

THE COMPANIES ACT 1985 (AS AMENDED)
Company limited by shares

WRITTEN RESOLUTIONS
of the sole shareholder of
CHARIOT EDUCATION HOLDINGS LIMITED

That

- (A) the share capital of the Company be increased so that the authorised share capital of the Company becomes £14,531,648 40 divided into
- (i) 1,723,524 ordinary shares of 10 pence each, and
- (ii) 143,592,690 10 per cent cumulative preference shares of 10 pence each,
- in each case, having the rights and subject to the restrictions set out in the articles of association referred to in paragraph (D) below,
- (B) pursuant to section 80 of the Companies Act 1985, the directors be and they are hereby authorised generally and unconditionally to allot relevant securities (as defined in section 80 of the Companies Act 1985) up to an aggregate nominal amount of £14,531,648 40 provided that this authority, unless renewed, shall expire on the date five years from the date on which this resolution is passed save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired, and this resolution shall supersede any prior resolution authorising the directors pursuant to section 80 of the Companies Act 1985 to allot relevant securities,
- (C) the articles of association attached to this resolution, marked "A" for the purposes of identification only, be adopted as the new articles of association of the Company, and
- (D) the provisions of article 13 5 shall not apply to and no holder of shares in the Company shall have any pre-emption right in connection with the allotment and issue of the shares that are being created pursuant to paragraph (B) above and subscribed for pursuant to a subscription and shareholders' agreement dated 30 January 2007 to which the Company is a party

Signed on 22 February 2007


for and on behalf of PALAMON EUROPEAN EQUITY II, L.P.

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COMPANIES HOUSE

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ARTICLES OF ASSOCIATION

of

COMPANIES HOUSE

CHARIOT EDUCATION HOLDINGS LIMITED

(Articles adopted on 22 February 2007)

PART 1 INTERPRETATION

1. INTERPRETATION

1 1 Exclusion of Table A

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the Company

1 2 Definitions

In these articles unless the context otherwise requires

"Acting in Concert" has the meaning given to that expression in the City Code on Takeovers and Mergers,

"Affiliate" in relation to a person means any other person that is, directly or indirectly, Controlling, Controlled by or under common Control with that person,

"these articles" means these articles of association as altered from time to time and the expression **"this article"** shall be construed accordingly,

"the auditors" means the auditors from time to time of the Company or, in the case of joint auditors, any one of them,

"Bad Leaver" means

- (i) a Manager who becomes a Leaver in circumstances where the Company would be entitled to dismiss him/her for fraud, dishonesty or gross misconduct, and
- (ii) a Manager who becomes a Leaver so as to become engaged in or concerned in any capacity in any business concern which is in competition with any business of the Company or its subsidiaries at that time or who within 6 months of becoming a Leaver becomes engaged in or concerned in any capacity in any business concern which operates in competition with any business of the Company or its subsidiaries at that

time, in each case as determined by the board at the date of exercise of the Call Option,

unless the board determines at the date of exercise of the Call Option that that Manager is a Good Leaver, in which case he shall be a Good Leaver,

- "the board"** means the board of directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present,
- "Business Day"** means a day (other than a Saturday or a Sunday) on which Banks are open for business (other than solely for trading and settlement in Euro) in London,
- "Call Option"** has the meaning it is given in Article 14 10 1,
- "Charity"** means any institution whether corporate or not (including any trust or undertaking) which is established for purposes which are exclusively charitable according to the laws of England,
- "clear days"** in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect,
- "the Companies Acts"** means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company,
- "Company"** means Chariot Education Holdings Limited a company registered in England and Wales with registered number 6020370,
- "Control"** in relation to a body corporate means the ability of a person to ensure that the activities and business of that body corporate are conducted in accordance with the wishes of that person, and a person shall be deemed to have Control of a body corporate if that person possesses or is entitled to acquire the majority of the issued share capital or the voting rights in that body corporate or the right to receive the majority of the income of that body corporate on any distribution by it of all of its income or the majority of its assets on a winding up and, for the avoidance of doubt, a person which is the general partner of a limited partnership Controls that limited partnership and any derivative term or reference to **"Controlling"** shall be construed accordingly,
- "Cost of Investment"** means, with respect to a Share, the subscription price paid for that Share,

- "directors"** means the directors of the Company from time to time and **"director"** shall be construed accordingly,
- "Dispose"** means in relation to any asset (including, where applicable, any share) or any legal or beneficial interest in any asset
- (a) to sell, assign, transfer or otherwise dispose (including, without limitation, transmission by operation of law) of that asset or any legal or beneficial interest in that asset
 - (b) to pledge, charge, mortgage or otherwise create or permit to subsist any lien, security interest or encumbrance over that asset or any legal or beneficial interest in that asset,
 - (c) to create any trust or confer any interest over that asset or any legal or beneficial interest in that asset,
 - (d) to enter into any agreement, arrangement or understanding in respect of votes or the right to receive dividends with respect to that share,
 - (e) to renounce or assign any right to receive that asset or any legal or beneficial interest in that asset, or
 - (f) to agree, whether or not subject to any condition precedent (other than a condition precedent in relation to the observance of any pre-emption or other procedures required by this agreement) or subsequent, to do any of the foregoing,
- and any derivative term, as well as any reference to a **"Disposal"** shall be construed accordingly
- "Equity Stake"** means, with respect to a Manager, any Shares held by that Manager from time to time whether Unvested Shares or Vested Shares at the relevant time, excluding any Primary Subscription Shares or Founder Investment Shares held by that Manager at that time,
- "ERISA"** means the US Employee Retirement Income Security Act 1974, as amended,
- "Exercise Date"** means, with respect to any Manager and the exercise of the Call Option, the date on which the Company gives notice to such Manager pursuant to article 14 10 3 exercising that Call Option,

"Family Trust"

in relation to a member means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of

- (i) that member and/or a Privileged Relation of that member, or
- (ii) any Charity or Charities as default beneficiaries (meaning that such Charity or Charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such Charity or Charities),

and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such member or his Privileged Relations,

"Founder Investment Shares"

means any Preference Shares held by Mr N Golding at the relevant time,

"Good Leaver"

means a Leaver who is not a Bad Leaver and any Leaver who would otherwise be a Bad Leaver but who is determined by the board to be a Good Leaver in circumstances where at least one person who is a Palamon Director has approved that decision,

"Group"

means the Company, any subsidiary or Affiliate of the Company and any Affiliate of any such subsidiary from time to time provided that for this purpose the expression Affiliate shall exclude any person who is an Affiliate solely by virtue of Controlling the Company or being under common Control with the Company,

"the holder"

in relation to any shares means the member whose name is entered in the register as the holder of those shares,

"Initial Investment Date"

means, with respect to a Manager, the date on which the Manager first became a shareholder, excluding for this purpose the date on which such Manager acquired Primary Subscription Shares or Founder Investment Shares,

"Leaver"

means a Manager who ceases to be an employee, director or consultant of any member of the Group (whatever the reason for him no longer being such an employee, director or consultant), save to the extent that immediately thereafter he has become an employee, director or consultant of another

member of the Group,

"Liquidity Event"

means (a) a Listing, (b) a Sale, or (c) the winding-up of the Company,

"Listing"

means the admission of all or a substantial proportion of the share capital of the Company to the Official List and to trading on the London Stock Exchange plc's market for listed securities or, with the consent in writing of Palamon II, the admission of the same to trading on any other recognised stock or investment exchange,

"Manager"

means (i) any person who is pursuant to the Shareholders' Agreement deemed to be a Manager for the purposes of these articles and (ii) any other person who is at any time after the date of the Shareholder's Agreement an employee, director or consultant of any member of the Group and is also a Shareholder and **"Managers"** shall be construed accordingly,

"Market Value"

means, with respect to any Leaver, the fair market value of such Leaver's Equity Stake as agreed by the Leaver and the Company within 30 days of the date on which the Company has given notice of its exercise of the Call Option or, failing such agreement, as determined by, at the Company's option, the auditors, an independent accountancy firm or an independent investment bank appointed jointly by the Company and the Leaver, whereby half of the costs of such auditors, accountancy firm or investment bank shall be borne by the Company and half by the Leaver and the valuation shall in either case be on the basis of market practice at the time the valuation is carried out and shall take into account the business, operating and market position of the Group, whether a Liquidity Event is under way or within the contemplation of the Shareholders, and the financial condition and prospects of the Group on a going concern basis and shall

- (A) not add or subtract any premium or discount (as the case may be) arising in relation to the size of holdings to be valued,
- (B) assume the sale is between a willing buyer and a willing seller by arm's length private treaty for cash payable on completion, and
- (C) not add or subtract any premium or discount (as the case may be) arising in relation to any restrictions on the transferability of the relevant holdings,

but the auditors, accountancy firm or investment bank shall otherwise have regard to such criteria as they shall regard as

appropriate for the purpose and, in so reporting the auditors, accountancy practice or investment bank shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Act 1996 or any statutory re-enactment or modification thereof for the time being in force shall not apply,

"member"	means a member of the Company,
"the office"	means the registered office from time to time of the Company,
"Official List"	means the official list of the United Kingdom Listing Authority,
"Ordinary Shares"	means the ordinary shares of 10 pence each in the capital of the Company having the rights and restrictions set out in these articles and "Ordinary Share" shall be construed accordingly,
"paid up"	means paid up or credited as paid up,
"Palamon Director"	means a director who is also an employee or partner of Palamon Capital Partners, LP, Palamon Capital Partners LLP or Palamon Capital Partners Limited,
"Palamon I Funds"	means Palamon European Equity, LP (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 6185), Palamon European Equity "B", L P (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 6186), Palamon European Equity "C", L P (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 6214), Palamon European Equity "D", L P (registered as a limited a partnership in England under the Limited Partnerships Act 1907 with number LP 6737) and Palamon European Equity GMBH & Co Beteteiligungs KG (registered as a limited partnership in Germany with number HR A 74707) and "Palamon I Fund" shall be construed accordingly,
"Palamon II"	means Palamon European Equity II, L P (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 010434),
"Palamon II Funds"	means Palamon II and Palamon European Equity II "BOA", L P (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 010450) and "Palamon II Fund" shall be construed accordingly,
"Palamon Group"	means (a) the Palamon I Funds,

- (b) the Palamon II Funds,
- (c) any Affiliates of the Palamon I Funds or the Palamon II Funds (the "**Palamon Affiliates**"),
- (d) any nominee of the Palamon I Funds, the Palamon II Funds or the Palamon Affiliates,
- (e) any limited partner or general partner of the Palamon I Funds, the Palamon II Funds or the Palamon Affiliates,
- (f) any person controlled by the Palamon I Funds, the Palamon II Funds or the Palamon Affiliates or controlled by any combination of the Palamon I Funds, the Palamon II Funds and the Palamon Affiliates and any general partner of any of the Palamon I Funds, the Palamon II Funds or the Palamon Affiliates or which is controlled by any general partner of any of the Palamon I Funds, the Palamon II Funds or the Palamon Affiliates, and
- (g) any other limited partnership, fund or collective investment or co-investment plan managed or controlled by (i) a general partner of the Palamon I Funds or the Palamon II Funds or (ii) the Palamon I Funds or (iii) the Palamon II Funds or (iv) by any other person controlled by, or subject to the control of, the general partner of any of the Palamon I Funds or the Palamon II Funds (or the representative(s) or holder(s) or trustee(s) of any such partnership, fund or plan or any unit holder or other beneficiary of said partnership, fund or plan),

"Palamon Shareholders"	means the Palamon II Funds and any person who is a Shareholder and a member of the Palamon Group and " Palamon Shareholder " shall be construed accordingly,
"person entitled by transmission"	means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the register,
"Plan Asset Regulations"	means the "plan assets" regulation (29 CDR 2510 3-101) under ERISA,
"Preference Dividend"	has the meaning given to it in article 2 4 1,
"Preference Shares"	means the 10 per cent cumulative preference shares of 10 pence each in the capital of the Company, having the rights and restrictions set out in these articles and " Preference Share " shall be construed accordingly,

"Primary Subscription Shares"	means, with respect to a Manager, any Shares issued by the Company to that Manager pursuant to the share purchase agreement dated [24] January 2007 between the Company, the Palamon II Funds, Mr N Golding, Mrs E Armstrong and Mrs A Armstrong and set out against his/her name in column (4) of Schedule 2 of that agreement or any Shares acquired under the pre-emption rights set out in Article 13 5 hereof as a result of a Manager holding such shares,
"Privileged Relations"	means in relation to a member, the spouse, widow or widower of that member and brothers, sisters, children and grandchildren (including step and adopted children and their issue and step and adopted children) of that member and any person living in the same household as the member as the common law spouse, life partner, spouse equivalent or similar of that member,
"the register"	means the register of members of the Company,
"Relevant Amount"	means with respect to any Preference Share at any date, the subscription price paid for the relevant Preference Share plus the aggregate amount of Preference Dividend that has accrued (including accruals that have been compounded) but not been paid on that Preference Share,
"Relevant Securities"	shall have the meaning it is given in <u>article 13 5 1</u> ,
"Sale"	means the sale of Shares to a single person or to one or more people who are Affiliates and/or who are Acting in Concert resulting in the Transferee(s) obtaining an interest (within the meaning of Part I of Schedule 13 of the Companies Act 1985) in 90 per cent or more of each class of Share that is in issue (and has not been redeemed) immediately after such sale,
"seal"	means any common or official seal that the Company may be permitted to have under the Companies Acts,
"the secretary"	means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the Company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary,
"Shareholder"	means a person who holds shares from time to time, and "Shareholder" shall be construed accordingly,
"Shareholders' Agreement"	means an agreement entered into between the Company and its shareholders in relation to, inter alia, the management of the Company on [24] January 2007,

"Shares" or "shares"	means shares in the capital of the Company, being as at the date of adoption of these articles, the Ordinary Shares and the Preference Shares,
"Sterling" and "£"	means the lawful currency from time to time of the United Kingdom,
"subsidiary"	<p>means a company with which a company, directly or indirectly, has the following connection</p> <ul style="list-style-type: none">(a) holds the majority of the voting rights,(b) is a shareholder and has the right to appoint or remove the majority of the members of the Company's board of directors or, where a company does not have a board of directors, the management board,(c) is a shareholder and has the right to exercise a dominant influence over the Company on the basis of the articles of association or any agreement with the Company in general,(d) is a shareholder and pursuant to an agreement with other holders of shares controls the majority of the voting rights in the Company, or(e) holds shares and exercises a dominant influence over such Company, <p>and includes any Company which has any such connection with a subsidiary and "subsidiaries" shall be construed accordingly,</p>
"Transfer"	means, in relation to any share, to transfer the entire legal and beneficial interest in that share free from all claims, liens, charges, encumbrances and equities and together with all rights attached or accruing to the share and any derivative term, as well as any reference to a "Transfer" , shall be construed accordingly,
"Transferee"	means any person to whom shares are to be Transferred,
"Transferor"	means any Shareholder who Transfers some or all of his/its Shares,
"Trigger Date"	means, with respect to a Manager, the date on which a Manager becomes a Leaver,
"United Kingdom"	means Great Britain and Northern Ireland,

- "Unvested Shares"** means, with respect to a Manager at any time, any Shares issued by the Company to that Manager at the relevant time, in accordance with their terms of issue,
- "VCOC"** means a "venture capital operating Company" within the meaning of the Plan Asset Regulations, and
- "Vested Shares"** means, with respect to a Manager, such Manager's Equity Stake other than such Manager's Unvested Shares

1 3 In construing these articles, unless otherwise specified

- (a) references to a document being "**executed**" include references to its being executed under hand or under seal or by any other method,
- (b) references to a "**person**" shall be construed as to include any individual, firm, Company or other body corporate, government, state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality),
- (c) references to "**writing**" include references to any method of representing or reproducing words in a legible and non-transitory form,
- (d) words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear (if not inconsistent with the subject matter or context) the same meaning in these articles or that part (as the case may be) save that the word "**Company**" shall include any body corporate,
- (e) references to a "**meeting**" shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person,
- (f) use of any gender includes the other genders and reference to the singular includes the plural and vice versa, and
- (g) references to "**subscription price**" shall include any amounts paid on subscription by way of a premium

1 4 A member represented at a general meeting by a duly authorised corporate representative shall be deemed to be present in person

1 5 If, and for so long as, the Company has only one member, these articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company

1 6 Headings are included only for convenience and shall not affect meaning

PART 2: SHARE RIGHTS

2 SHARE RIGHTS

2 1 Authorised Share Capital

The authorised share capital of the Company at the date of adoption of these articles is £14,531,648 40, which is divided into 1,723,524 Ordinary Shares, and 143,592,690 Preference Shares

2 2 General

Subject to the provisions of the Companies Acts, and to any rights attached to existing shares, any shares may be issued with, or have attached to them such rights and restrictions as the Company may, by ordinary resolution decide

2 3 Rights attaching to Shares

The special rights and restrictions attached to the Ordinary Shares and the Preference Shares are set out in articles 2 4 to 2 7 The Preference Shares shall carry no rights to participate in the profits or assets of the Company except as provided in these articles Except as otherwise provided in these articles, the Ordinary Shares and the Preference Shares constitute different classes of Shares

2 4 Income

If a dividend or other distribution is made or paid by the Company, it shall be made or paid in accordance with the following

- (A) In priority to any other class of shares, each Preference Share shall have the right to a fixed cumulative preferential dividend (the "**Preference Dividend**") which shall accrue on a daily basis from the dividend commencement date at the rate of 10 per cent per annum on the aggregate of (i) the subscription price of such Preference Share and (ii) the aggregate amount of Preference Dividend that has been previously compounded and not yet paid The Preference Dividend accruing on each Preference Share shall be compounded on each anniversary of its dividend commencement date to the extent not previously paid
- (B) The dividend commencement date of a Preference Share shall be the date of its issue, notwithstanding that such date may have been before the date on which these articles were adopted, unless the Company shall determine at the time of issue that the dividend commencement date is to be an earlier date, in which case it shall be deemed to be that earlier date The Company shall ensure that the dividend commencement date of each Preference Share is clearly recorded in its register of members and on any certificate relating thereto and any holder of Preference Shares shall promptly after request by the Company for that purpose surrender any certificate therefor for endorsement or replacement accordingly

- (C) The Preference Dividend shall cease to accrue with immediate effect upon the share concerned being repurchased or otherwise repaid
- (D) The Preference Dividend shall be deemed to accrue from day to day after, as well as before, the commencement of a winding-up and shall, therefore, be payable by a liquidator in respect of any period after such commencement of a winding-up in priority to other claims or rights of members in respect of share capital
- (E) Aside from the Preference Dividend, no other dividends or distributions shall be made, paid or declared with respect to the Preference Shares
- (F) No dividends or other distributions shall be made, paid or declared with respect to the Ordinary Shares at a time when any accruals (including accruals that have compounded) of Preference Dividend remain unpaid
- (G) Subject to the rights of the Preference Shares to receive the Preference Dividend (and no further distributions) payable thereon in priority to any payment by way of dividend to the holders of the Ordinary Shares, the Ordinary Shares shall rank *pari passu* with respect to distribution of profits thereafter

2 5 Capital

2 5 1 On a winding up or other return of capital (which shall include a redemption or purchase of shares by the Company), the assets of the Company available to shareholders shall be applied in the following order of priority

- (A) firstly, in paying to each holder of Preference Shares an amount equal to the amount of Preference Dividend that has accrued (including accruals that have been compounded) but not been paid, such application to be made, if there are not sufficient assets available to pay the entire accrued unpaid Preference Dividend to all the holders of Preference Shares, *pro rata* to the amounts that would be payable to each holder of Preference Shares if there were sufficient assets,
- (B) secondly, in paying to each holder of Preference Shares an amount equal to its subscription price, such application to be made, if there are not sufficient assets available to pay the subscription price for all Preference Shares, *pro rata* to the amounts that would be payable to each holder of Preference Shares if there were sufficient assets, and
- (C) thirdly, in dividing the balance *pari passu*, among the holders of the Ordinary Shares according to the aggregate number of such Shares held by them

2 5 2 For the purposes of any Listing

- (A) each member shall execute and deliver and do such acts deeds documents and things as the board shall reasonably require of him in that capacity to reorganise the share capital of the Company to be the

subject of the Listing into shares of a class and nominal value appropriate for that purpose including but not limited to passing any resolutions and providing any consents necessary for that purpose and surrendering his share certificates for cancellation and replacement, and

- (B) each member shall be deemed hereby irrevocably to appoint such person as shall be nominated for this purpose by the board as his attorney for the purposes of executing and delivering and doing any acts deeds and things as are required on his part by this article 2 5 2

2.6 Voting and other rights

- 2 6 1 The holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company On a poll, every member who is present in person or by proxy or corporate representative shall have one vote for each Ordinary Share of which he is the holder
- 2 6 2 The holders of the Preference Shares shall have no right in that capacity to receive notice of or to attend and vote at any general meeting of the Company

2 7 Redemption

- 2 7 1 Subject to the provisions of the Companies Acts and to the Company having agreed in writing to such redemption, all of the Preference Shares shall be redeemed on the occurrence of a Liquidity Event and may be redeemed at the Company's option at any other time The amount payable by the Company for each Preference Share shall be the Relevant Amount per Preference Share
- 2 7 2 Any redemption effected pursuant to article 2 7 1 above shall be effected out of the profits of the Company which may be lawfully applied for that purpose or out of the proceeds of a fresh issue of shares or as may be otherwise permitted by law
- 2 7 3 Each holder of Preference Shares shall deliver to the Company promptly after the payment of the Relevant Amount in respect of the Preference Shares held by such holder pursuant to article 2 7 1, the certificates for such Preference Shares in order that the same may be cancelled
- 2 7 4 If the Company fails to effect redemption when required in accordance with article 2 7 1 above, it shall be under a continuing obligation to make such redemption

2 8 Other provisions relating to the Preference Shares

No share capital shall be in issue which ranks in priority to any of the Preference Shares on a winding-up of the Company

PART 3 THE BOARD

3 APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

3.1 Number of Directors

Unless agreed by all the directors the board shall consist of not less than 3 directors
Unless the board determines otherwise, the board shall not consist of more than 10 directors

3.2 Age of Directors

No person shall be disqualified from being appointed or elected as a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age. It shall not be necessary by reason of a person's age to give special notice under the Companies Acts of any resolution in connection with his election

3.3 Directors' Shareholding Qualification

No shareholding qualification for directors shall be required

3.4 Appointment and removal of Directors by Majority Shareholders

Any member holding, or any members holding in aggregate, Shares that at the relevant time entitle those member(s) to exercise the majority of the votes entitled to be exercised at a general meeting of the Company may by notice in writing signed by or on behalf of him or them and delivered to the office or tendered at a meeting of the directors or at a general meeting of the Company at any time and from time to time appoint any person to be a director (either to fill a vacancy or as an additional director) or remove any director from office (no matter how he was appointed), other than a director appointed in accordance with Article 23.1. Any such notice shall take effect on delivery, unless a later time is specified in it, when it shall take effect at that later time

3.5 Appointment of Directors by Board

Without prejudice to the powers conferred by any other article, any person may be appointed a director by the directors, either to fill a vacancy or as an additional director

3.6 Vacation of Office by Directors

Without prejudice to the other provisions in these articles, the office of director shall be vacated if

- (a) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board, or
- (b) he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health and the board resolves that his office is vacated, or

- (c) he becomes bankrupt or compounds with his creditors generally, or
- (d) he is prohibited by law from being a director, or
- (e) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles

If the office of a director is vacated for any reason, he shall cease to be a member of any committee of the board

3 7 Alternate Directors

- 3 7 1 Each director will have the power by writing to nominate either another director, or any other person willing to act, to act as his alternate director. He may also at his discretion remove his alternate director by notice in writing to the Company. An alternate director will have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and generally in the absence of his appointor at such meeting to exercise and discharge all the functions, powers and duties of his appointor.
- 3 7 2 Except as otherwise provided in these articles, the alternate director will, during his appointment, be deemed to be a director for the purposes of these articles. He will not be deemed to be an agent of his appointor, and will alone be responsible to the Company for his own acts or defaults and will be entitled to be indemnified by the Company to the same extent as if he were a director.
- 3 7 3 An alternate director will not, in respect of his office of alternate director, be entitled to receive any remuneration from the Company nor to appoint another person as his alternate. The appointment of an alternate director will automatically determine if his appointor ceases for any reason to be a director, or on the happening of an event which, if he were a director, would cause him to vacate the office of director, or if by written notice to the Company he resigns his appointment.
- 3 7 4 A director or any other person may act as an alternate director to represent more than one director. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director but he shall count as only one for the purposes of determining whether a quorum is present. Execution by an alternate director of any resolution in writing of the board or a committee of the board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.

3.8 Executive Directors

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the Company including the positions of chairman, chief executive officer, finance director and

managing director for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board may decide and the board may amend the terms of such appointment or may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the Company or the Company may have against the director for any breach of any contract of service between him and the Company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide and either in addition to or in lieu of his remuneration as a director.

4 PROCEEDINGS OF THE BOARD

4.1 Board Meetings

Subject to article 4.2, the board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary at the request of a director at any time shall, call a board meeting.

4.2 Notice of Board Meetings

4.2.1 Notice of the time, place and purpose of every meeting of the directors must be given to every director and to his alternate (if any). However, the actual non-receipt of notice by any director or alternate director will not invalidate the proceedings of the directors. Unless a majority in number (including at least one Palamon Director) of the directors indicate their willingness to accept shorter notice of a meeting of directors or, in the case of emergency, where consent to hold a meeting on short notice shall be deemed to have been given (provided that at least one Palamon Director has given his consent to that meeting being held on short notice), at least five Business Days' notice must be given of a meeting of directors. Every notice of a meeting of the directors required to be given under this article may be given orally (personally or by telephone) served personally or sent by facsimile (subject to the recipient acknowledging receipt thereof) or by e-mail (subject to the recipient acknowledging receipt thereof) to the address for the time being supplied for the purpose to the secretary of the Company.

4.2.2 For the avoidance of doubt, a director absent or intending to be absent from the United Kingdom may require by written notice to the Company that notices of meetings of the Directors shall during his absence be sent in writing to him at an address or to a facsimile number or using electronic communications to an address given by him to the Company for this purpose.

4.3 Quorum

4.3.1 No business shall be transacted at any meeting of the directors unless a quorum is present. A quorum shall exist at any directors' meeting if more than half the directors (including at least one Palamon Director) are present or represented by an alternate.

- 4 3 2 If a quorum is not present at a meeting of the directors at the time when any business is considered any director may require that the meeting be reconvened. At least five Business Days' notice of the reconvened meeting will be given unless all the directors agree. At the reconvened meeting, a quorum shall exist with respect to those matters on the agenda which were not disposed of at the original meeting if any two or more directors (including at least one Palamon Director) are present or represented by an alternate.
- 4 3 3 A director shall only be counted in the quorum once, notwithstanding that he may also be acting as an alternate director, and an alternate director who is not a director shall only be counted in the quorum once, notwithstanding that he may be acting as alternate for more than one director.

4 4 Appointment of Chairman

The board may appoint a director to be the chairman or a deputy chairman of the board, and may at any time remove him from that office. The chairman or failing him a deputy chairman shall act as a chairman at every meeting of the board. If no chairman and more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a director longest shall take the chair. But if no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.

4 5 Competence of Meetings

A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board.

4 6 Voting

Resolutions at meetings of the board shall be decided by a majority of votes cast. Each Palamon Director shall have two votes and each other director shall have one vote. The chairman shall not have a second or casting vote.

4 7 Delegation to Committees

- 4 7 1 The board may delegate any of its powers, authorities and discretions to any committee consisting of (i) one or more directors only, or (ii) one or more directors and one or more persons who are not directors, or (iii) one or more persons who are not directors only. Such committees may be given the power to delegate any of its powers, authorisations and discretions.
- 4 7 2 Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board. The meetings and proceedings of any committee shall be governed by the provisions contained in these articles for regulating the meetings and proceedings of the board so far as the same are applicable.

- 4.7.3 The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board

4.8 Participation in Meetings by Telephone

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone, television or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

4.9 Resolution in Writing

A resolution in writing signed by all the directors shall be as valid and effective for all purposes as a resolution passed by the directors at a meeting duly convened, held and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors concerned. A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

4.10 Validity of Acts of Board or Committee

All acts done by the board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or person so acting or that they or any of them were disqualified from holding office or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee and had been entitled to vote.

5 FEES, REMUNERATION, EXPENSES AND PENSIONS

5.1 Directors' Fees

Each of the directors may be paid a fee at such rate as may from time to time be determined by the board.

5.2 Expenses

Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the board or committees of the board or

general meetings of the Company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director

5.3 Pensions and Gratuities for Directors

The board or any committee authorised by the board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, or dependants of, or persons connected to, any director or former director. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

6 DIRECTORS' INTERESTS

6.1 Permitted Interests and Voting

6.1.1 Subject to the provisions of the Companies Acts and of paragraph 6.1.6 of this article, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established.

6.1.2 A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board (or any committee authorised by the board) may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other article.

6.1.3 A director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in the other Company. The board may also cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as

directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company

6 1 4 A director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm may be entitled to remuneration for professional services as if he were not a director

6 1 5 Subject to the provisions of the Companies Acts and of paragraph 6 1 6 of this article, a director may vote on and be counted in the quorum in relation to any resolution of the board in respect of any contract in which he has an interest

6 1 6 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract is first taken into consideration (or, if the board is acting by written resolution, by inclusion of an appropriate statement in such written resolutions) if he knows his interest then exists, or in any other case at the first meeting of the board after he knows that he is or has become so interested For the purposes of this article, a general notice to the board by a director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this article in relation to any such contract, provided that no such notice shall be effective unless either it is given at a meeting of the board or the director takes reasonable steps to secure that it is brought up and read at the next board meeting after it is given, or included as a statement in any relevant resolutions of the board

6 1 7 Reference in this article to a contract includes reference to any proposed contract and to any transaction or arrangement whether or not constituting a contract

6 1 8 Subject to the provisions of the Companies Acts, the Company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract not properly authorised by reason of a contravention of this article

7. POWERS AND DUTIES OF THE BOARD

7 1 General Powers of Company Vested in Board

Subject to the provisions of the Companies Acts, the memorandum of association of the Company and these articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the board which may exercise all the powers of the Company whether relating to the management of the business of the Company or not No alteration of the memorandum of association or these articles and no special resolution shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that

resolution had not been passed. The powers given by this article shall not be limited by any special power given to the board by any other article.

7.2 Agents

The board may by power of attorney or otherwise, appoint any person or body of persons whether nominated directly or indirectly by the board to be the agent of the Company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate). The board may remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

7.3 Delegation to Individual Directors

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

7.4 Official Seals

The Company may exercise all the powers conferred by the Companies Acts with regard to having any official seal for use abroad and such powers shall be vested in the directors. Subject to the provisions of the Companies Acts, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

7.5 Registers

Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place and the board may make and vary such regulations as it may think fit respecting the keeping of the register.

7.6 Provision for Employees

The board may exercise any power conferred by the Companies Acts to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

PART 4: GENERAL MEETINGS**8 GENERAL MEETINGS****8 1 Extraordinary General Meetings**

Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting

8 2 Annual General Meetings

The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts

8 3 Convening of Extraordinary General Meetings

The board or any director or a requisition of members pursuant to the provisions of the Companies Acts may convene an extraordinary general meeting whenever it or he thinks fit

8 4 Separate General Meetings

The provisions of these articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of shares of a class convened otherwise than in connection with the variation or abrogation of the rights attached to the shares of that class (in which case article 13 3 shall apply) For this purpose, a general meeting at which no holder of a share other than an Ordinary Share may, in his capacity as a member, attend or vote shall also constitute a separate general meeting of the holders of the Ordinary Shares

8 5 Form of Resolution

8 5 1 Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective

8 5 2 Subject to the Companies Acts, a resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members These copies may be facsimile copies

9. NOTICE OF GENERAL MEETINGS**9 1 Length of Notice**

An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or (save as provided by the Companies Acts) a resolution

of which special notice has been given to the Company shall be convened by not less than 21 clear days' notice in writing. All other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors or, if more than one, each of them.

9.2 Omission or Non-Receipt of Notice

The accidental omission to give any notice of a meeting or the accidental omission to send any document relating to any meeting to, or the non-receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.

10. PROCEEDINGS AT GENERAL MEETINGS

10.1 Quorum

10.1.1 The quorum at any general meeting or adjourned general meeting shall be, two, of whom one shall, if any Palamon Shareholder is at the time a holder of any Ordinary Shares, be a Palamon Shareholder, present in person or by proxy. A member may only be counted in the quorum once, notwithstanding that he may also be acting as a proxy or corporate representative for another member or members, and a proxy or corporate representative who is not a member may only be counted in the quorum once, notwithstanding that he may be acting as proxy or corporate representative for more than one member.

10.1.2 If, and for so long as, the Company has only one member, that member present in person or by proxy shall be a quorum at any general meeting of the Company or of the holders of any class of shares.

10.2 Procedure if Quorum Not Present

If a quorum is not present within half an hour (or such longer time as the persons present may all agree to wait) from the time appointed for any general meeting, or if during a general meeting a quorum ceases to be present, the meeting shall be dissolved provided that in such circumstances the Company may convene another general meeting to consider the same matters as were to be considered at the original general meeting by giving not less than 7 clear days' notice in writing. At such general meeting, the quorum shall be at least two members of whom one shall, if any Palamon Shareholder is at the time a holder of any Ordinary Shares, be a Palamon Shareholder, present in person or by proxy.

10.3 Chairman of General Meeting

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot

agree, the deputy chairman who has been in office as a director longest shall take the chair. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman is willing to act as chairman, the directors present shall by a majority in number choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

10.4 Entitlement to Attend and Speak

Each director shall be entitled to attend and speak at any general meeting of the Company. The chairman or any director may invite any person to attend and speak at any general meeting of the Company where he considers that this will assist in the deliberations of the meeting.

10.5 Adjournments

The chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by such a meeting) adjourn the meeting either sine die or to another time or place. When a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

10.6 Notice of Adjournment

When a meeting is adjourned for one month or more, or sine die, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these articles otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

11 VOTING

11.1 Number of votes

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of these articles

- (A) on a show of hands every member who is present in person or by a corporate representative at a general meeting of the Company shall have one vote. Proxies may vote on a show of hands, and
- (B) on a poll every member who is present in person or by proxy or corporate representative shall have one vote for every share of which he is the holder.

11.2 Method of Voting

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Companies Acts, a poll may be demanded by

- (i) the chairman of the meeting, or
- (ii) any member present in person or by proxy and entitled to vote

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution on a show of hands has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution

11.3 Procedure if Poll Demanded

If a poll is properly demanded it shall be taken in such manner as the chairman shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll shall be taken forthwith after it has been properly demanded

11.4 Votes on a Poll

On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion

11.5 No Casting Vote of Chairman

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman shall not be entitled to an additional or casting vote

11.6 Votes of Joint Holders

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding

11.7 Voting on Behalf of Incapable Member

A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote on a poll by proxy), provided that evidence to the satisfaction of

the board of the authority of the person claiming to exercise the right to vote or such other right has been delivered at the office (or at such other place as may be specified in accordance with these articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll

11.8 No Right to Vote where Sums Overdue on Shares

No member shall be entitled in respect of any share held by him to vote (either personally or by proxy) at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to general meetings unless all calls or other sums presently payable by him in respect of that share have been paid

11.9 Objections or Errors in Voting

If

- (A) any objection shall be raised to the qualification of any voter, or
- (B) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (C) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs

12 PROXIES

12.1 Execution of Proxies

An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be deemed to include authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates

12.2 Delivery of Proxies

The instrument appointing a proxy and (if required by the board) any authority under which it is executed or a copy of the authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the board, must be delivered to the office (or to such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than 48 hours (or such shorter period as the board may determine) before the time appointed for holding the meeting or adjourned meeting

at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than 24 hours (or such shorter period as the board may determine) before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall be invalid. A faxed or other machine made copy of an instrument appointing a proxy shall be treated as such an instrument for the purpose of this article provided that it is received in a complete and legible form. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

12.3 Maximum Validity of Proxy

No instrument appointing a proxy shall be valid after 12 months have elapsed from the date named in it as the date of its execution save that, unless the contrary is stated in it, an instrument of proxy shall be valid for use at an adjourned meeting or a poll after a meeting or an adjourned meeting even after 12 months, if it was valid for the original meeting.

12.4 Form of Proxy

Instruments of proxy shall be in any usual form or in such other form as the board may approve and the board may, if it thinks fit, but subject to the provisions of the Companies Acts, send with the notice of any meeting forms of instrument of proxy for use at the meeting.

12.5 Cancellation of Proxy's Authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the Company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

PART 5 SHARES AND SHARE CAPITAL

13 SHARE CAPITAL

13.1 Redeemable Shares

Subject to the provisions of the Companies Acts and to any rights attached to existing shares, any share may be issued which is to be redeemed, or is liable to be redeemed at the option of the Company or the holder

13.2 Purchase of Own Shares

Subject to the provisions of the Companies Acts and to any rights attached to existing shares, the Company may by special resolution purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares

13.3 Variation of Rights

Subject to the provisions of the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound-up) be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the Company shall, with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum), that every holder of shares of the class present in person or by proxy shall be entitled on a poll to one vote for every share of the class held by him (subject to any rights or restrictions attached to any class of shares) and that any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions of this article shall apply to the variation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied

13.4 Pari Passu Issues

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them

13.5 Pre-emption Rights on Issue

13.5.1 If there is to be an issue of any unissued shares or securities (the “**Relevant Securities**”) wholly for cash or an issue of Relevant Securities to a Palamon Shareholder, this article 13.5 shall apply. Subject to the provisions of the Companies Acts and these articles and to any special resolution passed by the

Company and without prejudice to any rights attached to existing shares, subject to article 13 5 4 and article 14 10, each Ordinary Shareholder shall have the pre-emptive right to subscribe for all or any such Relevant Securities to be issued by the Company (at the same price and on the same terms as the Relevant Securities are to be issued) For the foregoing purposes, any Ordinary Shareholder may apply for all or any Relevant Securities being offered and in the event of competition between any Shareholders for the Relevant Securities, their respective entitlements shall be determined pro rata to the number of Ordinary Shares and options over Ordinary Shares (including both vested and unvested options) held by each such Shareholder at the time the notice referred to in the next sentence is given by the Company The Company shall give written notice to each such Shareholder of its intention to issue any such Relevant Securities Upon receipt of that notice, each such Shareholder shall have 20 Business Days in which to exercise his pre-emption rights under this article, in whole or in part, by sending an acceptance notice to the Company

- 13 5 2 The board is unconditionally authorised to exercise all powers of the Company to allot relevant securities The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of this article or such other amount as may from time to time be authorised by the Company in general meeting The authority conferred on the directors by this article shall remain in force for a period of five years from the date of adoption of this article but may be revoked varied or renewed from time to time by the Company in general meeting in accordance with the Companies Acts
- 13 5 3 Section 89(1) of the Companies Act 1985 shall not apply to the allotment by the Company of any equity security
- 13 5 4 The provisions of article 13 5 1 shall not apply to and no Shareholder shall have any pre-emption right in connection with (i) the allotment or issue of options or Shares under any employees' share scheme established by the Company, (ii) the allotment or issue of Shares on the exercise of options under any employee share scheme established by the Company, (iii) any allotment or issue of options or Shares to employees, individual contractors or directors (who are not partners or employees of Palamon Capital Partners, LP, Palamon Capital Partners LLP or Palamon Capital Partners Limited) of any member of the Group, (iv) any allotment or issue of Ordinary Shares or Preference Shares by the Company to Palamon Shareholders in the circumstances contemplated by clauses 3, 12 1 2 or 12 1 4 of the Shareholders Agreement

13 6 Payment of Commission

The Company may in connection with the issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts

13 7 Trusts Not Recognised

Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice of it) any interest in any Share or (except only as by these articles or by law otherwise provided) any other right in respect of any share other than an absolute right to the whole of the share in the holder

13.8 Right to Share Certificates

Subject to the provisions of these articles, every person (except a person to whom the Company is not by law required to issue a certificate) whose name is entered in the register as a holder of any Shares shall be entitled, without payment, to receive within the time limits prescribed by the Companies Acts one certificate for all those Shares of any one class. In the case of a Share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who transfers some but not all of the Shares comprised in a certificate shall be entitled to a certificate for the balance without charge

13 9 Replacement of Share Certificates

If a share certificate is defaced, worn out, lost or destroyed, it may be replaced (subject as provided in this article) without charge but on such terms (if any) as to evidence and indemnity as the board may decide and, where it is defaced or worn out, after delivery of the old certificate to the Company. Any two or more certificates representing Shares of any one class held by any member shall at his request be cancelled and a single new certificate for such Shares issued in lieu. Any certificate representing Shares of any one class held by any member may at his request be cancelled and two or more certificates for such Shares may be issued instead. The board may require the payment of any exceptional out-of-pocket expenses of the Company incurred in connection with the issue of any certificates under this article. Any one of two or more joint holders may request replacement certificates under this article

13 10 Execution of Share Certificates

Every share certificate shall be executed under a seal or in such other manner as the board, having regard to the terms of issue may authorise, and shall specify the number and class of the Shares to which it relates and the amount or respective amounts paid up on the Shares. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical, electronic or other means or may be printed on them or that the certificates need not be signed by any person

14 TRANSFER OF SHARES

14 1 Transfer

14 1 1 No Disposal of any Share or any legal or beneficial interest in a Share shall be made by any Shareholder except the transfer of the entire legal and beneficial interest in the Share, provided that a transfer of the entire legal and beneficial interest in a Share from a Shareholder to a Family Trust of that Shareholder or a Privileged Relation of that Shareholder or from a Family Trust to a person or Privileged Relation of a person who has a beneficial interest in such Family Trust shall, subject to the other provisions of this article 14 1, be permitted

14 1 2 No Disposal of any Share or any legal or beneficial interest in a Share shall be made by any Shareholder (other than a Palamon Shareholder) other than

(A) pursuant to and following a Drag Offer and in accordance with article 14 8,

(B) pursuant to and following a Tag Offer and in accordance with article 14 9,

(C) by a Shareholder to a Family Trust of that Shareholder or a Privileged Relation of that Shareholder, or from a Family Trust to a person (or Privileged Relation of a person) who has a beneficial interest in such Family Trust or from a trustee of a Family Trust (in that capacity) to a new trustee of a Family Trust (in that capacity), or

(D) a Disposal to which Palamon II has given its prior written consent

14 1 3 Subject to articles 14 1 1 and 14 9, any Palamon Shareholder may Transfer any Shares to any person

14 1 4 Any transfer of Shares made in accordance with these articles shall be registered promptly, subject to stamping The directors shall decline to register any transfer of Shares which is not made in accordance with these articles

14 1 5 On the transfer of any Share, the Share shall be transferred free of encumbrances and with all rights attaching thereto,

14 2 Obligations at completion of a Transfer

On completion of any Transfer of Shares under or in accordance with these articles

14 2 1 the seller shall deliver to the purchaser a certificate representing the relevant Shares duly endorsed in the name of the purchaser or as directed by the purchaser together with the necessary instrument of transfer and the Shareholders and the Company will ensure that, subject to due stamping, such transfer shall promptly be entered in the Company's share register,

14 2 2 the purchaser shall pay the aggregate transfer price in respect of the relevant Shares to the seller by banker's draft for value on the date of completion or in such other manner as may be agreed by the seller and the purchaser before completion, and

14 2 3 the seller shall do all such other acts and/or execute all such other documents in a form satisfactory to the purchaser as the purchaser may reasonably require to give effect to the transfer of title to the Shares to it

14 3 Execution of Transfer

The instrument of transfer of a Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the Share concerned until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the Company

14 4 Rights to Decline Registration of Partly Paid Shares

Except in the case of a transfer of a Share in accordance with article 14 1, the board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any Share whether or not it is a fully paid share

14 5 Other Rights to Decline Registration

The board may decline to register any transfer of a share

- (A) on which the Company has a lien,
- (B) to a person who is under 18 years of age,
- (C) if the instrument of transfer is not left at the office or such other place as the board may from time to time determine accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the Share to which it relates (or an indemnity with respect to such certificate in a form reasonably acceptable to the Board) and such other evidence as the board may reasonably require to show the right of the person executing the instrument of transfer to make the transfer,
- (D) if the instrument of transfer is not in respect of only one class of Share, and
- (E) in the case of a transfer to joint holders, if the number of joint holders to whom the Share is to be transferred exceeds four

14 6 Notice of Refusal

If the board declines to register a transfer of a Share it shall, within one month after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal

14 7 No Fee for Registration

No fee shall be charged by the Company for registering any transfer, document or instruction relating to or affecting the title to any share or for making any other entry in the register

14 8 Drag Offer

14 8 1 For the purposes of this article 14 8, a **"Drag Offer"** is an offer to buy all (but not some only) of the Shares then in issue which is

- (A) conditional on acceptance in respect of all the Shares then in issue within a specified time period being made,
- (B) with respect to all Shares of the same class, at the same price per Share (which, for the avoidance of doubt, may be zero) and otherwise on the same terms (subject to clause 12 3(D) of the Shareholder Agreement), and
- (C) not made by a person who is Controlled by, under common Control with, or who Controls, a Palamon II Fund

14 8 2 (A) A Drag Offer may be accepted at any time by a shareholder who is a Palamon II Fund or is a person who is Controlled by, under common Control with, or who Controls a Palamon II Fund (a **"Relevant Shareholder"**)

- (B) A Drag Offer may not be accepted by a Shareholder who is not a Relevant Shareholder, other than in accordance with article 14 8 2(C)
- (C) If a Drag Offer is accepted by all the Relevant Shareholders that hold Shares with respect to their holdings of Shares then each of the other Shareholders shall be deemed to have accepted such Drag Offer and Palamon II shall be and is hereby authorised on behalf of such other Shareholders to notify the person making the Drag Offer of such other Shareholders' acceptance of the Drag Offer
- (D) The transfer of Shares pursuant to the Drag Offer shall be completed in accordance with article 14 2
- (E) If a Shareholder fails or refuses to Transfer any Shares agreed to be sold as required under this article
 - (i) the Company shall by written notice authorise any director to execute and deliver on the relevant Shareholder's behalf the necessary instrument of Transfer and to do any other acts and/or execute any other deeds and documents on the relevant Shareholder's behalf required to effect the transfer of title to the Shares,

- (ii) the Company shall receive the purchase money in trust for the Shareholder and the receipt of the Company for the purchase money shall be a good discharge for the Transferee, who shall not be bound to see to the application of the purchase money,
- (iii) the Company shall, subject to the instrument of Transfer being duly stamped, cause the Transferee to be registered as holder of the relevant Shares, and
- (iv) once registration has taken place in purported exercise of the power contained in this article, the validity of the proceedings shall not be questioned by any person

14 8 3 The offer constituted by a Drag Offer shall extend to persons holding options to subscribe for Shares which are exercisable at the time of completion of the Share Transfers being made pursuant to the Drag Offer or which become exercisable as a result of the making of the Drag Offer or the completion of such Share Transfers or at any time thereafter. The provisions of article 14 7 2 shall apply to the Shares issued as a result of the exercise of such options in the same manner as they apply to Shares in issue at the time of the Drag Offer

14 9 Tag Along

14 9 1 (A) In the event of a proposed Transfer of any Shares, other than transfers between members of the Palamon Group or transfers made pursuant to Clause 14 8, by any Palamon Shareholder which will result in the Transferee (and/or its Affiliates and/or persons Acting in Concert with it) obtaining Control of the Company (in circumstances where the Transferee and/or its Affiliates and/or persons Acting in Concert with it would not but for the proposed Transfer have Control of the Company), the proposed Transferor shall give written notice of the proposed Transfer to the other Shareholders together with an irrevocable written offer from the proposed Transferee complying with the terms of Clauses 14 9 2 (A) and (B) to purchase all of such other Shareholders' holding of Shares of the same class as the proposed Transferor is proposing to Transfer at the same price per Share and on the same terms and conditions (subject to Clause 12 3(D) of the Shareholders' Agreement) as the proposed sale to the proposed Transferee (a "**Tag Offer**") failing which the proposed Transferor shall not be permitted to Transfer any Shares pursuant to such proposed Transfer

(A) In the event of a proposed Transfer of any Shares, other than transfers between members of the Palamon Group or transfers made pursuant to article 14 8 or a transfer to which Clause 14 9 1 (A) is applicable, by any Palamon Shareholder, the proposed Transferor shall give written notice of the proposed Transfer to the Founders together with an irrevocable written offer from the proposed Transferee complying with the terms of articles 14 9 2 (A) and (B) to purchase the same proportion of each Founder's holding of Shares of the same class as the proposed Transferor is proposing to Transfer as is equal to the proportion of the

Transferor's holding of Shares of that class that the Transferor proposes to Transfer at the same price per Share and on the same terms and conditions (subject to clause 12 3(D) of the Shareholders' Agreement) as the proposed sale to the proposed Transferee (a "Tag Offer") failing which the proposed Transferor shall not be permitted to Transfer any Shares pursuant to such proposed Transfer

- 14 9 2 (A) The delivery of a Tag Offer shall be irrevocable for a period of 21 Business Days after service of the Tag Offer (unless all the Shareholders otherwise agree) and shall, on written acceptance by each Shareholder, bind the Transferee to purchase the Shares that are so accepted, in accordance with article 14 9 2(B)
- (A) Subject always to written acceptance of the relevant offer the parties so accepting shall be obliged to complete the sale and purchase of the Shares pursuant to article 14 9 1 within 21 Business Days after service of the Tag Offer (or, if later, at such later time as the Transfer of the relevant Transferor's (referred to in article 14 9 1) Shares completes)
- (B) If a Shareholder fails or refuses to Transfer any Shares agreed to be sold as required under this article 14 9 2 against payment of the price for them
- (i) the Company shall by written notice authorise any director to execute and deliver on the relevant Shareholder's behalf the necessary instrument of Transfer and to do any other acts and/or execute any other deeds and documents on the relevant Shareholder's behalf required to effect the transfer of Shares on the terms of the Tag Offer,
- (ii) the Company shall receive the purchase money in trust for the Shareholder and the receipt of the Company for the purchase money shall be a good discharge for the Transferee, who shall not be bound to see to the application of the purchase money,
- (iii) the Company shall, subject to the instrument of Transfer being duly stamped, cause the Transferee to be registered as holder of the relevant Shares, and
- (iv) once registration has taken place in purported exercise of the power contained in this article, the validity of the proceedings shall not be questioned by any person

14 10 Leaver provisions

- 14 10 1 Subject to article 14 10 8, if a Manager becomes a Leaver, the Company shall be entitled at its discretion to redeem, acquire or nominate a third party to acquire that Manager's total Equity Stake, provided that, without limitation of the Company's rights in this clause 14 10 1, unless the Manager's personal representatives direct otherwise, if a Manager becomes a Leaver following

death in service the Company shall redeem, acquire or nominate a third party to acquire that Manager's total Equity Stake, in each case on the terms of this article 14 10 and each Manager, on a several basis, grants the Company the right to so redeem, acquire or nominate an acquirer for and undertakes to, sell and transfer his total Equity Stake in such circumstances (the "Call Option")

14 10 2 On the Trigger Date, with respect to a Manager, the voting rights in respect of that Manager's total Equity Stake shall, to the extent legally permissible, be suspended and that Manager shall not be entitled to exercise them. If and to the extent that such suspension is not permissible, that Manager shall exercise those rights only as instructed by Palamon II

14 10 3 If a Trigger Date occurs in respect of a Manager, the Call Option may be exercised by the Company (following a resolution of the board which resolution shall only be passed if at least one Palamon Director has voted in favour of the resolution to that effect) by notice in writing to that Manager at any time up to the completion of a Liquidity Event. In such notice of exercise, the Company may elect either to redeem or to acquire all or part of that Manager's Equity Stake itself or require that Manager to transfer all or part of his Equity Stake to a person nominated by it. The notice of exercise shall also include a timetable for such redemption, acquisition or transfer and such redemption, acquisition or transfer shall be completed as soon as is reasonably practicable following the date of exercise of the Call Option (and in any event no later than six weeks following the date of exercise of the Call Option). If the Call Option is not exercised within the time period referred to above, then the Call Option will lapse. The Call Option may be exercised more than once by the Company with respect to a Manager's Equity Stake

14 10 4 The price at which a Manager's Equity Stake is redeemed, acquired or transferred under this article 14 10 shall be

(A) in the case of a Bad Leaver, the Cost of Investment of the Manager's Equity Stake, plus accrued interest thereon, at an interest rate equal to the base rate of Barclays Bank PLC at the Trigger Date, from the Trigger Date, until the date the price is paid, or

(B) in the case of a Good Leaver the higher of

(i) the Cost of Investment of the Manager's Vested Shares, plus accrued interest thereon, at an interest rate equal to the base rate of Barclays Bank PLC at the Trigger Date, from the Trigger Date, until the date the price is paid, and

(ii) the Market Value of the Manager's Vested Shares at the Exercise Date, plus accrued interest thereon at an interest rate equal to the base rate of Barclays Bank PLC at the Exercise Date, from the Exercise Date until the date the price is paid,

plus the Cost of Investment of the Manager's Unvested Shares, plus accrued interest thereon, at an interest rate equal to the base rate of

Barclays Bank PLC at the Trigger Date, from the Trigger Date, until the date the price is paid

14 10 5 If any price calculated under article 14 10 4 (in each case the "Transfer Price") is held to be invalid or unenforceable at law, the lowest legally valid and enforceable price shall apply instead. If the Transfer Price calculated under articles 14 10 4 would be negative or zero, then the Transfer Price shall be zero, but the provisions of this article 14 10 shall still apply

14 10 6 The Transfer Price shall be payable promptly after completion of the redemption, acquisition or transfer of all of the Shares that are to be transferred by the Manager, which transfer shall take place as soon as practicable after the exercise of the Call Option in accordance with article 14 10 3

14 10 7 If a Manager fails to comply with his obligations under this article 14 10 in respect of any Shares forming part of his Equity Stake, the board may authorise any one director to execute, complete and deliver as agent for and on behalf of that Manager a transfer of the relevant Shares in favour of the relevant transferee. The directors shall authorise registration of the transfer(s) after which the validity of such transfer(s) shall not be questioned by any person. The defaulting Manager shall surrender his share certificates relating to the relevant Shares (or provide an indemnity in respect thereof in a form satisfactory to the board) to the Company

14 10 8 For the avoidance of doubt, the Primary Subscription Shares and Founder Investment Shares held by the Founders, and all derived shares therefrom, shall not be subject to the preceding provisions of this article 14 10. For the purposes of this article 14 10 8, a "derived share" means, with respect to a share, any share derived from that share or into which that share is converted or re-designated, and any shares issued by way of capitalisation of profits or reserves (including share premium account) with respect to that share or any derived share of that share

15 Employee Share Provisions

15.1 Employee related tax liability

If any income tax and/or national insurance contribution (or similar or substituted tax) liability and/or related interest, penalties, fines, costs and expenses (together "employee related tax liability") becomes payable by the Company and/or any subsidiary thereof by reference to any shares held or disposed of by any member (even if the employee or director or former employee or director of the Company or other relevant Group member by reference to which the relevant employee related tax liability arises or arose is a person other than that member) then (except to the extent that such contribution may not lawfully be demanded or arises due to an error or default by the Company and/or any Subsidiary thereof) the member concerned shall be liable on demand by the Company and without right of reimbursement from the Group, to make payment to the Company of such amount as on an after tax basis will meet the employee related tax liability concerned and the Company shall have a lien as referred to in article 20 (notwithstanding that the shares concerned are fully paid), as security for

any such amount payable, over the shares concerned and over any proceeds for sale or other disposal thereof. On a Sale or Listing the Company shall without limitation be irrevocably appointed as attorney and authorised on behalf of any such member to make such arrangements as are necessary for any such amounts payable by him under this article 15.1 to be directly paid to the Company or relevant member of the Group out of any proceeds of sale which are payable for such shares on such Sale or under the Listing arrangements.

15.2 Restricted Securities

The following provisions shall apply as regards Restricted Securities, except to the extent otherwise agreed by the board -

- (A) for the purposes of this article "**Restricted Securities**" shall mean any restricted securities or interests in restricted securities as defined in Part 7 of the Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") in the Company or any member of the Group and other words and expressions defined in such Part 7 shall bear the same meaning except where clearly inconsistent with the context,
- (B) no Restricted Security or interest therein shall be transferred or otherwise disposed of or allotted or issued to any person in circumstances where as a result that person and the Company or another member of the Group could make an election in respect thereof under Section 431(1) ITEPA (an "**Up Front Election**"), unless the board is satisfied that such election will be made in the manner and by the latest time provided by Section 431(4) and (5) ITEPA,
- (C) each member who through employment by any member of the Group becomes entitled to make an Up Front Election or who is an associated person of a person so entitled shall and shall procure that any such associated person shall duly join with his employer member of the Group in duly making that election as and within the time limits provided in Sections 431(4) and (5) ITEPA and such member hereby irrevocably and as security for his due performance of such obligation appoints the Secretary for the time being of the Company as his attorney for the purposes of signing, making and submitting any such election on his behalf,
- (D) each member shall duly provide to the Company and relevant employer member of the Group such information as it shall require or need for the purposes of fulfilling its obligations as a responsible person in relation to that member and/or his associated persons and/or any Restricted Securities or interest therein from time to time held or owned or formerly held or owned or proposed to be acquired by him and/or any such associated person and in particular and without limitation shall notify the Company of any reportable event and/or chargeable event relevant thereto without delays after it occurs, and
- (E) the Company shall procure that any Up Front Elections required to be signed and made by it and/or any other employer member of the Group as required by the foregoing are duly made as so required and in the manner and by the latest time provided in Sections 431(4) and (5) ITEPA

15 3 Buy-backs

If at any time any holder of shares (other than a Palamon Shareholder) does not comply with any obligations he/she may have to transfer his/her shares to the Company or a person(s) nominated by the Company, the Company shall be entitled to appoint any of its directors to execute and deliver on behalf of the relevant holder the necessary instruments of transfer and to do any other acts and/or execute any other deeds or documents on the relevant holder's behalf that are required to be done by the relevant holder in connection with that transfer

16. TRANSMISSION OF SHARES**16 1 Transmission on Death**

If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares, but nothing contained in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons

16 2 Entry of Transmission in Register

Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within two months after proof cause the entitlement of that person to be noted in the register

16 3 Election of Person Entitled by Transmission

Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself he shall give notice to the Company to that effect. If he elects to have another person registered, he shall transfer title to the share to that person and give notice to the Company to that effect. The board may at any time require the person to elect either to be registered himself or to transfer the share and if the requirements are not complied with within 60 days of being issued the board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements have been complied with. All the provisions of these articles relating to the transfer of, and registration of transfers of, shares shall apply to the notice or transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer was given or executed by the member, provided that, for the avoidance of doubt, such person shall only be entitled to be registered himself or to transfer the share, if he (in the case he is to be registered) or a transferee (in the case of a transfer) is already party to the Shareholders' Agreement or has executed an Accession Agreement (as defined in the Shareholders' Agreement) with respect to the Shareholders' Agreement and subject to that such a person shall be entitled to be registered if he or she is a Privileged Relation of the former holder

16.4 Rights of Person Entitled by Transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share (except with the authority of the board) to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to general meetings

17 ALTERATION OF SHARE CAPITAL

17.1 Increase, Consolidation, Sub-Division and Cancellation

The Company may from time to time by ordinary resolution

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe including the creation of any new class or series of shares,
- (ii) consolidate, or consolidate and then sub-divide, all or any of its share capital into shares of larger amount than its existing shares,
- (iii) subject to the Companies Acts, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others, and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled

17.2 Fractions

Whenever as a result of a consolidation or consolidation and sub-division of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit. In particular the board may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members and the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. For the purposes of effecting the sale, the board may arrange for the shares representing the fractions to be entered in the register. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

17 3 Reduction of Capital

Subject to the provisions of the Companies Acts and the provisions of these articles, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any way

PART 6 DISTRIBUTIONS, CAPITALISATIONS AND RETURNS OF VALUE**18. DIVIDENDS AND OTHER PAYMENTS****18.1 Declaration of Dividends by Company**

Subject to the provisions of the Companies Acts and the provisions of these articles, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board

18.2 Payment of Interim and Fixed Dividends by Board

Subject to the provisions of the Companies Acts and the provisions of these articles, the board may pay such interim dividends as appear to the board to be justified by the financial position of the Company and may pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the Company, in the opinion of the board, justifies its payment. If the board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares

18.3 Calculation and Currency of Dividends

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide

- (a) all dividends shall be declared and paid according to the amounts paid up (excluding any premium) on the share in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share,
- (b) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up (excluding any premium) on the share during any portion or portions of the period in respect of which the dividend is paid, and
- (c) dividends may be declared or paid in any currency

The board may decide the basis of conversion for any currency conversions that may be required and how any costs involved are to be met

18.4 Amounts Due on Shares may be Deducted from Dividends

The board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company. Sums so deducted can be used to pay amounts owing to the Company in respect of the shares

18.5 No Interest on Dividends

Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company

18.6 Payment Procedure

Any dividend or other sum payable in cash by the Company in respect of a share may be paid by cheque, warrant or similar financial instrument sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque, warrant or similar financial instrument shall, unless the holder or joint holders otherwise direct, be made payable to the holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of the shares, and shall be sent at his or their risk and payment of the cheque, warrant or similar financial instrument by the financial institution on which it is drawn shall constitute a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of payment by any such system or other means or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the Company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address and where two or more persons are so entitled, any one of them may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares.

18.7 Uncashed Dividends

The Company may cease to send any cheque, warrant or similar financial instrument through the post or to employ any other means of payment for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques, warrants or similar financial instruments have been returned undelivered or remain uncashed during or at the end of the period for which the same are valid or that means of payment has failed. In addition, the Company may cease to send any cheque, warrant or similar financial instrument through the post or may cease to employ any other means of payment if, in respect of one dividend payable on those shares, the cheque, warrant or similar financial instrument has been returned undelivered or remains uncashed during or at the end of the period for which the same is valid or that means of payment has failed and reasonable enquiries have failed to establish any new address or account of the holder. Subject to the provisions of these articles, the Company must recommence sending cheques, warrants or similar financial instruments or employing such other means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing.

18 8 Forfeiture of Unclaimed Dividends

All dividends or other sums payable on or in respect of any shares which remain unclaimed may be invested or otherwise made use of by the board for the benefit of the Company until claimed. Any dividend or other sum unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and shall revert to the Company and the payment by the board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it.

18 9 Dividends Not in Cash

Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other Company, and where any difficulty arises in regard to the distribution the board may settle it as it thinks expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any assets or any part thereof to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the board.

19 DISTRIBUTION OF ASSETS OTHERWISE THAN IN CASH

Subject to article 2 5, if the Company commences liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts

- (i) divide among the members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or
- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

but no member shall be compelled to accept any shares or other assets upon which there is any liability

PART 7: LIEN, CALLS AND FORFEITURE

20 LIEN

20.1 Company's Lien on Shares Not Fully Paid

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the Company (whether presently or not) in respect of that share. The Company's lien on a share shall extend to every amount payable in respect of it. The board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this article.

20.2 Enforcing Lien by Sale

The Company may sell, in such manner as the board may decide, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after a notice in writing has been served on the holder of the share or the person who is entitled by transmission to the share and who has supplied the Company with an address within the United Kingdom for the service of notices, demanding payment and stating that if the notice is not complied with the share may be sold. For giving effect to the sale the board may authorise some person to execute an instrument of transfer of the share sold to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in relation to the sale.

20.3 Application of Proceeds of Sale

The net proceeds, after payment of the costs, of the sale by the Company of any share on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the person who was entitled to the share at the time of the sale.

21 CALLS ON SHARES

21.1 Calls

Subject to the terms of issue, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the Company serving upon him at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed, in whole or in part, as the board may decide. A person upon

whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made

21.2 Payment on Calls

A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed

21.3 Liability of Joint Holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share

21.4 Interest Due on Non-Payment

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the board may decide, and all expenses that have been incurred by the Company by reason of such non-payment, but the board shall be at liberty in any case or cases to waive payment of the interest or expenses wholly or in part

21.5 Sums Due on Allotment Treated as Calls

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these articles shall apply as if the sum had become due and payable by virtue of a call

21.6 Power to Differentiate

Subject to the terms of issue, the board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment

21.7 Payment of Calls in Advance

The board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and on all or any of the moneys so advanced the Company may (until those moneys would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent per annum, as the board may decide

22 FORFEITURE OF SHARES

22.1 Notice if Call or Instalment Not Paid

If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment

22.2 Form of Notice

The notice shall name a further day (not being less than 14 clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call has been made or instalment is payable will be liable to be forfeited. The board may accept the surrender of any share liable to be forfeited and, in that event, references in these articles to forfeiture shall include surrender

22.3 Forfeiture for Non-Compliance with Notice

If the notice is not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest and expenses due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture

22.4 Notice after Forfeiture

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give notice

22.5 Sale of Forfeited Shares

Until cancelled in accordance with the requirements of the Companies Acts, a forfeited share shall be deemed to be the property of the Company and may be sold or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the board shall decide. The board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The Company may receive the consideration (if any) given for the share on its disposal. At any time before a sale or disposition the forfeiture may be cancelled by the board on such terms as the board may decide

22.6 Arrears to be Paid Notwithstanding Forfeitures

A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the Company all moneys which at the date of the

forfeiture were payable by him to the Company in respect of those shares with interest thereon at the rate of 15 per cent per annum (or such lower rate as the board may decide) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal

22.7 Statutory Declaration as to Forfeiture

A statutory declaration that the declarant is a director of the Company or the secretary and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is sold or otherwise disposed of shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale or disposal.

PART 8: GENERAL PROVISIONS**23. ERISA AND INFORMATION RIGHTS**

- 23 1 For as long as Palamon II or any of its nominees is directly or indirectly a Shareholder of the Company, Palamon II will have such management rights in the Company and the Company's subsidiaries in a manner and to the extent permitting Palamon II to substantially influence or participate in the management of the Company and the Company's subsidiaries. Accordingly, it is agreed for the benefit of Palamon II that Palamon II or its nominee shall have the right (which right shall belong solely to, and shall be exercised exclusively by, Palamon II for its own benefit and for its own account) from time to time and at any time to appoint, by notice in writing to the Company, a person as a director of the Company and to propose, by notice in writing to the Company, a person as a director of each of the Company's subsidiaries. Each of the Company's Shareholders and the shareholders of the Company's subsidiaries shall vote and take such other action as may be necessary to ensure that in each case the person so appointed or proposed by Palamon II shall hold office as a director of the Company and the Company's subsidiaries.
- 23 2 It is agreed that Mr Andrew Hawkins shall be deemed to have been appointed by Palamon II as a director of the Company pursuant to and for the purposes of article 23.
- 23 3 It is agreed that as long as Palamon II directly or indirectly hold any Shares, the Company shall (and shall procure that its subsidiaries and its and their designated representatives) provide Palamon II with the following rights (which rights shall belong solely to, and shall be exercised exclusively by, Palamon II for its own benefit and for its own account)
- 23 3 1 the right to visit and inspect any of the offices and properties of the Company and the Company's subsidiaries at such times as Palamon II shall reasonably request,
- 23 3 2 the right to inspect and copy the books and records of the Company and the Company's subsidiaries and associated companies at such times as Palamon II shall reasonably request,
- 23 3 3 the right to appoint and remove a representative to attend each and every meeting of the board of directors of the Company and the Company's subsidiaries as an observer. The appointment and removal of such a representative shall be by written notice from Palamon II to the Company, which shall take effect upon receipt of the written notice thereof at the Company's registered office or at any meeting of the board of directors,
- 23 3 4 the right to receive, within a reasonable time following a written request for the same, any information relating to the Company, its subsidiaries or associated companies which Palamon II, in its sole discretion deems fit, including without limitation

- (a) monthly consolidated financial information and statements, including but not limited to a balance sheet, profit and loss and cash flow statements of the Company, each of its subsidiaries and associated companies,
- (b) annual audited consolidated financial statements,
- (c) on an annual basis and, if so required on a more frequent basis the business plan, budget, cash flow forecast and projections of the Company, each of its subsidiaries and associated companies,
- (d) reports including a narrative setting out the progress of the Group on matters materially affecting the business and the affairs of the Group, and
- (e) such additional financial or management information as Palamon II may reasonably request including any operating reports, budgets, other financial reports and details of material developments, events or significant proposals,

23 3 5 the right, from time to time and upon reasonable notice to the Company (or the relevant subsidiary or associated Company), to meet on a regular basis with the directors or other personnel of the Company, its subsidiaries and associated companies for the purposes of

- (a) consulting with, rendering advice, recommendations and assistance to, and influencing the directors of the Company, its subsidiaries or associated companies,
- (b) obtaining information regarding the business operations, financial condition, activities and prospects of the Company or any of its subsidiaries (or associated companies) and expressing its views thereon including, without limitation, significant changes in management, personnel and compensation of employees, the introduction of new products or new lines of business, important acquisitions or dispositions of plants and equipment, significant research and development programmes, the purchasing or selling of important trademarks, licences or concessions and the proposed commencement or compromise of significant litigation,

23 3 6 the right to submit proposals and suggestions to the board of directors of the Company or the board of any of its subsidiaries, if not adopted by management, and

23 3 7 to the extent consistent with applicable law (and with respect to events which require public disclosure, only following the Company's or its subsidiary's disclosure thereof through applicable securities law filings or otherwise), the right to receive notice in advance from and consult with the Company and its subsidiaries with respect to any significant corporate actions, including, without limitation, extraordinary dividends, mergers, acquisitions or dispositions of

assets, issuance of significant amounts of debt or equity and material amendments to the articles of association

- 23 4 So long as any Palamon Shareholder holds any Shares, the Company shall (and shall procure that its subsidiaries and its and their designated representatives shall) provide to each such Palamon Shareholder the same rights as are set out in article 23, other than article 23 3, as if references therein to Palamon II were to such Palamon Shareholder
- 23 5 In the event that Palamon II transfers all or any part of its investment in the Company to an affiliated entity (or to a direct or indirect wholly-owned subsidiary of any such affiliated entity) that is intended to qualify as a VCOC under the Plan Asset Regulations such affiliated entity shall be afforded the same rights with respect to the Company as are afforded to Palamon II under this article 23
- 23 6 In the event that the Company ceases to qualify as an "operating Company" (as defined in the first sentence of 29 CFR Section 2510 3-101(c)), then the Company and each Shareholder will co-operate in good faith to take all reasonable action necessary to ensure that the investment of Palamon II qualifies as a "venture capital operating Company" (as defined in the Plan Asset Regulations) and shall continue to qualify as a "venture capital investment" (as defined in the Plan Asset Regulations) This provision shall not be construed as any obligation on any party to provide any additional finance to the Group
- 23 7 The Shareholders and the Company agree with Palamon II that if Palamon II notifies the Shareholders and the Company in writing that the provisions of articles 23 1, 23 2, 23 3 and 23 6 require any amendment to preserve the qualification of Palamon II as a VCOC for the purposes of ERISA, or otherwise to ensure that the assets of Palamon II are not considered "plan assets" for the purposes of ERISA, the Shareholders and the Company will consent to the proposed amendments, provided that the amendments do not result in an adverse effect on the operations, business or the prospects of the Group or, in the reasonable opinion of Palamon II and the board, to the current or future value of the Company or any class of shares in the Company or the other Shareholders' rights under these Articles

24 SERVICE OF NOTICES AND DOCUMENTS

- 24 1 Any notice or document (including a share certificate) to be given or delivered to or by any person pursuant to these articles (save for notices of board meetings as arranged by article 4 2) shall only be effective if it is in writing Faxes are permitted but e-mails are not permitted
- 24 2 Any notice may be served on or delivered to any person under these articles
- 24 2 1 personally, or
- 24 2 2 by leaving it for, or sending it by post (first class if inland and airmail if overseas) addressed to, a member at his registered address or the Company at its registered office, or

24 2 3 by fax to a number provided by the member, Company or director for this purpose, or

24 2 4 by any other means authorised in writing by the member, Company or director

24 3 In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders

24 4 A member or director present in person or by proxy or alternate at any meeting of the Company or of the holders of any class of shares in the Company or at any meeting of directors shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called

24 5 Any notice given under these articles shall, in the absence of earlier receipt, be deemed to have been duly given as follows

24 5 1 if delivered personally, on delivery,

24 5 2 if sent by first class inland post, two Business Days after the date of posting,

24 5 3 if sent by airmail, five Business Days after the date of posting, and

24 5 4 if sent by facsimile when the recipient acknowledges receipt

25 MISCELLANEOUS

25 1 Secretary

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term and upon such conditions as the board may think fit, and any secretary so appointed may be removed by the board. The secretary shall receive such remuneration as the board or any committee authorised by the board shall decide

25 2 Seals

The board shall provide for the custody of every seal of the Company. A seal shall only be used by the authority of the board or of a committee of the board authorised by the board in that behalf. Subject as otherwise provided in these articles, and to any resolution of the board or committee of the board dispensing with the requirement for counter-signature on any occasion, any instrument to which the common seal is applied shall be signed by at least one director and the secretary, or by at least two directors or by such other person or persons as the board may approve. Any instrument to which an official seal is applied need not, unless the board for the time being otherwise decides or the law otherwise requires, be signed by any person

25 3 Record Dates

Notwithstanding any other provision of these articles, the Company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such

record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made. The power to fix any such record date shall include the power to fix a time on the chosen date.

25.4 Accounting Records

The board shall cause to be kept accounting records sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company at that time, and which accord with the Companies Acts.

25.5 Destruction of Documents

If the Company destroys or deletes

- (a) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- (b) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the Company, or
- (c) any instrument of transfer of shares which has been registered at any time after a period of six years has elapsed from the date of registration, or
- (d) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it.

and the Company destroys or deletes the document or instruction in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrefutably in favour of the Company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed or deleted was a valid and effective instrument of transfer or instruction and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the Company were correctly recorded. Nothing contained in this article shall be construed as imposing upon the Company any liability which, but for this article, would not exist or by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this article to the destruction of any document include references to its disposal in any manner.

25.6 Indemnity

Subject to the provisions of the Companies Acts, the Company may indemnify any director or other officer of the Company or any of its subsidiaries or any associated

Company against any liability and may purchase and maintain for any director or other officer of the Company or any of its subsidiaries or any associated Company insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a director or other officer of the Company, in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by the court. For the purposes of this article no person appointed or employed by the Company as an auditor is an officer of the Company.

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Registered Number 6020370

THE COMPANIES ACT 1985 (AS AMENDED)
A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
CHARIOT EDUCATION HOLDINGS LIMITED
(adopted on [●] January, 2007)

Incorporated in England and Wales
on ● December, 2006

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