

Company number  
5754978

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS OF  
PALL MALL FINANCE HOLDINGS LIMITED

(the **Company**)

By written resolutions to take effect as special resolutions of the Company dated 7 April 2006 the sole member of the Company agreed to the following resolutions being passed:

1. That:

- (a) the articles of association of the Company in the form attached hereto (the **New Articles**) be adopted in substitution for and to the exclusion of all existing articles of association; and
- (b) the authorised share capital of the Company be reduced by £249,900 to £250,100 by the cancellation of 47,500 "A" ordinary shares of £1 each and 202,400 "B" ordinary shares of £1 each, resulting in an authorised share capital of £250,100 being 52,500 "A" ordinary shares and 197,600 "B" ordinary shares each having the rights ascribed to such class of shares in and subject to the New Articles.
- (c) 100 "B" ordinary shares of £1 each be redesignated as "C" ordinary shares of £1 each, resulting in an authorised share capital of 52,500 "A" ordinary shares, 197,500 "B" ordinary shares and 100 "C" ordinary shares each having the rights ascribed to such class of shares in and subject to the New Articles.
- (d) the directors be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot, or to grant any right to subscribe for or to convert any security into, shares in the Company up to a maximum nominal amount of £250,100 at any time or times during the period from the date of the passing of this resolution up to and including 6 April 2011 on which date the authority given by this resolution shall expire and such authority shall allow the Company to make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after the expiry of the authority. All previous authorities under section 80 of the Companies Act 1985 shall cease to have effect.



For Pall Mall Finance Limited (sole member)



- (c) The directors with the consent of the Majority Investors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office and regulation 91 shall be construed accordingly.
- (d) A 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 the 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.
- (e) Meetings of the board of directors shall take place no less frequently than once each calendar month and at least five working days' notice shall be given to each director of such a meeting provided that with the consent of a majority of the directors, including an PMF Director, board meetings may be held less frequently and/or convened on shorter notice.
- (f) If and for so long as there is a sole director of the Company:
  - (i) he may exercise all the powers conferred on the directors by the Articles by any means permitted by the Articles or the Act;
  - (ii) for the purpose of regulation 89 of Table A the quorum for the transaction of business is one; and
  - (iii) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise).
- (g) 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, an interest or duty PROVIDED THAT he has first obtained the consent of the Majority Investors (unless the director concerned is an PMF Director or any Investor Director, in which case no such consent shall be required). 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.

#### **18.18 Dividends**

- (a) The directors may deduct from a dividend or other moneys payable to a member on or in respect of a share any amounts presently payable by him to the Company in respect of that share.
- (b) Regulation 103 of Table A shall be modified by the addition of the following words: "with the consent of the Majority Investors" after the words "the directors" in the first sentence of regulation 103.

#### **18.19 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 shall, so long as those shares remain partly

paid, rank for dividends only to the extent that those partly paid shares rank for dividend and regulation 110 of Table A shall be modified accordingly.

## 18.20 Notices

- (a) Regulation 112 of Table A is modified by:
  - (i) the addition of the following sentence at the end of the first sentence of regulation 112: "Without prejudice to any provision of the Act or any other legislation or to any other provisions of these Articles requiring notices or documents to be delivered in a particular way, the Company may also give any notice to a member by fax (except for share certificates) to a fax number notified by the shareholder in writing or by electronic mail or by any other data transmission process (except for share certificates) to an address notified by the shareholder in writing for such purpose; and
  - (ii) 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 is entitled to have notices given to him at that address."
- (b) A notice sent to a member (or to another person entitled to receive notices under the Articles) by post to an address within the United Kingdom is deemed to be given:
  - (i) 24 hours after posting, if pre-paid as first class; or
  - (ii) 48 hours after posting, if pre-paid as second class.

A notice sent to a member (or to another person entitled to receive notices under the Articles) by post to an address outside the United Kingdom is deemed to be given 72 hours 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 or document (other than a share certificate) sent by fax is treated as being delivered at the time it was sent. A notice or document (other than a share certificate) sent by electronic mail or by any other data transmission process is treated as being delivered at the time it was sent.
- (c) Regulation 116 of Table A is modified by the deletion of the words "within the United Kingdom".
- (d) Where the Articles require notice to be given by the holders of a stated percentage of shares, notice may consist of several documents in similar form each signed by or on behalf of one or more shareholders.
- (e) Members can deliver a notice or other document to the Company:
  - (i) by delivering it by hand to the registered office of the Company from time to time;
  - (ii) by sending it by post or other delivery service not referred to below in an envelope (with postage or delivery paid) to the registered office of the Company from time to time;
  - (iii) by fax to the fax number notified by the Company in its communications to shareholders for this purpose; or

- (iv) so far as the legislation allows, by electronic mail or by any other data transmission process to the address notified by the Company in its communications to shareholders for this purpose.

A notice of document delivered by hand is treated as being delivered at the time it is left at the registered office of the Company from time to time.

A notice or document sent by post or other delivery service not referred to below is treated as being delivered at the time it is received at the registered office of the Company from time to time.

A notice or document sent by fax is treated as being delivered at the time it was received.

A notice or document sent by electronic mail or by any other data transmission process is treated as being delivered at the time it was received.

This article does not affect any provision of the Act or any other legislation or any other provisions of the Articles requiring notices or documents to be delivered in a particular way.

#### **18.21 Indemnity**

- (a) Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, each person who is a director, alternate director or secretary of the Company shall be and be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his powers, authorities and discretions including, without limitation, a liability incurred:
  - (i) defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without a finding or admission of material breach of duty on his part; or
  - (ii) in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- (b) The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was:
  - (i) a director, alternate director, secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or
  - (ii) a trustee of a retirement benefits scheme or other trust in which a person referred to in paragraph (i) above is or has been interested;

indemnifying him and keeping him indemnified 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.

#### **18.22 Borrowing Powers**

The directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of monies, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets 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.

**19 Relationship with Facilities Agreements**

- 19.1 The provisions of regulations 102 to 108 (inclusive) of Table A are subject to the following provisions of this article 19.
- 19.2 Any payment, the making or declaration of any dividend or other distribution on any class of shares shall be made subject to and in accordance with the terms of the Facilities Agreements and the Intercreditor Deed.
- 19.3 If the payment or making of all or any part of such dividend or other distribution cannot be paid or made by virtue of the Facilities Agreements and/or the Intercreditor Deed, then such dividend or other distribution shall be paid or made upon any necessary consent being obtained or the prohibition ceasing to apply.
- 19.4 This article shall not restrict or prevent the accrual of interest at a specified rate on any scheduled dividend payments or on any scheduled repayments which are not paid by the Company by virtue of the provisions of the Facilities Agreements and/or the Intercreditor Deed.
- 19.5 Where article 4.2 applies articles 19.1 to 19.3 (inclusive) shall operate subject to article 4.2.

## **17 Variation of class rights**

- 17.1 The rights attaching to the "A" Ordinary Shares shall only be adversely varied with the consent in writing of the holders of not less than 60 per cent of the "A" Ordinary Shares or by an extraordinary resolution passed at a separate class meeting of the holders of the "A" Ordinary Shares. Any variation which does not adversely affect their rights shall not require such consent.
- 17.2 The rights attaching to the "B" Ordinary Shares shall only be adversely varied with "B" Ordinary Shareholder Consent or by an ordinary resolution passed at a separate class meeting of the holders of the "B" Ordinary Shares. Any variation which does not adversely affect their rights shall not require such consent.
- 17.3 The rights attaching to the "C" Ordinary Shares shall only be adversely varied with the "C" Ordinary Shareholder Consent or by an extraordinary resolution passed at a separate class meeting of the holders of the "C" Ordinary Shares. Any variation which does not adversely affect their rights shall not require such consent.
- 17.4 The provisions of these articles relating to general meetings of the Company or to the proceedings at such meetings shall, mutatis mutandis, apply to any separate meeting of the holders of any class of shares except that the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class (unless all the shares of any class are registered in the name of a single shareholder in which case the quorum shall be that person, his proxy or duly authorised representative of such shareholder);
- (a) at any adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy;
  - (b) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
  - (c) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- 17.5 Articles 6, 7, 12, 15 and 17.5 cannot be varied without the consent in writing of the holders of 90% of the "B" Ordinary Shares.

## **18 General provisions**

### **18.1 Preliminary**

The Company is a private company limited by shares and accordingly any offer to the public of shares in or debentures of the Company or any allotment of or agreement to allot shares in or debentures of the Company with a view to their being offered for sale to the public is prohibited. Subject as hereinafter provided and except where the same are varied by or inconsistent with the present articles, the regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 (as amended prior to the adoption of these Articles) hereinafter referred to as "Table A" ) shall apply to the Company

### **18.2 Share Certificates**

Regulation 6 of Table A is modified by the inclusion of the following words after the words "with the seal" in the second sentence of regulation 6: "or shall be signed by a director and the secretary of the Company, or by two directors of the Company . . ."

### **18.3 Lien**

- (a) Regulation 8 of Table A is modified by the deletion of the words "(not being a fully paid share)".
- (b) The lien conferred by regulation 8 of Table A shall apply to all shares, whether fully paid or not, and to all shares registered in the name of any person under a liability (whether actual or contingent) whether he shall be the sole registered holder of such shares or one of two or more joint holders of such shares and regulation 8 of Table A shall be construed accordingly.

### **18.4 Purchase of Own Shares**

Regulation 35 of Table A shall be modified by the deletion of the words "otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares" and the substitution for them of the words ", whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise".

### **18.5 General Meetings**

- (a) 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 a PMF Director acting alone" after the second word of that regulation.
- (b) A general meeting may consist of a conference between members some or all of whom are in different places provided that each member who participates is able:
  - (i) to hear each of the other participating members addressing the meeting; and
  - (ii) if he so wishes, to address all of the other participating members simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.

A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of members required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting shall be decided by each member indicating to the chairman (in such manner as the chairman may direct) whether the member votes in favour of or against the resolution or abstains. References in this article to members shall include their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

### **18.6 Notice of General Meetings**

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution must be called by at least 21 clear days' notice. All other extraordinary general meetings must be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of an annual general meeting or a meeting called for the passing of an elective resolution, by all the members entitled to attend and vote at that meeting; and

- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being a majority (i) together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, together holding not less than 95 per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify that the meeting is an annual general meeting.

Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

#### **18.7 Proceedings at General Meetings**

- (a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and for its duration. Two persons entitled to vote upon the business to be transacted (one of whom shall be PMF unless the Majority Investors otherwise agree in writing), each being a member or a proxy for a member or a duly authorised representative of a corporation shall be a quorum. If a meeting is adjourned pursuant to regulation 41 of Table A because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour of the time set for that meeting, the members present shall be a quorum.
- (b) 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.
- (c) 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.
- (d) Regulation 51 of Table A is amended by replacing the first and second sentences with the following words: "A poll demanded shall be taken forthwith".
- (e) Regulation 53 of Table A is modified by the addition of the following words after the words "each member" "(or by any director or the secretary of a corporation who is a member)" and by the addition at the end of the first sentence of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."

#### **18.8 Votes of Members**

- (a) A proxy shall be entitled to vote on a show of hands and regulation 54 shall be construed accordingly.
- (b) Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine,".
- (c) Regulation 59 of Table A is modified by the addition at the end of the second sentence 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."



- (d) An instrument appointing a proxy must be in writing in any usual form or in any other form which the directors may approve and must be executed by or on behalf of the appointor.
- (e) 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 paragraph (a) 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".

#### **18.9 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. A sole director shall have authority to exercise all the powers of the Company vested in the directors.

#### **18.10 Alternate Directors**

- (a) The PMF Directors and any Investor Director may 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. In regulation 67 of Table A the words "but, if" and those words which follow to the end of the regulation shall be deleted.
- (b) 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 of which his appointor is a member. An alternate director may waive the requirement that notice be given to him of a meeting of directors or a committee of directors of which his appointor is a member, either prospectively or retrospectively. Regulation 66 of Table A is modified accordingly.
- (c) An alternate director shall not be entitled as such to receive any remuneration from the Company although he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of regulation 66 of Table A shall be modified accordingly.
- (d) A director, or any other person mentioned in regulation 65 of Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the Board to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one person for the purpose of determining whether a quorum is present.
- (e) Regulation 68 of Table A is modified by the addition at the end of the first sentence of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or another place designated for the purpose by the directors."

#### **18.11 Delegation of Directors' Powers**

Regulation 72 of Table A is modified by the addition at the end of the regulation of the following sentence: "Where a provision of the Articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision must be construed as permitting the exercise of the power, authority or discretion by the committee."

#### **18.12 Appointment and Retirement of Directors**

- (a) The directors are not subject to retirement by rotation. Regulations 73, 74 and 75 of Table A do not apply, and reference in regulations 67, 78 and 84 of Table A to retirement by rotation is to be disregarded.
- (b) The Company may by ordinary resolution appoint a person who is willing to and act to be a director either to fill a vacancy or as an additional director.
- (c) A person appointed by the directors to fill a vacancy or as an additional director is not required to 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.
- (d) The holder or holders of more than half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may by serving notice on the Company remove a director from office and appoint a person to be a director. Any such removal shall be without prejudice to the rights of the person removed to claim damages in respect of any termination or breach of his employment terms thereby occasioned. The notice may consist of several documents in similar form each signed by or on behalf of one or more holders and shall be left at, or sent by post or facsimile transmission to the registered office of the Company or such other place designated by the directors for the purpose. A removal or appointment takes effect when the notice is received by the Company or on such later date (if any) specified in the notice. This article does not apply to the removal or appointment of the PMF Directors or any Investor Director.
- (e) No person shall be or become incapable of being appointed a director by reason only of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no director shall vacate his office at any time by reason only of the fact that he has attained the age of seventy or any other age. Section 293 of the Act shall not apply to the Company.

#### **18.13 Disqualification and Removal of Directors**

- (a) The office of a director shall be vacated if:
  - (i) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
  - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director;
  - (iv) he resigns his office by notice in writing to the Company;
  - (v) 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 that period attended any such meetings instead of him, and the directors resolve that his office be vacated;
  - (vi) (other than in the case of an PMF Director or any Investor Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or

- (vii) (other than in the case of an PMF Director or any Investor Director) he is removed from office by notice given by a member or members under article 18.12(d); or
  - (viii) being an executive director he shall, for whatever reason, cease to be employed by any member of the Group and does not continue to be employed by any member of the Group.
- (b) Those persons voting against a resolution under section 303 of the Act to remove an PMF Director or any Investor Director or voting against a resolution to amend or alter this article 18.13(b) or article 6 or to alter their respective effect are deemed, in respect of that resolution, to have votes which together carry at least one vote in excess of seventy-five per cent. of the votes exercisable at the general meeting at which such a resolution is to be proposed and such votes shall be apportioned amongst such persons in the proportions in which they hold shares in the capital of the Company and regulation 54 of Table A is modified accordingly.

#### **18.14 Remuneration of Directors**

A director who, at the request of the other directors, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the directors (including the PMF Director) may decide.

#### **18.15 Director's appointments and interests**

- (a) Regulation 84 of Table A shall be modified by addition of the words: "with the consent of the Majority Investors" after the words "the directors" and before the words "may appoint" in the first sentence of regulation 84, and after the words "the directors" and before the word "determine" and after the words "as they" and before the words "think fit" in the second sentence of regulation 84.
- (b) Regulation 85 of Table A shall be modified by the addition of the words: "and except in the case of the PMF Director or any Investor Director to the consent of the Majority Investors" after the words "provisions of the Act" and before the words ", and provided that he has disclosed" in the first sentence of regulation 85.

#### **18.16 Directors' gratuities and pensions**

Regulation 87 shall be modified by the addition of the words: "with the consent of the Majority Investors" after the words "The directors" and before the words "may provide benefits" in the first sentence of regulation 87.

#### **18.17 Proceedings of Directors**

- (a) Regulation 88 of Table A is modified by the exclusion of the third sentence and the substitution for it of the following sentences: "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 meeting of directors or a committee of directors, either prospectively or retrospectively" and by the addition of the word "not" between the words "shall" and "have" in the fourth sentence.
- (b) The quorum for the transaction of the business of the directors shall be two directors present throughout the meeting of whom one is an PMF Director, unless otherwise agreed in writing by the Majority Investors or the meeting has previously been postponed by seven days or more because an PMF Director was not present .

**Conformed Copy**

**Company No. 5754978**

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

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**ARTICLES OF ASSOCIATION  
OF PALL MALL FINANCE HOLDINGS  
LIMITED INCORPORATED  
ON 7 APRIL 2006  
ADOPTED BY SPECIAL RESOLUTION  
PASSED ON 7 APRIL 2006**

## CONTENTS

Clause	Page
1 Interpretation .....	1
2 Table A .....	5
3 Share capital.....	5
4 "A" Ordinary Shares and "B" Ordinary Shares .....	5
5 Deferred shares.....	7
6 Issue of New Shares .....	7
7 PMF/Investor Directors.....	8
8 Ratchet .....	9
9 Provisions applying on every transfer of "A" and "B" and "C" Ordinary Shares.....	13
10 Transfer restrictions for "A" Ordinary Shareholders and "C" Ordinary Shareholders .....	14
11 Compulsory transfer .....	15
12 Transfer restrictions for "B" Ordinary Shareholders .....	17
13 Pre-emption rights .....	19
14 Transfers which change control .....	21
15 Tag along for "B" Ordinary Shares .....	23
16 Bring-along rights .....	24
17 Variation of class rights .....	25
18 General provisions.....	25
19 Relationship with Facilities Agreements.....	34

Company No: 5754978

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

PALL MALL FINANCE HOLDINGS LIMITED

adopted by special resolution passed  
on 7 April 2006

1 Interpretation

- 1.1 The following words and expressions shall bear the following meanings in these articles:

**"A" Loan Notes** means the unsecured loan notes to be issued by Pall Mall Finance Acquisitions Limited and to be constituted by the "A" Loan Note Instrument

**"A" Loan Note Instrument** means the instrument executed by Pall Mall Finance Acquisitions Limited dated on or around the date on which these articles are adopted constituting the £12,603,706 "A" unsecured loan notes of Pall Mall Finance Acquisitions Limited

**"A" Ordinary Shareholder** means a person entered in the register of members of the Company as the holder from time to time of an "A" Ordinary Share

**"A" Ordinary Shareholder Consent** means the consent of the holders of 60% of the "A" Ordinary Shares

**"Adoption Date"** means 7 April 2006

**"Auditors"** means the auditors of the Company from time to time

**"B" Loan Notes** means the unsecured loan notes to be issued by Pall Mall Finance Acquisitions Limited and to be constituted by the "B" Loan Note Instrument

**"B" Loan Notes Instrument** means the instrument executed by Pall Mall Finance Acquisitions Limited dated on the date on which these articles are adopted constituting the £129,742,710 "B" unsecured loan notes of Pall Mall Finance Acquisitions Limited

**"B" Ordinary Shareholder** means a person entered in the register of members of the Company as the holder from time to time of a "B" Ordinary Share

**"B" Ordinary Shareholder Consent** means the consent of the holders of 60% of the "B" Ordinary Shares or, for the purposes of Article 6.1 where the further shares are to be issued to PMF (or to any member of its Investor's Group, as defined in the Shareholders' Agreement), the consent of 90% of the holders of the B Ordinary Shares

**"B" Share Minority Investor** means any Investor holding "B" Ordinary Shares comprising 10% or more of the Ordinary Shares, transferred to it pursuant to article 12.13

**Board** means the board of directors of the Company from time to time or any duly authorised committee of such board

**BPE Investors** has the meaning given in the Shareholders' Agreement;

**"C" Ordinary Shareholder** means a person entered in the register of members of the Company as the holder from time to time of a "C" Ordinary Share

**"C" Ordinary Shareholder Consent** means the consent of the holders of 60% of the "C" Ordinary Shares

**Co-Investment Scheme** means a scheme under which certain officers, employees or partners of an Investor or its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares which the Investor would otherwise acquire

**connected** in the context of determining whether one person is connected with another shall be determined in accordance with the provisions of section 839 of ICTA as in the force on the Adoption Date and a **person connected** with another person shall be construed accordingly

**Default Period** means each period commencing on the date on which any of the following first occurs, and ending on the date on which each of the following no longer applies:

- (a) the Company is in breach of any of the financial covenants contained in clause 20 of each Facilities Agreement; or
- (b) the Company or any of the Managers is in material breach of the Shareholders' Agreement or in material breach of these Articles and such breach has not been waived and which (if capable of remedy) has not been remedied within 21 days of it being required to be remedied under the Shareholders' Agreement or Articles

**Deferred Shares** means deferred shares in the capital of the Company carrying the rights and subject to the restrictions set out in article 5

**"Facilities Agreements"** means the £60,000,000 revolving facility agreement originally dated 14 December 2001 and as amended and/or restated from time to time including pursuant to amendment and restatement agreements dated 22 January 2004, 1 March 2005 and on or about the Adoption Date, and an amendment letter dated 3 March 2005 between the Cabot Financial Holdings Group Limited, Kings Hill (No.1) Limited, Morley Limited, Barclays Bank PLC as the Arranger, the Agent and the Security Agent, the Original Lenders and the Original Guarantors (as those terms are defined therein); and the £50,000,000 revolving facility agreement originally dated 1 March 2005, as amended and/or restated from time to time including pursuant to amendment letters dated on 3 March 2005 and 24 January 2006 and an amendment and restatement agreement dated on or about the Adoption Date, between the Cabot Financial Holdings Group Limited, Kings Hill (No.1) Limited, Morley Limited, Barclays Bank PLC as the Arranger, the Agent and the Security Agent, Financial Investigations and Recoveries (Europe) Limited as an Additional Obligor, the Original Guarantors and the Original Lenders (as those terms are defined therein)

**FSMA** means the Financial Services and Markets Act 2000 as amended or its successor legislation

**Fund** means any bank, investment trust or investment company, unit trust, building society, industrial provident or friendly society, any other collective investment scheme (as defined by the FSMA), any investment professional (as defined in article 19(5)(d) of the FSMA (Financial Promotion) Order 2005 (**FPO**), any high net worth company or unincorporated association or high value trust (as defined in article 49(2) (a) to (c) of the FPO), partnership, limited partnership, pension fund or insurance company or any person who is an authorised person under the FSMA, any subsidiary undertaking or parent undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing

**Group** means the Company and its subsidiary undertakings from time to time and **member of the Group** is to be construed accordingly

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

**Investor Director** means a director appointed as such pursuant to article 7

**Investor** has the meaning given in the Shareholders' Agreement and **Investors** shall be construed accordingly, for so long as such person is a party to the Shareholders' Agreement

**investment company** means a company whose sole or principal object is to invest its funds wholly or mainly in "investments" as defined in part II of schedule 2 of the FSMA (or in property or in such other assets referred to in paragraph 21.6 of the Listing Rules made by the LSE pursuant to section 73(2) of the FSMA (as amended from time to time), as the LSE may approve) with the object of spreading investment risk and managing its portfolio for the benefit of its shareholders

**investment trust** means a company which has been approved by, or is seeking approval from, the Inland Revenue as an investment trust for the purposes of section 842 of ICTA in respect of its most recent accounting period or which has announced that it will direct its affairs so as to enable it to seek such approval in respect of its current accounting period

**Issue Price** means the aggregate of the amount paid up (or credited as paid up) and any amount credited to the share premium account on the relevant share in the capital of the Company

**Lead Investor** means PMF

**Lead Managers** has the meaning given in the Shareholders Agreement for so long as such person is a party to the Shareholders Agreement

**Listing** means: (a) together the admission of any of the Company's shares to the Official List of the Financial Services Authority becoming effective and the admission of any of the Company's shares to trading on LSE's market for listed securities becoming effective; or (b) the admission to trading of any of the Company's shares on the Alternative Investment Market of the LSE becoming effective; or (c) equivalent admission to trading to or permission to deal on any other Recognised Investment Exchange becoming effective

**Loan Notes** means the "A" Loan notes and the "B" Loan notes;

**LSE** means the London Stock Exchange plc

**"M" Loan Notes** means the unsecured loan notes to be issued by Pall Mall Finance Acquisitions Limited and to be constituted by the "M" Loan Note Instrument.

**"M" Loan Note Instrument** means the instrument executed by Pall Mall Finance Acquisitions Limited dated on or around the date on which these articles are adopted constituting the £60,000,000 "M" unsecured loan notes of Pall Mall Finance Acquisitions Limited.

**Majority Investors** means the holders of in excess of 50 per cent of the Ordinary Shares from time to time in issue and **Majority Investor Consent** means the written consent of such persons

**Manager** has the meaning given to it in the Shareholders' Agreement

**Market Value** in relation to a share means the price which the Auditors confirm in writing to be in their opinion the market value of the shares concerned on the assumption of the sale of the entire issued share capital of the Company as between a willing seller and a willing purchaser and, in determining such market value, the Auditors shall be instructed in particular:



- (a) to have regard to the rights and restrictions attached to such shares in respect of income and capital
- (b) in the case of the "A" Ordinary Shares, without taking into account whether such shares represent a minority or a majority interest as appropriate; and
- (c) if the Company is then carrying on business as a going concern, to assume that it will continue to do so

**PMF** means Pall Mall Finance Limited, a company incorporated in England and Wales (registered number 568084), whose registered office is at 100 Pall Mall, London SW1Y 5NN

**PMF Director** means a director appointed as such pursuant to article 7

**Ordinary Shareholders** means together the "A" Ordinary Shareholders and the "B" Ordinary Shareholders

**Ordinary Shares** means the "A" Ordinary Shares and the "B" Ordinary Shares in issue from time to time taken together

**Permitted Transferee** means a bona fide institutional or similar private equity investor the identity of which has been disclosed to the Lead Managers before any transfer of shares to them under article 12.13 and in respect of which PMF shall also before any such transfer have given due opportunity to the Lead Managers to meet the representatives thereof and to make representations to PMF (as to which it shall have due regard) as to their suitability as an investor in the Company or Group

**Personal Permitted Transferee** means Privileged Relations, and/or the trustee or trustees from time to time of a family trust set up (apart from any residual beneficiaries should not Privileged Relation survive) for the predominant benefit of one or more Privileged Relations

**Privileged Relation** means in relation to an "A" Ordinary Shareholder or C Shareholder any or all of the following:

- (a) spouse or civil partner (as defined in the Civil Partnerships Act 2004);
- (b) lineal descendants and ascendants in direct line;
- (c) brothers and sisters; and
- (d) the spouse of any such relation

including adopted children and children of civil partners as children or siblings for these purpose

**Recognised Investment Exchange** has the meaning ascribed thereto in section 285(1)(a) FSMA

**Sale** means the transfer (whether through a single transaction or a series of transactions) of 75% or more of the Ordinary Shares in issue to a person or one or more persons who are connected or acting in concert, as defined in the City Code on Takeovers and Mergers in relation to the Company other than a person who is an original party to the Shareholders' Agreement as an Investor or who acquired shares pursuant to articles 12.2 to 12.7 (inclusive)

**Shareholders' Agreement** means the agreement entered into on the Adoption Date made between (1) the Company (2) Kenneth Maynard and others (3) Barclays Private Equity European Fund II 'A' and others (4) Pall Mall Finance Limited and (5) Barclays Private Equity Limited as amended from time to time

**Table A** means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (S.I. 1985 No. 805) (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (S.I. 1985 No. 1052))

- 1.2 The headings in these articles shall not affect the construction of these articles
- 1.3 Unless the contrary intention appears, words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations
- 1.4 A reference in these articles to a "transfer" of shares or any similar expression shall be deemed to include (without limitation):
- (a) any sale or other disposition of the legal or equitable interest in a share (including any voting right attached to a share) (an **Interest**);
  - (b) the creation of any mortgage, charge, pledge or other encumbrance over any Interest;
  - (c) the renunciation of a right to be allotted a share by any member entitled to any such allotment;
  - (d) any direction by a member entitled to an allotment or issue of shares that a share be allotted or issued to some person other than himself; and
  - (e) any grant of an option to acquire either or both of the legal and equitable ownership of any share in the capital of the Company by any member entitled to any such share.
- 1.5 Where an ordinary resolution of the Company is required for any purpose, a special or an extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is required for any purpose, a special resolution is also effective for that purpose.

## **2 Table A**

- 2.1 The regulations contained in Table A apply to the Company except to the extent that they are excluded or modified by these articles.
- 2.2 The first sentence of regulation 24 and regulations 38, 50, 60, 61, 64, 73 to 78 (inclusive), 80, 81, 90, 94 to 98 (inclusive), 115 and 118 of Table A do not apply.

## **3 Share capital**

The authorised share capital of the Company at the Adoption Date is £250,100 divided into:

52,500 "A" ordinary shares of £1 each ("**A" Ordinary Shares**); and

197,500 "B" ordinary shares of £1 each ("**B" Ordinary Shares**); and

100 "C" ordinary shares of £1 each ("**C" Ordinary Shares**).

## **4 "A" Ordinary Shares and "B" Ordinary Shares**

- 4.1 Except as otherwise provided in these articles, the "A" Ordinary Shares and the "B" Ordinary Shares rank *pari passu* but they each constitute a separate class of shares.

#### 4.2 Voting

- (a) The holders of the "B" Ordinary Shares shall in any Default Period subsisting at or arising after the Adoption Date be entitled at any general meeting and at any adjournment thereof to exercise on a poll, in respect of any resolution being passed to implement a bona fide course of action to remedy the cause of the subsistence of the Default Period as approved by the PMF Directors, nine times the total number of votes conferred by all the shares of all other classes for the time being in issue. Such enhanced voting rights shall only arise if the Lead Investor has during a Default Period served notice (**Enhancement Notice**) on the Lead Managers and the Company both at the Company's registered office or at any meeting of the Board specifically activating the enhanced rights under this article 4.2 before lapse of the right on that occasion pursuant to article 4.2(b). Such enhancement shall take effect on service of the Enhancement Notice or at such later time as may be specified therein and shall automatically apply to all the "B" Ordinary Shares and shall cease on whichever is the earlier of the date upon which the Default Period in question ends or the date upon which Majority Investors shall serve on the Company or at a meeting of the Board a notice (**Deactivation Notice**) to end such enhancement in respect of that breach. The service of a Deactivation Notice shall not prevent any Investor from serving a subsequent Enhancement Notice during the same (or any other) Default Period.
- (b) At any time during which an Enhancement Notice may be served but before its service the Board may by notice to the Lead Investor (**Election Notice**) specify the breach giving rise to the Default Period on that occasion and, making express reference to this article 4.2(b), shall specify a date (being not less than 90 days after the date of service of the Election Notice) on which the right to serve an Enhancement Notice in respect of that specified breach on that occasion shall, if not exercised, lapse. Such lapse shall not affect any other right to serve an Enhancement Notice in respect of any breach not specified in the Election Notice.
- (c) Subject to Articles 4.2(a) and (b), the Ordinary Shareholders shall be entitled to receive notice of, attend and speak at and vote at, general meetings of the Company; on a show of hands each Ordinary Shareholder shall have one vote and on a poll the Ordinary Shareholders shall have one vote for each Ordinary Share held by them.
- (d) The C Ordinary Shareholders shall not have any right to receive notice of or attend or speak or vote at general meetings of the Company.

#### 4.3 Sale of Share Capital of the Company

In the event of a Sale then notwithstanding anything to the contrary in the terms and conditions governing such Sale (unless all the selling members immediately prior to such Sale have agreed to the contrary for the purposes of this article 4.3) the selling members immediately prior to such Sale shall procure that the consideration under the Sale (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling members subject (if appropriate) to the provisions of article 8 if they have operated:

- (a) first, in paying to members selling "A" Ordinary Shares and "B" Ordinary Shares (in proportion to the number of such Ordinary Shares held by them) an amount equal to the Issue Price of the "A" Ordinary Shares and "B" Ordinary Shares together with all arrears and accruals of dividends declared but not paid; and
- (b) finally, any remaining balance will be distributed pro rata to members selling "A" Ordinary Shares and "B" Ordinary Shares but subject always of the rights of the sellers of "C" Ordinary Shares to participate in the Excess Equity Proceeds as provided in article 8.

#### **4.4 Income and capital**

- (a) Except as provided in article 8, the Ordinary Shares shall rank *pari passu* as if one and the same class and in priority to the holders of the "C" Ordinary Shares as regards the rights to receive dividends and a return of capital or distributions of capital on a winding up or otherwise.
- (b) The "C" Ordinary Shares shall have no right to receive any dividends or any return of capital or to participate in any capital distributions except as provided in article 8 or, subject thereto and as regards the right only to receive repayment of their Issue Price on a winding up, unless and until the Company has distributed to each Ordinary Shareholder an amount at least equal to the Issue Price in respect of each of the Ordinary Shares then held by him.

#### **5 Deferred shares**

##### **5.1 Dividend Right**

The Deferred Shares shall not be entitled to any dividend or distribution, whether pursuant to these Articles or otherwise nor to participate in any offer of new shares or shares being transferred.

##### **5.2 Voting**

The Deferred Shares shall not entitle the Deferred Shareholders to receive notice of or to attend or vote at any general meeting of the Company by virtue of their holdings of any such Deferred Shares.

##### **5.3 Repurchase**

Subject to the provisions of the Companies Act 1985 (as amended from time to time), the Company shall be entitled to redeem or repurchase the Deferred Shares for a sum of 10 pence in aggregate payable to each holder of such Deferred Shares (as the case may be).

##### **5.4 Transfer**

The Deferred Shares are not transferable.

##### **5.5 Capital**

The holder of each Deferred Share has the right to receive, after all share capital (including premium) on the Ordinary Shares in issue has been paid, 10 pence for every £1,000,000,000 of capital returned or if lower, its Issue Price.

#### **6 Issue of New Shares**

- 6.1 Other than where an issue has been authorised by 'B' Ordinary Shareholder Consent and an 'A' Ordinary Shareholder Consent, any equity securities or shares to be issued (excepting those issued (i) pursuant to clause 2 of the Shareholders Agreement (ii) pursuant to clause 4.4 of the Shareholders Agreement (iii) upon a Listing to raise new finance for the Company or (iv) pursuant to any employee share scheme, employee trust, share option scheme or share ownership plan) (**Further Shares**) shall not be allotted to any person unless the Company has, in the first instance offered such Further Shares to all holders of Ordinary Shares on the same terms and at the same price as such Further Shares are being offered to such other person on a *pari passu* and pro rata basis to the number of Ordinary Shares held by such holders (as nearly as may be without involving fractions). Such offer:

- (a) shall stipulate a time not exceeding 21 days within which it must be accepted or in default will lapse; and

- (b) may stipulate that any members who desire to subscribe for a number of Further Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess Further Shares they wish to subscribe for.
- 6.2 Any Further Shares not accepted by members pursuant to the offer made to them in accordance with Article 6.1(a) above shall be used for satisfying any requests for excess Further Shares made pursuant to Article 6.1(b) above and:
  - (a) thereafter, any excess Further Shares shall be offered to any other person at the same price and on the same terms as the offer to the members but only within a period not exceeding 3 months from the date of their original offer to the members under this Article; or
  - (b) in case of competition, such excess Further Shares shall be allotted to the applicants in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of Ordinary Shares.
- 6.3 As regards further issues, the rights conferred upon the holders of Deferred Shares shall be deemed not to be modified, varied or abrogated by the creation or issue of further shares (whether ranking *pari passu* with or in priority to the Deferred Shares or otherwise) or by any other alteration whatsoever to the share capital of the Company.
- 6.4 Sections 89(1) and Sections 90(1) to (6) of the Act shall not apply to the Company.

## **7 PMF/Investor Directors**

- 7.1 PMF is entitled to appoint two directors to the Board (each an **PMF Director**) and is entitled to remove any such director and appoint another person in their place. The initial appointments of the PMF Directors shall be made pursuant to the Shareholders' Agreement. Subsequent appointments and removals shall be made by written notice served on the Company. Each such appointment and removal shall take effect forthwith upon such notice being received by the Company.
- 7.2 Each of (i) the BPE Investors (for so long as the BPE Investors hold 10% or more of the "B" Ordinary Shares in issue) and (ii) the "B" Share Minority Investors (acting by majority of the "B" Ordinary Shares held by them and provided the entitlement provided under this Article 7.2(ii) in respect of the "B" Share Minority Investors shall only apply for so long as the "B" Share Minority Investors hold 10% or more of the "B" Ordinary Shares in issue) shall be entitled to appoint one director to the Board (an **Investor Director**) and shall be entitled to remove any such director and appoint another person in his place. For the purposes of determining whether the "B" Share Minority Investors have the requisite shareholding entitling them to appoint an Investor Director pursuant to this Article 7.2, the shareholdings of any person within the PMF Group shall be ignored (and for these purposes a person shall be in the **PMF Group** if that person is in the same Investor Group as PMF for the purposes of the Shareholders' Agreement). Any appointment and removal of an Investor Director pursuant to this Article 7.2 shall be made by written notice served on the Company. Each such appointment and removal shall take effect forthwith upon such notice being received by the Company.
- 7.3 PMF and the appointing BPE Investors and "B" Share Minority Investors shall each have the right to appoint an PMF Director and an Investor Director respectively to the board of directors of any subsidiary undertaking of the Company and to any committee of the board of any member of the Group and the provisions of article 7.1 relating to notice shall apply *mutatis mutandis* to any such appointment.
- 7.4 PMF is also entitled when there is no or only one PMF Director in office, and each of the BPE Investors and the "B" Share Minority Investors (acting by majority of the "B" Ordinary Shares held by them) are also entitled when there is no Investor Director in office to each appoint and remove any person (and to appoint another person in his place) as an observer (**Observer(s)**) to attend all meetings of the Board. Any such

person shall be entitled to receive notice of such meetings of the Board as if he was a director of the Board. Any such appointments and removals shall be made by written notice served on the Company and any such Observer(s) shall be deemed to have been removed if a PMF Director or an Investment Director respectively is appointed. The Observer(s) shall be entitled to attend and speak at any meetings of the directors of any members of the Group and any committees of those boards but shall not be entitled to vote nor shall the Observer(s) be or be regarded as an officer of any member of the Group.

## **8 Ratchet**

- 8.1 In the event of a Sale, Listing or a solvent winding-up or dissolution of the Company (**Winding-Up**) where the Total Fund Return exceeds the Target Return and the Loan Notes have all been redeemed (or sold under the terms of a Sale) then immediately prior to but conditional upon such Sale, Listing or a distribution or following a Winding-Up (**Relevant Date**) such number of "B" Ordinary Shares shall be converted by reclassification into Deferred Shares as shall result (after taking account of article 8.4) in the holders of the "C" Ordinary Shares immediately following such conversion holding a proportion of the issued equity share capital which has a value (by reference to the Exit Value) equal to nine percent (9%) of the Excess Equity Proceeds.

For the avoidance of doubt, if the Investor Equity Proceeds on the Relevant Date do not exceed the Target Return no "B" Ordinary Shares shall be converted.

- 8.2 For the purposes of this article 8 the following terms have the meanings set out below:-

- (a) **Excess Equity Proceeds** means Total Equity Proceeds less Trigger Equity Proceeds.
- (b) **Total Equity Proceeds** means the Exit Value pursuant to the Sale or Listing and all cash distributions in respect of the Winding-Up or cash value (agreed or determined by the Ratchet Expert) of any such distribution made otherwise than in cash less all costs and expenses reasonably incurred by the holders of such shares in connection with the Sale, Listing or Winding-Up (including legal fees, commission, transfer costs, tax payable by the Company and any other third party fees and expenses payable by the Company).
- (c) **Trigger Equity Proceeds** means the theoretical Total Equity Proceeds which gives the holders of "B" Ordinary Shares (by reference to the amount of the Trigger Equity Proceeds attributable to the "B" Ordinary Shares ignoring the effect of any conversion of the "B" Ordinary Shares pursuant to this article) the Target Return.
- (d) **Investor Equity Proceeds** means the proportion of the Total Equity Proceeds theoretically attributable to the holders of the "B" Ordinary Shares after taking account of "B" Ordinary Shares converted pursuant to this article 8.
- (e) **Exit Value** means:-
  - (i) in the case of a Listing, the price per share at which ordinary shares in the Company are sold or offered in connection with the Listing (in the case of an offer for sale, being the underwritten price or, if an offer for sale by tender, the striking price under such offer or, in the case of a placing, the price at which shares are sold under the placing) multiplied by the number of ordinary shares which would be in issue immediately following such Listing, but excluding any ordinary shares issued for the purpose of raising additional or replacement capital for the Company as part of the Listing arrangements (whether to refinance the payment of loans or for any other reason whatsoever);

- (ii) in the case of a Sale only the following:
- (A) if some or all of the equity share capital of the Company is to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable in full on completion of the acquisition, (subject to article 8.2(e)(ii)(D)) such cash sum;
  - (B) if the Sale is pursuant to a public cash offer (or public offer accompanied by a cash alternative), (subject to article 8.2(e)(ii)(D)) the cash consideration or cash alternative price of the percentage of the equity share capital sold pursuant to such Sale;
  - (C) if the Sale is by private treaty or public offer and the consideration is or includes the issue of securities (not accompanied by a cash alternative):
    - 1) if the securities rank pari passu with a class of securities already admitted to the Official List of the UK Listing Authority or dealt in on a Recognised Investment Exchange, in the case of a sale by private treaty, (subject to article 8.2(e)(ii)(D)) the value attributed to such consideration in the related sale agreement for the terms of such offer or, in the case of a Sale following a public offer (or failing any such attribution in the related sale agreement), by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the five Business Days prior to the day on which the offer for or intention to acquire the Company is first announced by the proposed purchaser (in either case, after expenses, fees and tax payable by the Company); or
    - 2) if the securities do not rank pari passu with such a class, the value of such securities (**Value**) as determined by the Ratchet Expert (as defined in article 8.8);
  - (D) if following completion of the Sale the Investors will hold Ordinary Shares, the **Exit Value** for such Sale shall include the value of such shares, which shall be calculated as the same value per share as is attributed to the Ordinary Shares pursuant to this article 8.2(e)(ii) which will be sold pursuant to the Sale;
  - (E) to the extent that the Sale includes an element of deferred consideration, its value shall be the present value of such deferred consideration based on a discount rate of 25% per annum and upon subsequent settlement of the deferred consideration a recalculation of the amounts to be distributed to the selling shareholders shall take place to take account of the provisions of this Article 8 and all necessary adjustments to the amounts distributed shall be duly made; and
  - (F) to the extent that the Sale includes an element of contingent consideration which can only be ascertained by reference to the achievement of future financial targets set out in the sale agreement or consideration which is held in escrow and not released to the selling shareholders until after the date of the

Sale, such consideration shall be disregarded for the purposes of the calculation of the Exit Value unless and until such contingent consideration is released to the selling shareholders when a recalculation of the amounts to be distributed to the selling shareholders shall take place to take account of the provisions of this Article 8 and all necessary adjustments to the amounts distributed shall be duly made; and

- (iii) in the case of a Winding-Up the net distributions per share received by each holder of "A" Ordinary Shares and "B" Ordinary Shares and (when relevant) "C" Ordinary Shares and so that calculation under this Article shall be repeated and given effect to on each distribution

calculated on a fully diluted basis (i.e. save where excluded under article 8.2(e)(i)), taking account of all shares to be issued on or before the Relevant Date) and (if appropriate) after taking account of the conversion of "B" Ordinary Shares pursuant to this article.

- (f) **Target Return** means a total Fund Return of 25% or more provided always Investment Cost x 2 has also been achieved.

**8.3 Total Fund Return** shall be calculated as follows:

- (a) In respect of each full or partial month from the Adoption Date to the Relevant Date inclusive there shall be ascertained:

- (i) the total amount in cash of the Investment Cost that month; and
- (ii) the aggregate, that month, of the total amount of all cash received by the Investors from the Company in respect of any "B" Ordinary Share or other share capital in the Company held by them and all cash received by the Investors from any member of the Group or any third party in respect of loans (if any) made by the Investors to the Company or any member of the Group and any loan capital issued by the Company or any other member of the Group (including those loan notes referred to in article 8.3(d)(ii)) or other commitments included in the Investment Cost, including:

- (A) all interest, and all other cash receipts from loan notes issued in lieu of payment of such interest (together with interest paid on such notes), received in respect of loan notes subscribed or acquired as part of the Investment Cost; and

- (B) any repayments, redemptions or purchases of share capital

but excluding (except to the extent that fees effectively represent consideration received on a Sale or Listing) any fees paid to any advisers to PMF Directors or any Investor Directors and any tax credit arising in respect of distributions.

The figure which results from deducting (a) from (b) above is referred to below as the **cash flow for that month**.

- (b) For the purpose of this article 8 in calculating the cash flow arising on the Relevant Date, the Investors shall be deemed to have received in cash on that day, and accordingly there shall be included in the figure to be ascertained under article 8.3(a)(ii):

- (i) that proportion of the notional Exit Value of the Company which would be attributable to the shares in the capital of the Company held by the



Investors on the Relevant Date on the assumption that any conversions of shares under article 8.1 had taken place; and

- (ii) the amount paid on the Relevant Date by any member of the Group to the Investors in repayment of any loans advanced to any member of the Group by the Investors, together with any accrued interest and other costs payable to the Investors on repayment of such loans.
- (c) The Total Fund Return is "r" where "r" is the percentage per annum such that the sum of the amounts calculated in accordance with the following formula and ascertained pursuant to this Article 8 for each full or partial month from the Adoption Date to the Exit Date, inclusive, is zero:

$$\frac{\text{Cash flow for that month}}{(1 + r)^n}$$

$$\text{where } n = \frac{t - 1}{12}$$

and where t is 1 in respect of dates between the Adoption Date and the final day of the month in which these Articles are adopted, 2 in respect of dates in the subsequent calendar month, 3 in respect of dates in the next subsequent calendar month, and so on, and the last period ends on the Relevant Date (or if later and relevant for the purposes of these Articles upon the receipt of the final consideration after completion of a Sale);

- (d) **Investment Cost** means the aggregate of:
  - (i) the amount subscribed and paid up on the Adoption Date by the Investors in respect of the "B" Ordinary Shares and in respect of the Loan Notes and the "M" Loan Notes;
  - (ii) the amounts paid by the Investors on the Adoption Date in respect of the acquisition by them of all outstanding "A" fixed rate subordinated unsecured loan notes issued by Cabot Financial Holdings Group Limited ("CFHGL") and constituted by a deed poll dated 22 January 2004 (as amended and restated on 20 January 2005) and all an outstanding "B" fixed rate subordinated and unsecured loan notes issued by CFHGL and constituted by a deed poll dated 22 January 2004 (as amended and restated on 20 January 2005); and
  - (iii) all and any additional amounts invested in, advanced or committed to the Company or any group undertaking of the Company from time to time by the Investors whether by way of share capital, loan or loan capital or any other form of commitment (from the date on which the commitment is entered into by the Investors) including by way of guarantee of any such company's obligations and including any commitment to invest (together referred to as **Relevant Securities**)

but less for the purposes of Article 8.2(f) the amount of any "M" Loan Notes repaid within 180 days of the Adoption Date.

- 8.4 The part of the Excess Exit Proceeds attributable to the "B" Ordinary Shares to be converted into Deferred Shares pursuant to this Article shall belong to and be attributed exclusively to and on a pro rata basis between the "C" Ordinary Shares in issue immediately prior to the Sale, Listing or Winding Up (as appropriate) and those issued

at that time under subscription rights granted prior thereto and shall accordingly not belong to the holders of the "A" Ordinary Shares or any other shares in the equity share capital of the Company and for these purposes such numbers of the other shares of the Company in issue immediately prior to Exit (including those issued on Exit under subscription rights) as shall be necessary shall also be converted on Exit into Deferred Shares to the intent that (as nearly as may be without converting a fraction of a share) their entitlement to Exit Value is the same both before and after the conversions.

- 8.5 Each such conversion of the "B" Ordinary Shares and other shares of a particular class shall be made amongst the holders thereof pro rata as nearly as possible to their then holdings of "B" Ordinary Shares or such other class, as appropriate. Where a pro rata conversion creates fractional shareholdings such conversion shall be across the "B" Ordinary Shares or such other class of share as a class rather than across the holdings of "B" Ordinary Shares or holdings of the shares concerned.
- 8.6 On conversion the Company shall cancel the share certificate of the shareholder concerned and, without charge, issue a fresh certificate in respect of any Deferred Shares created by the conversion and any "B" Ordinary Shares or other equity shares represented by that certificate and remaining outstanding.
- 8.7 For the purposes of this article 8 the number of "B" Ordinary Shares to be converted shall either be agreed between the holders of not less than 50% in nominal value of the "B" Ordinary Shares on the one hand and the holders of not less than 50% in nominal value of the "C" Ordinary Shares on the other hand or, in the event of no agreement within 7 days of the Relevant Date, determined and certified by the Ratchet Expert as referred to in article 8.8.
- 8.8 If the number of "B" Ordinary Shares to be converted or the Value pursuant to article 8.2(e)(ii)(C) or any other matter relating to the operation of this Article 8 is disputed they shall immediately be referred to an independent chartered accountant (**Ratchet Expert**) for determination and certification. The expert shall be an independent chartered accountant of not less than five years' standing who shall be nominated by agreement between the holders of not less than 50% in nominal value of the "B" Ordinary Shares and 50% in nominal value of the "C" Ordinary Shares or (failing such nomination within 3 days of this expert mechanism being invoked) as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the request of any member of the Board. Upon being nominated, the Ratchet Expert shall determine and certify the number of "B" Ordinary Shares to be converted or the Value or the determination of the disputed matter (as appropriate), shall act as an expert and not an arbitrator and shall (save in the case of manifest error) be conclusive and binding on the Company and its members. The costs of the Ratchet Expert shall be borne by the Company.
- 8.9 Save as may be required to give effect to its provisions Article 8 will cease to apply immediately following the occurrence of the first to occur of a Sale, Listing or the final distribution on a Winding-Up whether or not there has been any conversion of "B" Ordinary Shares.

## **9 Provisions applying on every transfer of "A" and "B" and "C" Ordinary Shares**

- 9.1 The directors shall not register a transfer of "A" Ordinary Shares or "B" Ordinary Shares or "C" Ordinary Shares unless:
- (a) the transfer is permitted by articles 10 or 12 or has been made in accordance with articles 11 or 13 to 16 (inclusive); and
  - (b) the proposed transferee has entered into a deed of adherence to the Shareholders' Agreement, in the form required by that agreement.

- 9.2 The "A" Ordinary Shareholders are not entitled to transfer "A" Ordinary Shares unless the transfer is permitted by article 9 or has been made in accordance with articles 11, 14 or 15 and (where applicable Article 16).
- 9.3 The "B" Ordinary Shareholders are not entitled to transfer "B" Ordinary Shares unless the transfer is permitted by article 12 or has been made in accordance with articles 13 to 16 (inclusive).
- 9.4 The "C" Ordinary Shareholders are not entitled to transfer "C" Ordinary Shares unless the transfer is permitted by article 9 or has been made in accordance with articles 11, 14 or 15 and (where applicable Article 16)
- 9.5 For the purpose of ensuring that a transfer of shares is permitted under these Articles or that no circumstances have arisen whereby a notice is required to be or ought to have been given under these Articles or that an offer is required to be or ought to have been made pursuant to article 14.3, the Board may, and shall if so requested by an PMF Director, require any shareholder to procure that such person as the Board or the PMF Director may reasonably believe to have information relevant to such purpose, provides the Company with such information and evidence as the Board (or the PMF Director) may think fit regarding any matter which they deem relevant to such purpose. Pending the provision of any such information the Board shall be entitled to refuse to register any relevant transfer.
- 9.6 Where under the terms of these Articles any decision or discretion of the Board or Directors or Company is to be exercised in the context of any transfer of shares or Transfer Notice or related matters, including without limitation in relation to Article 10 any such decision or discretion shall be made or exercised by Directors who are not interested in the shares concerned. For these purposes an executive director shall be deemed to be interested in the shares held by him and/or his connected persons and any director appointed by the Investors or by any such director(s) or who is an officer or employee of an Investor or of a person to whom a Permitted Transfer of such shares could be made by an Investor under any of Articles 12.3 to 12.7 (inclusive) and 12.13 shall be deemed to be interested in the shares held by the Investor, as appropriate. References in the relevant provisions of these Articles to the Board and directors shall be construed as necessary to give effect to the foregoing and any director so interested shall not be entitled to vote on the matters concerned.

**10 Transfer restrictions for "A" Ordinary Shareholders and "C" Ordinary Shareholders**

No "A" Ordinary Share may be transferred by an "A" Ordinary Shareholder other than:

- 10.1 with the written consent of an PMF Director; or
- 10.2 when required by article 11; or
- 10.3 to the personal representatives of an "A" Ordinary Shareholder who has died and who was an employee of any member of the Group once the "A" Ordinary Shareholder's personal representatives can no longer be bound to sell those shares pursuant to article 11; or
- 10.4 on and after Listing subject to the provisions of any underwriting agreement entered into in connection with the Listing; or
- 10.5 in acceptance of an offer by a proposed transferee made under article 14; or
- 10.6 when required by article 16; or
- 10.7 in accordance with article 13; or

- 10.8 to a Personal Permitted Transferee provided the "A" Ordinary Shareholder continues to hold at least 80% of the "A" Ordinary Shares originally issued to him and 80% of any "A" Ordinary Shares subsequently issued to him.

and the provisions of this article 10 shall apply mutatis mutandis to a "C" Ordinary Share.

## 11 **Compulsory transfer**

- 11.1 This article applies when an employee or director of any member of the Group who is an "A" Ordinary Shareholder ceases for any reason to be an employee or director of any member of the Group and is not continuing to be an employee or director of any other members of the Group.

- 11.2 Within twelve months after the date of such termination (**Termination Date**), the Board (with the written consent of an PMF Director) may serve notice (**Sale Notice**) on the "A" Ordinary Shareholder (or his personal representatives in the event of his death) (each a **Compulsory Seller** and together the **Compulsory Sellers**) requiring such person (who is not a Lead Manager) to offer some or all or (if such person is a Lead Manager) up to 50% of the "A" Ordinary Shares of which such person is the registered holder or to which he is entitled whether as a result of his holding of "A" Ordinary Shares or otherwise (which for the avoidance of doubt will include all shares transferred to a Personal Permitted Transferee pursuant to article 10.8) (**Sale Shares**) to:

- (a) a person or persons intended to take the employee's place, whether in whole or in part;
- (b) any of the existing employees of any member of the Group;
- (c) an employees' share scheme of the Group; and/or
- (d) any other person or persons approved by the Board (including an PMF Director) with the written consent of the holders of a majority of the issued "A" Ordinary Shares held by persons other than the Seller

(each on **Offeree**). The Sale Notice may reserve to the PMF Director the right to finalise the identity of the Offeree once the price for the Sale Shares has been agreed or certified.

- 11.3 The Sale Shares shall be transferred by the Compulsory Seller to the Offeree identified by an PMF Director free from all liens, charges and other encumbrances and together with all rights attaching to the Sale Shares on the terms set out in articles 11.4 to 11.7 (inclusive).

- 11.4 The price for each Sale Share (**Sale Price**) shall be the price agreed between the Compulsory Seller and an PMF Director or, if they do not agree a price within 14 days of the date of the Sale Notice, the price certified by the Auditors, acting as experts and not as arbitrators, to be:

- (a) the lower of (1) the Issue Price of a Sale Share (or where the Sale Shares were originally acquired by the Compulsory Seller by way of transfer rather than allotment, the lower of the Issue Price and the amount paid by such Compulsory Seller on a transfer) and (2) Market Value of a Sale Share on the Relevant Date if the employee or director is a Bad Leaver; or
- (b) the Market Value of a Sale Share on the Relevant Date if the employee or director is a Good Leaver.

The Auditors shall be instructed to certify the price as soon as possible after being instructed by the Company to do so and their decision shall be final and binding on the

parties (save in the case of fraud or manifest error). The costs of the Auditors shall be paid by the Company.

11.5 Within 7 days of the Sale Price being agreed or certified:

- (a) the Company shall notify the Compulsory Seller of the name and address of the Offeree and the number of Sale Shares to be offered to such person; and
- (b) the Company shall serve notice on the Offeree specifying:
  - (i) the number of Sale Shares on offer to him;
  - (ii) the Sale Price; and
  - (iii) the date, between 7 and 14 days after the date of the notice, on which the sale and purchase of the Sale Shares is to be completed (**Completion Date**).

11.6 Subject to the Offeree accepting the offer in the notice served on him pursuant to Article 11.5(b) within 7 days the Compulsory Seller shall deliver to the Company a duly executed stock transfer form in respect of the Sale Shares together with the relevant share certificates (or an indemnity in respect thereof in a form satisfactory to the Board) by the Completion Date. On the Completion Date the Offeree or the Company (as appropriate) shall pay the aggregate Sale Price due to the Compulsory Seller, on behalf of the Offeree, to the extent the Offeree has put the Company in the requisite funds. Such payment shall be made in a manner to be agreed between the Company and the Compulsory Seller or, in the absence of such agreement, by cheque to its registered address. The Company's receipt for the aggregate Sale Price shall be a good discharge to the Offeree. The Company shall hold the aggregate Sale Price in trust for the Compulsory Seller without any obligation to pay interest.

11.7 If a Compulsory Seller fails to deliver to the Company by the Completion Date duly executed stock transfer forms for all of the Sale Shares which he is due to transfer the Board may (and shall if requested by an PMF Director) authorise any director to execute, complete and deliver in the name of and on behalf of the Compulsory Seller a transfer of the Sale Shares to the relevant Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the aggregate Sale Price for the Sale Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender to the Company his share certificate (or, where appropriate, provide an indemnity in respect thereof in a form satisfactory to the Board) for the Sale Shares whereupon he shall be entitled to the aggregate Sale Price for the Sale Shares transferred by him.

11.8 **A Bad Leaver** means a person who is not a Good Leaver.

11.9 **A Good Leaver** means a person:

- (a) other than a Lead Manager whose contract of employment is terminated by reason of:
  - (i) death, permanent ill-health or disability (in each case which, in the reasonable opinion of the Majority Investors, is sufficiently serious to prevent the relevant person from carrying out his normal duties); or
  - (ii) redundancy, retirement at normal retirement age; or
  - (iii) wrongful dismissal; or
  - (iv) because his employer is no longer a member of the Group or the undertaking and assets of his employer are sold.

- (b) who is a Lead Manager whose contract of employment is terminated for any reason other than summary dismissal for gross misconduct;
  - (c) who does not fall within article 11.9(a) above but is determined by an PMF Director to be a Good Leaver.
- 11.10 Unless an PMF Director stipulates otherwise in writing, any or all shares held by a Compulsory Seller who is not a Lead Manager and up to 50% of shares held by a Compulsory Seller who is a Lead Manager on the Termination Date (and any shares issued to a Compulsory Seller after the Termination Date whether by virtue of the exercise of any right or option granted or arising by virtue of the holding of the Sale Shares by the Compulsory Seller) shall until they have been transferred or the 12 month period in Article 10.2 has elapsed cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting of the Company or at any meeting of the holders of any class of shares in the capital of the Company with effect from the Termination Date (or, where appropriate, the date of issue of such shares, if later) and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution of any members or class of members. Such right shall be restored immediately upon:
- (a) the Company registering a transfer of the Sale Shares pursuant to this article 11; or
  - (b) a Sale or Listing.
- 11.11 Unless an PMF Director otherwise agrees, any notice relating to the transfer of the Sale Shares or any of them in force at the Termination Date shall immediately be cancelled (unless all the shares subject to it have already been sold) and no further notice shall be issued or be deemed to be issued in respect of the Sale Shares except pursuant to this article 11.
- 11.12 No "A" Ordinary Shares to which this article applies shall be transferred pursuant to article 10 until the relevant "A" Ordinary Shareholder can no longer be bound to sell them under this article.
- 11.13 The provisions of this Article 11 shall apply mutatis mutandis (as regards "C" Ordinary Shares) when an employee or director of any member of the Group who is an "C" Ordinary Shareholder ceases for any reason to be an employee or director of any member of the Group and is not continuing to be an employee or director of any other members of the Group.
- 12 Transfer restrictions for "B" Ordinary Shareholders**
- No "B" Ordinary Share may be transferred other than:
- 12.1 with "B" Ordinary Shareholder Consent; or
  - 12.2 in the case of a "B" Ordinary Shareholder which is an undertaking, to a group undertaking of the transferor if the transferee gives an undertaking to the Company that if the transferee is to cease to be a group undertaking of the transferor, all its shares in the Company will, before the cessation, be transferred to another group undertaking of the transferor provided that if the transferee fails to transfer the shares to the other group undertaking (unless the Board otherwise agrees) a transfer notice pursuant to Article 13 shall be deemed served in respect of all of the transferees Ordinary Shares; or
  - 12.3 in the case of a holder of any "B" Ordinary Shares which is a Fund or by its trustee, custodian or nominee or by an entity wholly or substantially wholly owned by any Fund (an **Investment Holding Company**) or by any entity co-investing alongside such Fund (a **Co-investor**):

- (a) to any trustee, nominee or custodian for such fund and vice versa;
  - (b) to any unit holder, shareholder, partner, participant, manager (or an employee of such manager) in any such fund;
  - (c) to any other Fund, or its trustee, nominee or custodian, managed by the same manager as any such fund;
  - (d) to any Co-investor or its trustee, nominee, or custodian thereof; or
  - (e) to any Investment Holding Company or any trustee, nominee or custodian thereof; or
- 12.4 to a trustee, nominee, custodian or to a member of the same group of any of the persons referred to in sub-paragraphs (a) (b) or (c) of article 12.3 above; or
- 12.5 in the case of a "B" Ordinary Shareholder which is an investment trust whose shares are listed on the London Stock Exchange to another such investment trust which is also managed by the manager of the "B" Ordinary Shareholder; or
- 12.6 to a Co-Investment Scheme;
- 12.7 in the case of a Co-Investment Scheme which holds "B" Ordinary Shares through another undertaking to:
- (a) another undertaking which holds or is to hold shares for the Co-Investment Scheme; or
  - (b) the officers, employees or partners entitled to the "B" Ordinary Shares under the Co-Investment Scheme; or
- 12.8 on and after Listing in accordance with the provisions of any underwriting agreement entered into in connection with the Listing; or
- 12.9 in connection with an offer made under article 14; or
- 12.10 when required by article 16; or
- 12.11 to the Company in accordance with the provisions of the Act.
- 12.12 Notwithstanding the provisions of any other article, the transfers set out in this article 12 (other than articles 12.1 and 12.12) shall be permitted without the requirement to go through the pre-emption procedure in article 13.
- 12.13 Subject to articles 12.14 and 14, but notwithstanding the provisions of any other article, PMF may transfer any "B" Ordinary Shares held by it to a Permitted Transferee within the period of three years following the Adoption Date if:
- (a) following such a transfer PMF shall still hold and own sufficient "B" Ordinary Shares to provide in its own right a "B" Ordinary Shareholder Consent; and
  - (b) each such transfer to a Permitted Transferee shall only be of an amount of shares equal to at least 10% of the total number of Ordinary Shares in issue at the time of such transfer,

and, for the avoidance of doubt, any transfer in accordance with this article 12.13 shall not be subject to the provisions of articles 13 (Pre-emption rights), 14 (Transfers which change control), 15 (Tag along for "B" Ordinary Shares) or 16 (Bring-along rights) except that any transfer proposed to be effected pursuant to this Article 12.13 which, if effected, would lead to PMF and/or its Permitted Transferees holding such number of "B" Ordinary Shares as comprise less than a simple majority of all Ordinary Shares and

"C" Ordinary Shares (taken together) in issue shall be subject to article 14 (Transfers which change control).

- 12.14 In the event of a transfer of "B" Ordinary Shares pursuant to article 12.13, the transferor shall transfer a proportion of the "B" Loan Notes equal to the proportion of "B" Ordinary Shares that are subject to the transfer to the relevant transferee at the same time as the transfer of the relevant "B" Ordinary Shares takes place.

### 13 Pre-emption rights

- 13.1 After the expiration of the period of two years following the Adoption Date, an Ordinary Shareholder or "C" Ordinary Shareholder (**Selling Shareholder**) who wishes to transfer any Ordinary Shares or "C" Ordinary Shares in circumstances other than those referred to in articles 12.2 to 12.13 shall serve written notice on the Company (**Sale Notice**) stating the number of shares it wishes to transfer (**Sale Shares**) and its asking price for each share (**Asking Price**).

- 13.2 The Selling Shareholder may specify in the Sale Notice that it 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.

- 13.3 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the terms set out in the Sale Notice and on the following additional terms in each case, which the Company shall notify in writing to the other Ordinary Shareholders within 7 days of the date of the Sale Notice:

- (a) the Sale Shares are to be sold free from all liens, charges and other encumbrances and together with all rights attaching to them;
- (b) each of the other Shareholders of the same class is entitled to buy such number of Sale Shares as reflects, as nearly as possible, the nominal amount of their holdings of Shares of that class at the date of the Sale Notice; a Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement;
- (c) Ordinary Shareholders of whichever class may offer to buy any number of the Sale Shares that are not accepted by the other Shareholders pursuant to Article 13.3(b) (**Excess Shares**);
- (d) any offer by the Shareholders to buy some or all of the Sale Shares shall be made in writing to the Company within 21 days of the date of the Company's notice (**Closing Date**), failing which the Shareholder shall be deemed to have declined the offer; and
- (e) on the Closing Date:
  - (i) the Sale Notice shall become irrevocable; and
  - (ii) each offer made by a Shareholder to acquire Sale Shares shall become irrevocable.

- 13.4 If the Company receives offers for more Shares than the number of Sale Shares, each Ordinary Shareholder who offered to buy Excess Shares shall be deemed (so far as practicable and without exceeding the number of shares which each such Ordinary Shareholder shall have offered to purchase) to have offered to purchase 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.



- 13.5 Within 7 days after the Closing Date, the Company shall notify the result of the offer to the Selling Shareholder and to those Shareholders who offered to buy Sale Shares and, if any Sale Shares are to be sold pursuant to the offer:
- (a) the Company shall notify the Selling Shareholder in writing of the names and addresses of the Shareholders who are to buy Sale Shares and the number to be bought by each;
  - (b) the Company shall notify each Shareholder in writing of the number of Sale Shares he is to buy; and
  - (c) the Company's notices shall state a place and time, between 7 and 14 days after the date of the notice, on which the sale and purchase of the Sale Shares is to be completed and the Selling Shareholder shall be obliged to transfer such Sale Shares upon payment of the Asking Price for each such share. However, if the Sale Notice specifies that the Selling Shareholder is only willing to transfer all the Sale Shares and the Company does not receive offers for all the Sale Shares, then the provisions of article 12.7 shall apply.
- 13.6 If the Selling Shareholder fails to transfer any Sale Shares in accordance with article 13.5, the Board may (and shall if so requested by an PMF Director) authorise any director to execute, complete and deliver in the name of and on behalf of the Selling Shareholder a transfer of the Sale Shares to the buying Shareholders concerned against receipt by the Company of the aggregate Asking Price due from the buying Shareholder(s) concerned. The Company shall hold such sums in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the aggregate Asking Price due from a buying Shareholder in respect of the Sale Shares to be acquired by him shall be a good discharge to the relevant buying Shareholder. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender to the Company his share certificate (or, where appropriate, provide an indemnity in respect thereof in a form satisfactory to the Board) for the Sale Shares to be transferred by him whereupon he shall be entitled to the Asking Price for the relevant Sale Shares. If such certificate shall comprise any shares which the Selling Shareholder has not become bound to transfer as aforesaid, the Company shall issue to the Selling Shareholder a new certificate for such shares.
- 13.7 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 and otherwise on terms no more favourable than those specified in the Company Notice **PROVIDED THAT:**
- (a) the Board shall be entitled to refuse registration of any proposed transferee if he is reasonably considered by the Majority Investors or the Board to be a competitor of the business of the Group or a person connected with such a competitor (or a nominee of either);
  - (b) if the Selling Shareholder stipulated in the Sale Notice that he was only willing to transfer all the Sale Shares, the Selling Shareholder shall not be entitled, without Majority Investor Consent (where the shares are 'A' Ordinary Shares) or a written 'A' Ordinary Shareholder consent (where the shares are not "A" Ordinary Shares), to sell only some of the Sale Shares to such person or persons; and
  - (c) the Board shall refuse registration of the proposed transferee if such transfer obliges the Selling Shareholder to procure the making of an offer pursuant to article 14.3, until such offer has been made and completed.

## 14 Transfers which change control

14.1 This article applies in circumstances other than those referred to in article 14.2 when a transfer of Ordinary Shares (the **Relevant Ordinary Shares**) would, if registered, result in either:

- (a) a person or one or more persons who are:
  - (i) connected; or
  - (ii) acting in concert, as defined in the City Code on Takeovers and Mergers in relation to the Company,

(each being a **member of the purchasing group**) holding or increasing a holding of Ordinary Shares carrying the right to 30% or more of the total number of votes which may be cast on a poll at a general meeting of the Company; or

- (b) a transfer of shares being effected pursuant to PMF's ability to transfer "B" Ordinary Shares pursuant to article 12.13 in circumstances where such transfer would result in the aggregate shareholdings of PMF and its Permitted Transferees constituting less than a simple majority of all Ordinary Shares and "C" Ordinary Shares (taken together) in issue.

14.2 This article does not apply if the transfer of shares is:

- (a) permitted by articles 10.2 to 10.3, 10.4, 10.6 or 10.8; or
- (b) permitted by articles 12.2 to 12.8 (inclusive) or articles 12.11, 12.12 or 12.13 except as specified to the contrary therein.

14.3 No transfer to which this article applies may be made or registered unless (a) the proposed transferee has made an offer in writing (**Offer**) to buy all the other Ordinary Shares and the "C" Ordinary Shares (including any such shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options over or rights to subscribe for securities convertible into such shares in existence at the date of such offer) on the terms set out in articles 14.4 and 14.5 (if applicable) (unless, in the case of a particular shareholder less favourable terms are agreed by such shareholder in writing) and the Offer is or has become wholly unconditional and the purchase of shares under it takes place before or simultaneously with completion of the transfer of the Relevant Ordinary Shares and (b) all of the Loan Notes then in issue are redeemed in accordance with their terms or the proposed transferee of the Relevant Ordinary Shares has made an offer (open for acceptance for at least 21 days) to each holder of the Loan Notes (other than any such holder which is a member of the purchasing group) to purchase the same at the highest price paid by any member of the purchasing group for, in the case of "A" Loan Notes or "B" Loan Notes, either such series of Loan Notes or, in the case of "M" Loan Notes, "M" Loan Notes in the twelve months up to the date of the offer and that offer is or has become wholly unconditional and all purchases of Loan Notes under such offer are completed before or simultaneously with completion of the transfer of the Relevant Ordinary Shares.

14.4 Any transfer of shares pursuant to this article shall not be subject to any other restrictions on transfer contained in the remaining articles.

14.5 The terms of the proposed transferee's offer for Ordinary Shares and "C" Ordinary Shares shall be that:

- (a) the offer shall be open for acceptance for at least 21 days; and

- (b) subject to the requirements of article 8, should they apply, the consideration for each "A" Ordinary Share and each "B" Ordinary Share shall be the higher of:

- (i) the highest consideration offered for each "A" Ordinary Share or "B" Ordinary Share whose proposed transfer has led to the Offer; and
- (ii) the highest consideration paid by any member of the purchasing group for an "A" Ordinary Share or a "B" Ordinary Share in the twelve months up to the date of the offer (exclusive of stamp duty, stamp duty reserve tax and commission);

taking into account any adjustment appropriate because of the implementation of article 7 and such offer shall include an undertaking by the offeror that subject to article 14.8, neither it nor any person acting by agreement or understanding with it has entered into more favourable terms or has agreed more favourable terms with any other member for the purchase of Ordinary Shares; and

- (c) the consideration payable for each "C" Ordinary Share is subject to Article 8 and shall be consistent with its entitlement or prospective entitlement under Article 8 having regard to the consideration payable for the Ordinary Shares and the then likelihood and timing of a Sale or Listing or Winding Up at an Exit Value.

- 14.6 The proposed transferee's offer may be conditional on the Offer resulting in members of the purchasing group holding or increasing their aggregate shareholding to a specified proportion of the Ordinary Shares in issue.

- 14.7 Any dispute on the appropriate consideration for an Ordinary Share of whichever class or a "C" Ordinary Share or any Loan Notes shall be referred by the Company to the Auditors, acting as experts and not as arbitrators. The decision of the Auditors shall be final and binding on the parties (save in the case of fraud or manifest error). The Auditors' terms of reference shall be to determine the matters in dispute within 30 days of their appointment and the parties shall each provide the Auditors with all information relating to the consideration which the Auditors reasonably require and the Auditors shall be entitled (to the extent they consider it appropriate) to base their determination on such information. The proposed transferee shall pay half the Auditors' costs and the holders of the shares in dispute with the proposed transferee shall pay the other half.

- 14.8 For the avoidance of doubt, "consideration" for the purposes of article 14.5 above:

- (a) subject always to the terms of article 14.8(b)(ii) shall be construed as meaning the value or worth of the consideration regardless of the form of the consideration; and
- (b) shall exclude any offer to subscribe or acquire any share or debt instrument in the capital of any member of the purchasing group made to an Ordinary Shareholder or "C" Ordinary Shareholder or holder of Loan Notes if:
  - (i) such offer to subscribe or acquire is an alternative (whether in whole or in part) or in addition to the consideration offered; and
  - (ii) the consideration offered to all Ordinary Shareholders and "C" Ordinary Shareholders and holders of the Loan Notes to whom the offer is made is of itself on arms length terms in accordance with article 14.1.

- 14.9 The Company shall notify the holders of the Ordinary Shares and "C" Ordinary Shares of the terms of any offer extended to them pursuant to article 14.3 forthwith upon receiving notice of the same from the proposed transferee whereupon any holder of Ordinary Shares or "C" Ordinary Shares (**Selling Shareholder**) who wishes to transfer Ordinary Shares or "C" Ordinary Shares to the proposed transferee pursuant to the

terms of the offer shall serve notice on the Company (**Transfer Notice**) at any time before the proposed transferee's offer ceases to be open for acceptance (**Closing Date**) stating the number of shares it wishes to transfer (**Transfer Shares**).

14.10 The Selling Shareholder may specify in the Transfer Notice that:

- (a) it is only willing to transfer all the Transfer Shares, in which case no Transfer Shares can be sold unless offers are received for all of them; and/or
- (b) the Transfer Shares can only be transferred if a specified proportion of all Ordinary Shares in issue are transferred at the same time.

14.11 The Transfer Notice shall make the Company the agent of the Selling Shareholder for the sale of the Transfer Shares on the terms of the proposed transferee's offer and on any terms specified in the Transfer Notice.

14.12 Within 7 days after the Closing Date:

- (a) the Company shall notify the proposed transferee in writing of the names and addresses of the Selling Shareholders who have accepted the offer made by the proposed transferee;
- (b) the Company shall notify each Selling Shareholder in writing of the number of Transfer Shares which he/it is to dispose of and the identity of the transferee; and
- (c) the Company's notices shall state the time and place, between 7 and 14 days after the Closing Date, on which the sale and purchase of the Transfer Shares held by each Selling Shareholder is to be completed.

14.13 If any Selling Shareholder does not transfer his respective Transfer Shares in accordance with article 14.11 the Board may authorise any director to execute, complete and deliver in the name of and on behalf of the Selling Shareholders a transfer of the Transfer Shares to the relevant member of the purchasing group against receipt by the Company of the consideration for each Sale Share. The Company shall hold such consideration in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the consideration shall be a good discharge to the relevant member of the purchasing group. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender to the Company its share certificate (or, where appropriate, provide an indemnity in respect thereof in a form satisfactory to the Board) for the Transfer Shares to be transferred by him whereupon the defaulting Selling Shareholder shall be entitled to the consideration for the relevant Transfer Shares.

14.14 Article 13 does not apply to any transfers of shares made under this article.

## **15 Tag along for "B" Ordinary Shares**

15.1 In the case of any transfer of "B" Ordinary Shares ("B Sale Shares"), otherwise than under Articles 12.2 to 12.8 (incl) or 12.13 or a series of such transfers in a 12 month period, which alone or in aggregate (as the case may be) include more than 5% in nominal amount of the "B" Ordinary Shares at the commencement of such 12 month period, the Selling Shareholder will not be entitled to sell any such "B" Sale Shares unless the proposed purchaser(s) of such shares in relation to each other holder of "B" Ordinary Shares:

- (a) shall have offered to purchase from each such other holder (at the price offered by such proposed purchaser(s) to the Selling Shareholder of any "B" Sale Shares, if a cash offer, or otherwise such price as shall be determined in accordance with Article 14.7) such proportion of "B" Sale Shares held by each such other holder as is equal to the proportion which the "B" Sale Shares being

sold to the total holding of "B" Ordinary Shares (including the shares to be sold) held by the Selling Shareholder (at the commencement of such 12 month period, if applicable); and

- (b) shall, in respect of any holder of shares which wishes to take up the offer referred to in paragraph (a) above, acquire from such holder the shares in question at the relevant price is simultaneously with the acquisition from the Selling Shareholder of the B Sale Shares to be sold

## 16 Bring-along rights

- 16.1 If any transfers of Ordinary Shares pursuant to articles 10.1, 12.1, 13, 14 and/or 15 would, if registered, result in members of the purchasing group holding or increasing their shareholding to a majority or more in number of the Ordinary Shares in issue, then, provided they are bona fide third parties acting on arms length terms, the members of the purchasing group may, by serving a notice (**Compulsory Purchase Notice**) on each other shareholder holding Ordinary Shares or C Ordinary Shares (each a **Minority Shareholder**), require each Minority Shareholder to transfer all the Ordinary Shares held by him (free from all liens, charges and other encumbrances and together with full title guarantee) to one or more persons identified in the Compulsory Purchase Notice (each an **Offeree**) at the consideration specified in article 14.5(b) on the date specified in the Compulsory Purchase Notice (**Completion Date**) being not less than 14 days after the date of the Compulsory Purchase Notice.
- 16.2 The shares subject to the Compulsory Purchase Notices shall be sold and purchased in accordance with the following provisions, namely:
  - (a) on or before the Completion Date each Minority Shareholder shall deliver to the Company duly executed stock transfer forms for the Ordinary Shares which are the subject of the Compulsory Purchase Notice and which are held by them (**Minority Shares**), together with the relevant share certificates (or an indemnity in respect thereof in a form satisfactory to the Board). On the Completion Date the Offerees shall pay or (but to the extent only that the Offerees have put the Company in the requisite funds) the Company shall pay the Minority Shareholders, on behalf Offeree the price for the Minority Shares held by them. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold any funds received from the Offerees in trust for the Minority Shareholders without any obligation to pay interest; and
  - (b) if a Minority Shareholder fails to deliver duly executed stock transfer forms for the Minority Shares held by him to the Company by the Completion Date, the Board may (and will if so requested by a PMF Director) authorise any director to execute, complete and deliver in the name of and on behalf of the Minority Shareholder a transfer of the Minority Shares to each Offeree to the extent that the Offeree has, by the Completion Date, put the Company in funds to pay for the Minority Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Minority Shareholders shall surrender to the Company his share certificate (or, where appropriate, provide an indemnity in respect thereof in a form satisfactory to the Board) for the Minority Shares formerly held by him whereupon he shall be entitled to the price for the Minority Shares formerly held by him.
- 16.3 Whilst this article applies to the Ordinary Shares of a Minority Shareholder, those shares may not be transferred otherwise than under this article.
- 16.4 Article 13 does not apply to transfers of shares made under this article.