of the shares giving the right to vote at general meetings may at any time and from time to time by serving notice on the Company remove any director from office and appoint any person to be a director. A removal or appointment takes effect when the notice is received by the Company or on a later date specified in the notice.

Article 17.4.5 does not apply to the removal or appointment of an Alchemy Director or to a director appointed pursuant to Article 17.4 3

## 17 5 Disqualification and removal of directors

- 17 5 1 The office of a director shall be vacated if -
- 17 5 1 1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director,
  - 17 5 1 2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;-
  - 17 5 1 3 he resigns his office by notice in writing to the Company;
  - 17 5 1.4 he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during such period attended any such meetings instead of him, and the directors resolve that his office be vacated, or
  - 17 5 1 5 (other than in the case of the Alchemy Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors
- 17 5 2 A person voting against a resolution under section 303 of the Act to remove the Alchemy Director is deemed, in respect of that resolution, to have five times the votes of a person voting in favour of the resolution and regulation 54 of Table A is modified accordingly

## 17 6 Proceedings of directors

- 17 6 1 Regulation 88 of Table A is modified by the deletion of the third sentence and the substitution for it of the following sentence "Every director shall receive notice of a meeting; whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting either prospectively or retrospectively."
- 17 6 2 The quorum for the transaction of the business of the directors shall be
- 17 6 3 in circumstances where a Default has arisen and is continuing or an Event of Default has occurred and is continuing, be one Alchemy Director, and
- 17 6 4 in all other circumstances shall be two directors, one of whom shall be a Manager (as defined in the Shareholders' Agreement) and the other shall be an Alchemy Director unless all Alchemy Directors and Managers have been given reasonable written notice of such meeting, waive that right to attend or have appointed an alternate director who attends or similarly waives his right to attend in which case the quorum shall be any two directors
- 17 6 5 Regulation 89 of Table A is amended accordingly

- 17 6 6 Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of the directors is for the purposes of the Articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is 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.
- 17 6 7 Meetings of the board of directors shall take place no less frequently than once per calendar month and at least five working days' notice shall be given to each director provided that (i) board meetings may be held less frequently than once per calendar month with the consent of the Alchemy Director and (ii) board meetings may be convened on less than five working days' notice with the consent of both the Alchemy Director and any director appointed pursuant to Article 17 4 3.
- 17 6 8 If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the Articles by resolution in writing signed by him, and regulations 88, 89, 91 and 93 of Table A and Article 17 6 2 shall not apply.
- 17.6.9 Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, any interest or duty. The director shall be counted in the quorum present when any such resolution is under consideration and if he votes his vote shall be counted.

## 17 7 **Borrowing powers of directors**

The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party—

## 17 8 **Dividends**

The directors may deduct from any dividend or other moneys payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.

## 17 9 **Capitalisation of profits**

The directors may, with the authority of an ordinary resolution of the Company, resolve that any shares allotted under regulation 110 of Table A to any member in respect of a holding by him of any partly paid shares rank for dividends, so long as those shares remain partly paid, only to the extent that those partly paid shares rank for dividend and regulation 110 of Table A is modified accordingly.

## 17 10 **Notices**

- 17 10 1 Regulation 112 of Table A is modified by the deletion of the last sentence and the substitution for it of the following: "A member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."



- 17 10.2 A notice sent by post to an address within the United Kingdom is deemed to be given 24 hours after posting, if pre-paid as first class, and 48 hours after posting, if pre-paid as second class. A notice sent by post to an address outside the United Kingdom is deemed to be given four days after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left. A notice sent using electronic communications shall be deemed to have been received on the day following that on which it was sent.
- 17 10.3 Regulation 116 of Table A is modified by the deletion of the words "within the United Kingdom".
- 17 10.4 Where the Articles require notice to be given by the holders stated percentage of shares, notice may consist of several documents in similar form each signed by or on behalf of one or more shareholders.
- 17-11 Indemnity**
- 17 11 1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director, alternate director or secretary of the Company or any associated company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him from time to time in the proper execution of his duties or the proper exercise of his powers, authorities and discretions (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the affairs of the Company or any associated company; provided that this Article shall be deemed not to provide for, or entitle any such person to indemnification to the extent that it would cause this Article (or any part of it) to be void under the Act. Further, to the extent permitted by the Act, the Company may provide any director, alternate director, secretary or other person with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil (including regulatory) proceedings or in connection with an application under any section 144(3), 144(4) or 727 of the Act.
- 17 11 2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director; alternate director; secretary or auditor, or former director, alternate director, secretary or auditor, 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 retirement benefit scheme or another trust in which a director, alternate director or secretary or former director, alternate director or secretary is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.
- 17 12 Inspection of Records**
- 17 12 1 Except as provided in Article 17 12 2, any member holding the Inspection Percentage shall be entitled to receive from the Company:
- 17 12 1 1 the audited consolidated accounts of the Group for each financial year as soon as practicable and at the latest by three months after the end of that financial year,
- 17 12 1 2 no later than one month before the start of each financial year, an annual budget for the Group for that financial year approved in writing by the Alchemy Directors,

17 12 1 3 management accounts for 4 and 5 week periods consisting of a balance sheet, profit and loss account and cashflow statement and a forecast balance sheet, profit and loss account and cashflow statement for the period from the date of such management accounts to the end of the then current financial year of the Company, as soon as practicable, and at the latest by three weeks after the end of each such 4 or 5 week period:

- (i) on a consolidated basis for the Group,
- (ii) for the Company and each trading subsidiary undertaking, and
- (iii) containing appropriate comparisons with prior years and the Approved Budget and a commentary thereon,

17 12 1 4 such other financial or management information relating to the Group as may be provided to Alchemy or Alchemy Partners LLP as a result of the exercise by either Alchemy or Alchemy Partners LLP of its rights under clause 6.14 of the Shareholders Agreement,

such information to be provided at the same time that it is provided to Alchemy or Alchemy Partners LLP. In addition, any member holding the Inspection Percentage shall be entitled to request from the Company such other financial or management information as it may from time to time reasonably require and such reasonably required information shall be provided within 10 days of such request. The provision of information to a member pursuant to this Article 17.12 1 shall be subject to such confidentiality requirements as the Board deems reasonably appropriate in the circumstances. Subject to such requirements having been satisfied in the reasonable opinion of the Board, the Company shall provide such information following any such request.

17 12 2 No member who is an Excluded Shareholder shall be entitled to the benefit of the provisions of Article 17 12 1 and shall merely be entitled to receive copies of the annual financial statements of the Company at the time they are sent to members generally.