

Company No 06173337

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**  
**NEW ARTICLES OF ASSOCIATION**  
**of**  
**REGARD HOLDINGS LIMITED**  
**(the "Company")**

TUESDAY



(Previously known as BROOMCO (4078) LIMITED)

(Adopted by special resolution passed on 26 August 2016)

**1 PRELIMINARY**

**1.1 In these Articles -**

<b>"Acquired Price"</b>	means, in relation to a Share, (i) where the Share was issued to the current holder the price at which such Share was issued, being the aggregate of the amount paid up or credited as paid up in respect of the nominal value of such Share and any share premium thereon or (ii) where the Share was transferred to the current holder for value the price paid by the current holder
<b>"Act"</b>	means the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force
<b>"A Ordinary Share"</b>	means an A ordinary share of £0.01 in the capital of the Company
<b>"Bad Leaver"</b>	means a Leaver whose employment or contract for services is terminated in circumstances justifying Summary Dismissal
<b>"Board"</b>	means the board of directors of the Company (or any duly authorised committee thereof) from time to time
<b>"Business Day"</b>	means a day (other than a Saturday) on which clearing banks in the City of London are normally open for usual sterling banking business

<b>"Connected Person"</b>	as defined by Section 993 of the Tax Act, provided however that any determination of fact as to whether two or more persons are acting together shall, in the absence of any ruling by HM Revenue Et Customs, be made by the tax advisers appointed by the Investors acting as experts and not as arbitrators and whose certificate or certificates from time to time shall be final and binding on the Company and all shareholders
<b>"Controlling Interest"</b>	means an interest in shares in a company conferring in aggregate more than 50% of the total voting rights conferred by all the issued shares in that company, taking account at the relevant time of provisions regarding voting rights contained in the Articles of association of that company
<b>"Defined Group"</b>	<p>means Mezzanine Management Fund IV 'A' LP and its subsidiaries, holding companies and subsidiaries of such holding companies and -</p> <ul style="list-style-type: none"> <li>(a) any partnership of which any of them is general partner, manager or adviser</li> <li>(b) any unit trust or fund (whether a body corporate or otherwise) of which any of them is trustee, manager, adviser or general partner and</li> <li>(c) any unit trust, partnership or fund (whether a body corporate or otherwise) the managers of which are advised by any of them</li> </ul> <p>in each case from time to time</p>
<b>"Employee"</b>	means a person (other than an Investor Director) who at any time is a director and/or an employee of any Group Company or whose services are made available to any Group Company under the terms of an agreement with any Group Company (and "employment" shall be construed accordingly to include such an agreement)
<b>"Employee Trust"</b>	means a trust established with Investor Consent and whose beneficiaries are the bona fide employees of any Group Company
<b>"Equity Shares"</b>	means the A Ordinary Shares and the Ordinary
<b>"Excluded Person"</b>	Shares means -

- (a) any Leaver,
- (b) any Employee who has given, or been given, notice to terminate his contract of employment with any Group Company, or
- (c) a Permitted Transferee of (a) or (b)

<b>"Fair Price"</b>		means such price as the transferor and (with Investor Consent) the Board shall agree within ten days after the date of the relevant Transfer Notice or, failing such agreement, such price as the Independent Expert shall determine pursuant to Article 10 4
<b>"Family Member"</b>		means in relation to a holder of Ordinary Shares who is a director or employee of a Group Company, his spouse or children and grandchildren (including step and adopted children)
<b>"Financial Covenant"</b>		has the meaning set out in the Investment Agreement
<b>"Financial year"</b>	<b>and</b>	an accounting reference period (as defined by the Act) of the Company
<b>"financial period"</b>		
<b>"Fraudulent Leaver"</b>		means a person who ceases to be an Employee where his employment has been terminated as a result of fraud on a Group Company
<b>"Further Ordinary Shares"</b>		means cumulatively after the date of adoption of these Articles the issue of, in aggregate, up to 5,480 Ordinary Shares in accordance with clause 5 of the Investment Agreement
<b>"Group"</b>		means the Company and its subsidiaries, all holding companies of the Company, and all subsidiaries of each such holding company, in each case, from time to time
<b>"Group Company"</b>		means each of the companies referred to in the definition in these Articles of "Group"
<b>"Independent Expert"</b>		means an independent firm of chartered accountants (acting as an expert and not as an arbitrator) nominated and agreed by the parties concerned or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales
<b>"Institutional Investor"</b>		means any person whose business is (whether in whole or

in part) to make, manage or advise on investments

<b>"Investment Agreement"</b>	means the agreement for share subscriptions dated on the date of adoption of these Articles between the Company (1) the Managers (as defined therein) (2) Mezzanine Management Fund IV 'A' LP (3) and Mezzanine Management Limited (4) as amended, varied and supplemented for the time being
<b>"Investor Consent"</b>	means the giving of a prior written consent by the Majority Institutional Holders
<b>"Investor Direction"</b>	means the giving of a prior written direction by the Majority Institutional Holders
<b>"Investor Director"</b>	means a director appointed pursuant to the Investment Agreement or Article 18
<b>"Investors"</b>	means those persons who are "Investors" within the meaning of this expression in the Investment Agreement, or a member of the Defined Group or any nominee of any such person and "Investor" means any of them The expression " <b>member of an Investor's Group</b> " shall mean an Investor, any subsidiary of that Investor, any holding company of that Investor, any subsidiary of any such holding company and any nominee of any of the foregoing and " <b>Investor's Group</b> " shall be construed accordingly
<b>"Issue Price"</b>	means, in relation to a Share, the price at which such Share is issued, being the aggregate of the amount paid up or credited as paid up in respect of the nominal value of such Share and any share premium thereon
<b>"ITEPA"</b>	the Income Tax (Earnings and Pensions) Act 2003
<b>"JF"</b>	means John Farragher
<b>"JW"</b>	means John Webster
<b>"Leaver"</b>	means -  (a) any person who ceases to be an Employee for whatever reason,  (b) any Shareholder who is a Permitted Transferee of any person who ceases to be an Employee,  (c) any person who becomes entitled to any Shares -

- (i) on the death of a Shareholder (if an individual),
  - (ii) on the receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of a Shareholder (if a company),
  - (iii) on the exercise of an option after ceasing to be an Employee,
- (d) any Shareholder holding Shares as a nominee for any person who ceases to be an Employee

**"Leaver's Shares"**

all of the Shares held by a Leaver or a Family Member of a Leaver, or to which he is entitled, on the Leaving Date and any Shares acquired by a Leaver or a Family Member of a Leaver after the Leaving Date whether under an employees' share scheme or otherwise

**"Leaving Date"**

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

**"Listing"**

means the admission of any Shares to listing on the Official List of the UK Listing Authority and to trading on the market for listed securities of the London Stock Exchange plc and such admission becoming effective or the grant of permission for any Shares to be dealt in on recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or any other public securities market including the Alternative Investment Market and such permission becoming effective

**"Majority Equity Holders"**

means the persons who together at the relevant time hold more than 50% in number of the A Ordinary Shares and Ordinary Shares (as if they were one class of share) in issue or the right to subscribe for such shares at such time

**"Majority Institutional Holders"**

means the persons who together at the relevant time hold more than 50% in number of the A Ordinary Shares in issue or the right to subscribe for such shares at that time

**"Manager"**

has the meaning given in the Investment Agreement

<b>"Material Default"</b>	means any of the following situations - <ul style="list-style-type: none"> <li>(a) an Event of Default (as defined in the Senior Loan Agreement) has occurred,</li> <li>(b) the failure by Regard Midco to comply with the ratios set out in Clause 2 of the Financial Covenant,</li> <li>(c) where both of JF and JW are Leavers, or</li> <li>(d) where either one of JF or JW are a Leaver where the circumstances of his departure are such that he is a Bad Leaver or a Notice Leaver, or</li> <li>(e) where a receiver or administrator has been appointed over the whole or any part of the assets or undertaking of any Group Company or the Company is insolvent or unable to pay its debts with the meaning of section 123 (1) or 123 (2) of the Insolvency Act 1986, or</li> <li>(f) Regard Midco has failed to pay any amounts owing under the Mezzanine Loan Agreement within 10 Business Days of the due date for payment</li> </ul>
<b>"Material Default Period"</b>	has the meaning set out in Article 3 3 2
<b>"Mezzanine Loan Agreement"</b>	means the agreement dated on the date of adoption of these articles entered into by (inter alia) Mezzanine Management Europe SA and MML Capital Partners LLP and Regard Midco relating to the mezzanine loan facilities as amended, varied or supplemented for the time being
<b>"Notice Leaver"</b>	means a person who ceases to be an Employee where he resigns from his employment for any reason
<b>"Ordinary Share"</b>	means an ordinary share of £0.01 in the capital of the Company
<b>"Permitted Transferee"</b>	means any person who holds Shares as a result of a transfer of Shares by a Manager
<b>"Regard Midco"</b>	means Regard Midco Limited (registered no 7746917)
<b>"Sale Price"</b>	has the meaning given in Article 10 1
<b>"Sale Shares"</b>	has the meaning given in Article 9 4
<b>"Selling Shareholders"</b>	means

- (a) from the date of adoption of these Articles ("Adoption Date") to the third anniversary of the Adoption Date, the Majority Equity Holders and the Majority Institutional Holders, or
- (b) from the date being three years and 1 day from the Adoption Date and thereafter, the Majority Institutional Holders, or
- (c) at any time during a Material Default Period, the Majority Institutional Holders

**"Senior Banks"** means Barclays Corporate, Clydesdale Bank plc, GE Corporate Finance Bank SAS and the Royal Bank of Scotland plc

**"Senior Loan Agreement"** means the agreement dated on the date of adoption of these Articles entered into between among others Regard Midco and the Senior Banks relating to term loan and revolving facilities of £71,000,000 as amended, varied or supplemented for the time being

**"Service Agreements"** has the meaning given to it in the Investment Agreement

**"Share"** means any share in the capital of the Company from time to time (and **"Shares"** shall be construed accordingly)

**"Shareholder"** means a holder of any Share

**"Share Sale"** means the completion of any sale of any interest in any Shares (whether in one transaction or in a series of related transactions) resulting in the transferee (either alone or together with its Connected Persons) holding a Controlling Interest in the Company

**"Summary Dismissal"** means where a person's contract of employment or contract for services has been terminated by his employing company or contracting company in circumstances where he is not entitled to receive notice or a payment in lieu of notice under the terms of his contract by virtue of that person

- (a) being engaged or involved in any of the following acts (whether or not they have been warned about such conduct on a previous occasion) -
  - (i) dishonest misappropriation of property, services, benefits or money (including misuse of discount),

theft, fraud and deception,

- (ii) serious breach of confidentiality including unauthorised disclosure of commercially sensitive material,
  - (iii) deliberate and material damage to Company property,
  - (iv) deliberately accessing, reviewing, copying, filing, retrieving, photocopying, distributing or storing obscene or highly offensive material from any source when at work or in working time,
  - (v) persistent unauthorised absence or taking a period of unauthorised absence of 5 working days or more,
  - (vi) fighting or proven physical assault on another person during normal business hours or which otherwise brings the Company in to disrepute,
  - (vii) gross negligence which causes serious loss, damage or injury to persons or property,
  - (viii) proven aggressive or abusive behaviour directed towards customers, service users or relatives/attorneys of service users,
  - (ix) proven acceptance or the offering of bribe, and
  - (x) any other deliberate act of a similar nature and seriousness to those set out above which causes significant damage to the goodwill or reputation of the Group,
- (b) being convicted of any criminal offence (other than a motoring offence for which no custodial sentence is imposed) which brings the Group into disrepute
  - (c) knowingly committing any act of deliberate discrimination or harassment on grounds of race, sex, disability, sexual orientation, religion or belief
  - (d) except in circumstances where the Company is insolvent, resigning by notice in writing as a director only (and not an employee) of the Company or any Group Company otherwise than at the request of the



Board or the directors of any Group Company

- (e) being disqualified from being a director of a Group Company by reason of an order made by a competent court
- (f) committing a material breach of the warranties set out in schedule 4 of the Investment Agreement (by virtue of being a Warranting Manager, as defined therein) where such breach gives rise to there being an adverse impact on the trading, goodwill, prospects or performance of the Company)
- (g) deliberately breaching clause 6 (Managers' Undertakings) and clause 13.6 (Conduct of claims) of the Investment Agreement
- (h) deliberately or knowingly (by act or omission) causing the Company to be in breach of clause 9 (Matters Requiring Consent)
- (i) deliberately breaching clause 7 (Provision of Information) which breach (if capable of remedy) has not been remedied with 10 Business Days of written notice being served on him in relation to such breach by the Investor Majority (as such term is defined in the Investment Agreement)
- (j) being registered on the Protection of Vulnerable Adults List, the Protection of Children's List or "List 99" (being the list with the Department of Education and Skills)

**"Table A"**

means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985 and as further amended by the Companies Act 1985 (Electronic Communications) Order 2000

**"Tax Act"**

the Income Tax Act 2007, as amended

**"Termination Date"**

means -

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires, or
- (b) where a contract of employment is terminated by notice given by the employer and the employer

exercises a right to make a payment in lieu of notice, the date on which such notice was served, or

(c) where the Employee concerned is a director (but not an employee) of any Group Company, the date on which the contract for the provision of his services (whether entered into directly with him or with a third party) with any Group Company is terminated, or

(d) in any other case, the date on which the contract of employment is terminated

**"Third Party Purchaser"** has the meaning set out in Article 11 2 1

**"Transfer Notice"** means a written notice served by the Company in accordance with Article 9 on a Shareholder who is required to transfer any Shares

**"voting rights"** shall be construed in accordance with Schedule 6 paragraph 2 of the Act

1 2 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company

1 3 An Investor Consent or Investor Direction required or permitted to be given under these Articles may be given by any Investor Director who holds office as a director of the Company at the time that the consent or direction (as the case may be) is given Any written consent or approval given by the Majority Institutional Holders after a matter or event in respect of which Investor Consent is required shall, unless such consent or approval expressly states otherwise, be deemed to be an Investor Consent for the purpose of these Articles

1 4 In the last paragraph of Regulation 1 of Table A, the words "and in articles of association adopting the same" shall be inserted after the word "regulations" in the first line, the words from "but excluding" to "company" shall be deleted and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that paragraph

1 5 Regulations 26, 50, 54, 64, 73-77 and 79-80 (inclusive), 81, 82, 85, 86, 94-98 (inclusive) and 118, and the last sentence of regulation 112, of Table A shall not apply to the Company

## **2 SHARE CAPITAL**

The authorised share capital of the company is E1,550 29 divided into 48,059 A Ordinary Shares and 106,970 Ordinary Shares

### 3 SHARE RIGHTS

Except as expressly provided otherwise in these Articles, the A Ordinary Shares and the Ordinary Shares shall rank *par passu* in all respects

#### 3.1 Income

3.1.1 No dividend shall be declared or paid to the holders of Equity Shares without Investor Consent. Any such dividend shall be paid to the holders of all Equity Shares *par passu* as if the same constituted one class of share.

#### 3.2 Capital

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

#### 3.3 Voting

3.3.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands every Shareholder holding Equity Shares who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a Shareholder shall have one vote, and on a poll every Shareholder who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Equity Share of which he is the holder.

3.3.2 If a Material Default has occurred and the Majority Institutional Holders deliver a notice (a "**voting adjustment notice**") to that effect to the Company then the voting rights attaching to the Ordinary Shares shall be amended with effect from the date of the voting adjustment notice to the effect that each holder of Ordinary Shares shall not (in that capacity) be entitled to vote at general meetings of the Company until the earlier of -

(a) the date that the Material Default has been rectified, and

(b) the date that the Majority Institutional Holders give notice in writing to the Company cancelling the voting adjustment notice,

(the period from service of the voting adjustment notice to such date being the "**Material Default Period**")

### 4 CLASS RIGHTS

4.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated with the consent in writing of the holders of 75% in nominal value of the issued shares of that class.

4 2 Except as provided below in Article 4 3 nothing in these Articles or otherwise shall confer any special rights or privileges or class rights or entitlements on the holders of the Ordinary Shares where a Material Default has occurred and a voting adjustment notice has been served and nothing so done in such a period (or thereafter as a necessary consequence of anything done or any right or entitlement granted during such period) by the Company or any member of the Group or any other shareholder thereof shall constitute or be deemed to constitute any variation modification or abrogation of the rights of or require any consent to be obtained from the holders of the Ordinary Shares or any of them other than anything which imposes upon the holder of any such shares any liability greater than that to which the subscriber of the same was subject at the time of their issue

4 3 No resolution to disapply Article 7 (Issue of Shares) shall be passed during a period when the Company is in a state of Material Default without the consent of JF or JW

## **5 LIEN**

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

## **6 CALLS**

6 1 A call on any unpaid or partly paid Shares shall be deemed to have been made by the Board in the event of a Share Sale or a Listing or in the event the person entitled to such Shares is a Leaver Regulation 16 shall be amended accordingly

6 2 The liability of any Shareholder in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the company by reason of such non-payment"

## **7 ISSUES OF SHARES**

7 1 Subject to these Articles the pre-emption provisions of sections 561 to 566 (inclusive) of the 2006 Act shall apply to any allotment of the Company's equity securities (as defined in section 560 of the Act) (including a period when the Company is in a state of Material Default unless a resolution is passed in accordance with Article 4 3), provided that -

7 2 for the purposes of those sub-sections the A Ordinary Shares and Ordinary Shares shall be treated as one class,

7 3 the period specified in section 562 of the Act shall be 14 days, except whilst the Company is in a state of Material Default, in which case it shall be 3 days or such longer period notified to the Company by the Majority Institutional Holders,

7 4 there shall be no pre-emption rights in respect of the issue of any Further Ordinary Shares,

7 5 the holders of equity securities ("**Equity Shareholders**") who accept Shares shall be entitled to indicate that they would accept Shares that have not been accepted by other Equity Shareholders ("**Excess Shares**") on the same terms as originally offered to all Equity

Shareholders and any Shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares. Such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or, if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares applied for.

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

8.1 The Board shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question. Any transfer of Shares made or purported to be made in contravention of the provisions of these Articles shall be of no effect.

8.2 Save for transfers pursuant to Articles 9 and 11 no Ordinary Shares may be transferred unless -

8.2.1 an Investor Consent has been obtained, and

8.2.2 save as otherwise required pursuant to the Investment Agreement, the proposed transferee has entered into an agreement to be bound by the Investment Agreement in the form required by that agreement.

8.3 A reference in these Articles to a transfer of Shares shall include a transfer of any interest in Shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over Shares and these Articles shall take effect accordingly.

## **9 TRANSFERS OF SHARES**

### **9.1 Permitted transfers by Investors**

Notwithstanding any other provision in these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall be registered by the directors save where such transfer is to a competitor of a Group Company (subject to stamping) -

9.1.1 any holder of A Ordinary Shares which is a body corporate may transfer any such shares to its ultimate parent company or any other body corporate controlled, directly or indirectly, by it or its ultimate parent company **PROVIDED ALWAYS THAT** the transferee gives an undertaking to the Company that, in the event of any such body corporate ceasing to be controlled, directly or indirectly, by the original shareholder or such ultimate parent company, immediately prior to it so ceasing such shares shall be

transferred to another body corporate so controlled and for the purposes of this Article 9 1 1 "control" has the same meaning as in section 1124 of the Corporation Tax Act 2010,

- 9 1 2 any Shares which are held by or on behalf of an Investment Trust (as defined in Appendix 1 of the Listing Rules published by the UK Listing Authority) whose shares are listed on the Official List of the UK Listing Authority may be transferred to another such Investment Trust whose shares are also so listed,
- 9 1 3 any A Ordinary Shares may be transferred to any member of the Defined Group or to any trustee or nominee for any such member,
- 9 1 4 any A Ordinary Shares held by or on behalf of a unit trust or partnership or other unincorporated association or fund (whether a body corporate or otherwise) may with Investor Consent be transferred or disposed of to the holder or holders of units in such unit trust or partners in such partnership or members of such unincorporated association or investors in such fund from time to time or to trustees for any such person,
- 9 1 5 any holder of A Ordinary Shares which is a nominee or trustee, whether directly or indirectly, for a registered scheme or schemes registered under Chapter 2 of Part 4 of Finance Act 2004 may transfer any Shares to any other nominee or trustee, whether direct or indirect, for the same approved scheme or schemes,
- 9 1 6 any A Ordinary Shares held by a nominee or trustee of a partnership may be transferred to the partners or to any new nominee or trustee for such partnership,
- 9 1 7 any A Ordinary Shares held by or on behalf of a partnership, unit trust, investment trust, unincorporated association or other fund (whether a body corporate or otherwise) or corporation may be transferred to another partnership, unit trust, investment trust, unincorporated association or other such fund or corporation which is managed or advised by the same manager or adviser as the transferor or by a holding company of such manager or adviser or any subsidiary company of such holding company,
- 9 1 8 any A Ordinary Shares may be transferred to any person during a Material Default Period,
- 9 1 9 any A Ordinary Shares may be transferred from one Institutional Investor (or its nominee) to another Institutional Investor (or its nominee) with Investor Consent

## **9 2 Other Permitted Transfers**

### **9 2 1 Transfers from an Employee Trust**

Notwithstanding any other provision of these Articles, the trustee or trustees of an Employee Trust may on the recommendation of the Board and with Investor Consent at any time transfer all or any Shares to an Employee at a price not less than the price paid per Share by the Employee Trust

9 2 2 Transfers to the Company

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

9 2 3 Transfers with Ordinary Shareholder/Investor Consent

Notwithstanding any other provisions of these Articles a transfer of any Shares made with Investor Consent and the consent of the holders of not less than 50% in nominal value of the Ordinary Shares may be made without restriction as to price or otherwise

9 2 4 Transfers pursuant to a Listing, a Share Sale or Article 11

Notwithstanding any other provision of these Articles, a transfer of any Share made pursuant to and in accordance with a Listing, a Share Sale or Article 11 (Tag Along and Come Along) shall be registered by the directors (subject to stamping)

9 2 5 Transfers to a Family Member

Notwithstanding any other provisions of these Articles, a holder of Ordinary Shares may (subject to consent of the Board and an Investor Consent) transfer his shares to a Family Member provided that if the person to whom Ordinary Shares have been transferred pursuant to this Article ceases to qualify as a family member, that person shall promptly notify the Investor Director in writing and shall transfer the Ordinary Shares to the original transferor

- 9 3 At any time after a Shareholder becomes an Excluded Person, the Board may with Investor Consent and shall immediately on an Investor Direction, by notice in writing to such Shareholder revoke any consent given prior to that Shareholder becoming an Excluded Person

**9.4 Transfers in respect of Leavers**

- 9 4 1 Where the Leaver is JF or JW, within the period commencing on the relevant Leaving Date and expiring on midnight on the first anniversary of such date, the Investors may direct the Company by an Investor Direction immediately to serve a notice ("**Transfer Notice**") on a Leaver notifying him that he is, with immediate effect, deemed to have offered for sale to such person or persons (not being an Investor but including the Company) specified in the Investor Direction (the "**Offeree(s)**") such number and class of his Leaver's Shares as is specified in the Investor Direction (in respect of each of JF or JW representing up to 5% of the Equity Shares assuming that all authorised but unissued A Ordinary Shares existing from time to time have been issued (save that this limit shall not apply if either of JF or JW are Fraudulent Leavers in which case the Investor Direction can specify such number of Leaver's Shares as the Investors in their absolute discretion so direct)) ("**Sale Shares**") at the Sale Price (and the Company shall immediately serve the Transfer Notice)

- 9 4 2 In the case of all other Leavers within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date, the Board may

direct the Company to immediately serve a notice (also a Transfer Notice) on a Leaver notifying him that he is, with immediate effect, deemed to have offered for sale to such person or persons as specified by the Investor Director (not being an Investor but including the Company) (also the Offeree(s)), such number and class of his Leaver's Shares as the Board directs (also the Sale Shares) at the Sale Price (and the Company shall immediately serve the Transfer Notice)

#### **9.5 Transfer on change of control of shareholder**

If a Shareholder being a company ceases to be within the control (as such term is defined by section 1124 of the Corporation Tax Act 2010) of the person(s) who controlled such company on the date on which it became a Shareholder or on the date of adoption of these Articles (whichever shall be the later) the Investor may direct the Company by an Investor Direction immediately to serve notice (also a "**Transfer Notice**") on the Shareholder notifying it that it is, with immediate effect, deemed to have offered for sale all the Shares as shall then be registered in its name at a Sale Price of the lower of the Acquired Price and the Fair Price to such person or persons (not being an Investor) specified in the Investor Direction (also the "**Offeree(s)**") and the Company shall immediately serve the Transfer Notice provided that this Article 9 5 shall have no application to an Investor or any nominee of an Investor

### **10 TRANSFER ARRANGEMENTS**

#### **10.1 Sale Price**

Save as otherwise set out in these Articles the Sale Price shall be -

#### **10 2 where the Leaver is JF or JW**

10 2 1 and the Company is in Material Default on their Leaving Date 1 p a Share (save that where both of JF or JW have died at the same time and Material Default is triggered pursuant to paragraph (c) of that definition or where one of JF or JW is already a Leaver and the Material Default is triggered pursuant to paragraph (c) of that definition by the subsequent death of the other (in each case the "**Deceased**") this Article 10 2 1 shall not apply to the Sale Price of the Deceased's Sale Shares which shall instead be determined in accordance with Article 10 2 3, or

10 2 2 they are a Fraudulent Leaver or a Bad Leaver, 1p a Share, 10 2 3 in all other circumstances, Fair Price

#### **10 3 in the case of all other Leavers, Fair Price save that if the Leaver is a Bad Leaver or a Fraudulent Leaver the Sale Price shall be 1p a Share (save in the case of Michael Hawkes, Roger Storey and Matthew Neill, in whose case the Sale Price shall be £10 a Share)**

#### **10 4 If the Fair Price falls to be determined by an Independent Expert -**

10 4 1 the Company shall immediately instruct the Independent Expert to determine the Fair Price on the basis which, in the Independent Expert's opinion, represents a fair price for the Leaver's Shares at the Leaving Date as between a willing seller and a willing buyer and, in making such determination, the Independent Expert shall ignore the fact



that such Leaver's Shares can be subject to the compulsory transfer requirements of Articles 9 (Transfers of Shares) and 11 (Tag Along and Come Along) and shall not apply any discount for minority holdings of Shares,

10 4 2 the Independent Expert shall certify the Fair Price as soon as possible after being instructed by the Company and in so certifying the Independent Expert shall be deemed to be acting as expert and not as arbitrator and the Arbitration Act 1996 shall not apply,

10 4 3 the certificate of the Independent Expert shall, in the absence of manifest error, be final and binding, and

10 4 4 the Company shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company unless (i) such an arrangement would not be permitted by the Act or (11) the Fair Price as determined by the Independent Expert is the same as, or within 10% of, that price (if any) which the Company had previously notified to the Leaver as being in its opinion the Fair Price, in which event the cost shall be borne by the Leaver

#### **10 5 Transfer Notice**

Where a Transfer Notice has been served then within 10 Business days of the Sale Price having been determined

10 5 1 the Company shall notify the relevant Shareholder of the name(s) and address(es) of the Offeree(s) and the number of Sale Shares to be offered,

10 5 2 the Company shall notify each Offeree of the number of Sale Shares on offer to him, and

10 5 3 each notice shall specify the price per Sale Share and state a date on which the sale and purchase of the Sale Shares is to be completed ("**Completion Date**")

10 6 By the Completion Date the Shareholder shall deliver stock transfer forms for the Sale Shares, with the relevant share certificate, to the Company. On the Completion Date the Company shall pay the Shareholder, on behalf of each of the Offerees, the price for the Sale Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Shareholder without any obligation to pay interest.

10 7 If the Offerees have not by the Completion Date put the Company in funds to pay the price, completion of the sale shall be postponed to the date falling 14 days later (the "**New Completion Date**"). To the extent that Offerees have not, by the New Completion Date, put the Company in funds to pay the price, the Shareholder shall be entitled to the return of the stock transfer forms and share certificates for the relevant Sale Shares and the Shareholder shall have no further rights or obligations under Articles 9 or 10 in respect of those Sale Shares.

10.8 If a Shareholder fails to deliver stock transfer forms for Sale Shares to the Company by the Completion Date, the directors may (and shall, if requested by the Investor Director) authorise any director to transfer the Sale Shares on the Shareholder's behalf to each Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the price for the Sale Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares.

10.9 If the Investors by an Investor Direction so direct, any Shares held by a Leaver or a Permitted Transferee of a Leaver or any Shares which are the subject of a Transfer Notice shall cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting of the Company or at any meeting of the holders of any class of Shares in the capital of the Company with effect from the Leaving Date (or, where appropriate, the date of issue or transfer of such shares, if later) and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of a written resolution or a written consent of any Shareholder or class of Shareholders nor shall the holder of such shares be entitled to participate in any allotment of shares pursuant to Article 7. Such rights shall be restored immediately upon

10.9.1 the Company registering a transfer of the Leavers Shares pursuant to this Article 10, or

10.9.2 a Listing or Share Sale

## 11 TAG ALONG AND DRAG ALONG RIGHTS

### 11.1 Tag Along

11.1.1 Notwithstanding any other provision of these Articles, no sale or transfer of the legal or beneficial interest in any Shares may be made or validly registered if as a result of such sale or transfer and registration of such shares (the "**Controlling Shares**") a Controlling Interest in the Company would be obtained or increased by any person whether or not then a Shareholder unless -

- (a) the proposed transferee or his nominee has made an offer (stipulated to be open for acceptance for at least 21 days) to purchase all the other Equity Shares (including any Shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into shares, in existence at the date of such offer) at, in the case of the Equity Shares, the price per share attributed by the proposed transferee or his nominee for a Controlling Share together with any consideration or benefit receivable by the proposed transferors of the Controlling Shares directly or indirectly for or in connection with the sale or transfer, and which offer every offeree shall be bound within 21 days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer), and

- (b) before any sale or transfer is made or registered each such accepted offer is completed and the consideration thereunder paid (except insofar as failure to complete is due to the fault of the offeree)

Provided that the provisions of this Article 11 1 shall not apply to the acquisition of Shares by any member of the Defined Group or pursuant to Article 9

- 11 1 2 For the purpose of Article 11 1 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment

## 11.2 Drag Along Rights

- 11 2 1 If the Selling Shareholders wish to transfer all their interest in Shares to a bona fide third party purchaser on an arm's length basis (the "**Third Party Purchaser**") the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all other holders of Shares (the "**Called Shareholders**") to sell with full title guarantee and free from all encumbrances and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 11 2

The total amount of any cash and non-cash consideration receivable by the Selling Shareholders and Called Shareholders for each Share (whether on completion of the sale of the Shares or at any time thereafter and whether conditional, contingent or otherwise) shall be the "**Drag Along Price**" for the purposes of this Article

- 11 2 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the shares of the Selling Shareholders
- 11 2 3 A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") pursuant to this Article 11 2 3, the person to whom they are to be transferred, the Drag Along Price and the proposed date of transfer ("**Completion**")
- 11 2 4 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of shares by the Selling Shareholders to the Third Party Purchaser within 75 days after the date of the Drag Along Notice. If a Drag Along Notice lapses the Selling Shareholders shall be entitled to give a further Drag Along Notice or Notices either in respect of the same Third Party Purchaser or otherwise
- 11 2 5 After a Drag Along Notice has been served and before it has lapsed no Called Shareholder may transfer any shares held by him other than in accordance with the Drag Along Notice without the consent of the Selling Shareholders
- 11 2 6 The Called Shareholders shall be obliged to sell each of the Called Shares to the Third Party Purchaser

11 2 7 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to exercise of a pre-existing option or other right to acquire shares in the Company (a "**New Member**"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article 11 2 shall apply mutatis mutandis to the New Member

11 2 8 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless -

(a) all of the Called Shareholders and the Selling Shareholders agree otherwise, or

(b) that date is less than 14 days after the Drag Along Notice where it shall be deferred until the fourteenth day after the Drag Along Notice

11 2 9 If any holder of Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of the Called Shares held by him any member of the Board shall be irrevocably entitled to and shall authorise and instruct such person as he shall think fit to execute necessary transfer(s) (and any other documents required to be executed by the Selling Shareholder on the sale of his Called Shares) on his behalf and against receipt by the Company (on trust for such member) of the purchase monies for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person

11 3 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 11

## **12 COMPLIANCE**

12 1 For the purpose of ensuring compliance with the transfer provisions of these Articles, the Company shall immediately on an Investor Direction and may with Investor Consent require any Leaver or other Shareholder to procure that -

12 1 1 he, or

12 1 2 any proposed transferee of any Shares, or

12 1 3 such other person as is reasonably believed to have information and/or evidence relevant to such purpose

provides to the Company any information and/or evidence relevant to such purpose and on an Investor Direction and until such information and/or evidence is provided

the Company shall refuse to register any relevant transfer (otherwise than with Investor Consent)

- 12 2 Each Shareholder hereby irrevocably appoints the Company as his attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this power of attorney) to give effect to the provisions of these Articles

### **13 GENERAL MEETINGS**

- 13 1 The final sentence of Regulation 38 of Table A shall be modified by the insertion of the words "known by the Board to be" after the words "to all persons"
- 13 2 No meeting of Shareholders shall be quorate unless those Shareholders present include (whether in person or by a duly authorised representative or a proxy) holders of more than 50% of the A Ordinary Shares and holders of more than 50% of the Ordinary Shares in issue for the time being and Regulation 40 of Table A shall be construed accordingly
- 13 3 Regulation 62 of Table A shall be modified by the substitution in paragraph (a) of the words "at any time" in place of "48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "24 hours"

### **14 DIRECTORS**

#### **14.1 Numbers of Directors**

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

#### **14 2 Appointment and removal of Directors**

- 14 2 1 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director

- 14 2 2 Regulation 84 of Table A shall be modified by the deletion of the third and fourth sentences

- 14 2 3 No director shall be required to vacate his office as a Director, nor shall any person be ineligible for appointment as a Director, by reason of his having attained any particular age

- 14 2 4 The office of a director shall be vacated if -

- (a) he ceases to be a director by virtue of any provision of the Act or these Articles (including (without limitation) Article 14 2 5) or he becomes prohibited by law from being a director of a company, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or

- (c) he is, or may be, suffering from mental disorder and either -
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
- (d) he resigns his office by notice in writing to the Company, or
- (e) he is convicted of a criminal offence (other than a motoring offence for which no custodial sentence is imposed) which brings the Company or another Group Company into disrepute and the directors resolve that his office be vacated, or
- (f) in the case of a person who is also an employee of the Company or another Group Company, he ceases to be such an employee without so remaining an employee of any other member of the Group, or
- (g) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated, or
- (h) (save in the case of an Investor Director) all the other directors unanimously resolve that his office be vacated

14.2.5 In addition and without prejudice to the provisions of section 303 of the Act, the Company may by ordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place

### **14.3 Alternate Directors**

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

### **14.4 Proceedings of Directors**

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

14 4 2 Regulation 89 of Table A shall be modified -

(a) by the deletion of the words "may be fixed by the directors and unless so fixed at any other number" in the first sentence, and

(b) by the addition of the following as the final sentence -

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

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

14 4 3 Notices of meetings of the directors shall be given in writing and in its application to the Company, Regulation 111 of Table A shall be modified accordingly

14 4 4 Any director including an alternate director may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is

14 4 5 Any quorum for the transaction of business at a meeting of the directors shall, save with the prior written consent of the Investor Director, include the Investor Director (if appointed)

14 4 6 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office -

(a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,

(b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,

(c) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,

- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and
- (e) shall subject to Article 14 4 7 be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article,

save that if at a meeting of directors or a committee of directors a director has a direct or indirect interest or duty in a matter being discussed at that meeting which conflicts or may conflict with the interests of the Company, its business or the business of the subsidiary undertakings then he must disclose his interest to the other directors prior to any resolution regarding such matter being proposed. If the Investor Director acting reasonably believes that such interest or duty constitutes a material conflict of interest with the Company, its business or the business of its subsidiary undertakings then he shall not be entitled to vote or be counted in a quorum on any such resolution proposed without the prior written consent of the Investor Director (and where such director is the Investor Director, with the written consent of the Board)

14 4 7 For the purposes of this Article -

- (a) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

14 4 8 If a Material Default has occurred and a voting adjustment notice has been given and not cancelled then, notwithstanding any other provision of these Articles, no meeting of the Board shall be quorate unless the Investor Director (if appointed) is present in person, and at such meeting -

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



- (b) if the Investor Director votes at such meeting in favour of any resolution put to that meeting, that resolution shall be deemed to have been carried notwithstanding that the number of votes cast against such resolution exceeds those cast in its favour and notwithstanding any of the provisions of these Articles or any regulation of Table A to the contrary

## **15 CONFLICTS OF INTEREST**

- 15 1 The provisions of this article shall apply in relation to the exercise of the power of the directors to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under section 175(1) CA 2006 to avoid a conflict situation (as defined in Article 15 2)

- 15 2 In this Article

"**authorise**" means to authorise in accordance with section 175(5)(a) CA 2006 and

"**authorisation**", "**authorised**" and cognate expressions shall be construed accordingly,

a "**conflict of interest**" includes a conflict of interest and duty and a conflict of duties,

"**conflicted director**" means a director in relation to whom there is a conflicting matter,

"**conflicting matter**" means a matter which would or might (if not authorised) constitute or give rise to a breach of the duty of a director under section 175(1) CA 2006 to avoid a conflict situation,

"**conflict situation**" means a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company (including a conflict of interest), and

an interest or duty is "**material**" unless it cannot reasonably be regarded as Likely to give rise to a conflict of interest

- 15 3 The provisions of this article apply without prejudice (and subject) to the provisions of section 175(6) CA 2006 Nothing in these articles shall invalidate an authorisation
- 15 4 A conflicted director seeking authorisation of any conflicting matter shall disclose to the directors the nature and extent of the conflicting matter as soon as is reasonably practicable The conflicted director shall provide the directors with such details of the conflicting matter as are necessary for the directors to decide how to address the conflicting matter, together with such additional information as may be requested by the directors
- 15 5 Any director (including the conflicted director) may propose that a conflicted director's conflicting matter be authorised Any such proposal, and any authorisation given by the directors, shall be effected in the same way as any other matter may be proposed to and resolved on by the directors under the provisions of these articles, except that

- (a) the conflicted director and any other interested director shall not count towards the quorum nor vote on any resolution giving that authorisation, and
- (b) the conflicted director and any other interested director may, if the directors so decide, be excluded from any meeting of the directors while the conflicting matter and the giving of that authorisation are under consideration

15 6 Where the directors authorise a conflicted director's conflicting matter

- (a) the directors may (whether at the time of giving the authorisation or subsequently)
  - (i) require that the conflicted director is excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) related to the conflicting matter, and
  - (ii) impose on the conflicted director such other terms or conditions for the purpose of dealing with any actual or potential conflict of interest which may arise from the conflicting matter as they may determine,
- (b) the conflicted director shall conduct himself in accordance with any terms or conditions imposed by the directors in giving that authorisation,
- (c) the directors may provide that, where the conflicted director obtains (otherwise than through his position as a director) information that is confidential to a third party, the conflicted director will not be obliged to disclose the information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence,
- (d) the terms of the authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded), and
- (e) the directors may revoke or vary the authorisation at any time but no such action will affect anything done by the conflicted director prior to that action in accordance with the terms of the authorisation

15 7 A director who has a conflict situation which is material shall be counted as participating in the decision making process for quorum and voting purposes, notwithstanding his interest or duty, at any meeting at which the matter is considered provided that

- (a) he has disclosed the nature and extent of his interest or duty giving rise to his conflict of interest, and
- (b) where his conflict of interest is constituted by or arises from a conflicting matter of his, that conflicting matter (or any breach of his duty under section 175(1) CA 2006 by reason of that conflicting matter) has been authorised, permitted, approved or ratified (either in accordance with this Article 15 or Article 16 or by the members) and the director has not been required to be excluded from participation in discussions and/or the making of decisions related to the matter

## **16 ADDITIONAL PROVISIONS ABOUT DIRECTORS' INTEREST AND CONFLICTS**

### **16 1 If**

- (a) a director or a connected person acquires and holds shares in the capital of
  - (i) the Company and/or any other Group Company, or
  - (ii) any other body corporate, wherever incorporated, provided that the shares held by the director and connected persons do not exceed 3% of the nominal value of the issued share capital of the relevant entity, or
- (b) a director is appointed or acts as a director, manager or employee of any other Group Company,

any conflict of interest which arises only by reason of such a circumstance is permitted by this article and does not require authorisation in accordance with Article 15. A director who has such a conflict of interest shall be counted as participating in the decision making process for quorum and voting purposes at any meeting at which the relevant matter is considered.

### **16 2 If a director**

- (a) is appointed or acts as a director, manager or employee of a body corporate, wherever incorporated, other than a Group Company, and/or
- (b) holds shares in excess of the limit prescribed in Article 16 1(a)(11) in the capital of any other body corporate, wherever incorporated,

and so long as the conditions specified in Article 16 3 are satisfied, any conflict of interest which arises only by reason of such a circumstance (a "relevant matter") is permitted by this article and does not require authorisation in accordance with Article 15. A director who has such a conflict of interest (a "relevant director") shall, so long as the conditions specified in Article 16 3 are satisfied and subject to Article 16 3(b)(1), be counted as participating in the decision making process for quorum and voting purposes at any meeting at which the relevant matter is considered.

### **16 3 The conditions referred to in Article 16 2 are as follows**

- (a) the relevant director must
  - (i) disclose to the directors the nature and extent of the relevant matter as soon as is reasonably practicable,
  - (ii) whenever required by the directors, either confirm that there has been no material change in the nature and extent of the relevant matter or provide details of any such material change that may have occurred, and
  - (iii) whether or not requested to do so, promptly inform the directors regarding any material change in the nature and extent of the relevant matter,

and, in each case, provide the directors with such details of the relevant matter as they may require (but so that the relevant director shall not be obliged to breach any legal obligation as to confidentiality owed to a third party),

(b) the relevant director must also

(i) be excluded from the receipt of information, the participation in discussions and/or the making of decisions (whether at meetings of the directors or otherwise) related to the relevant matter if the directors are of the opinion that the relevant director has a material conflict of interest in relation to the relevant subject matter, and

(ii) comply with any other terms or conditions for the purpose of dealing with any

actual or potential conflict of interest which may arise from the relevant matter as the directors may determine including (but not limited to) confidentiality, and any such terms or conditions shall be recorded in writing (but the authorisation conferred by this article shall be effective whether or not the terms are so recorded) and the directors may vary any such terms or conditions at any time, but no such variation will affect anything done by the relevant director prior to that variation in accordance with the terms or conditions in effect at the relevant time

16 4 A director shall not, by reason of his office or of the resulting fiduciary relationship, be liable to account to the Company for any benefit which he (or a person connected with him) derives from

(a) an interest to which Article 16 1, Article 16 2, Article 17 1(a) or Article 17 1(b) applies, or

(b) a conflicting matter authorised by the directors,

and no transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit

16 5 If a question arises at a meeting of the directors about whether a director (other than the chairman of the meeting) has an interest or a conflict of interest for the purposes of Articles 15 or 16, or if he can vote or be counted in the quorum, and that director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The ruling of the chairman of the meeting about any other director is final and conclusive, unless the nature or extent of the director's interest (so far as it is known to him) has not been fairly disclosed to the directors

16 6 If a question of the kind referred to in Article 16 3 arises about the chairman of the meeting, the question shall be decided by a resolution of the directors. The chairman of the meeting cannot vote on the question but can be counted in the quorum. The directors' resolution about the chairman of the meeting is conclusive, unless the nature and extent of the chairman's interest (so far as it is known to him) has not been fairly disclosed to the directors

- 16 7 The Company may by ordinary resolution ratify any transaction or arrangement which has not been properly authorised by reason of a contravention of these articles

## **17 DIRECTORS' INTERESTS IN TRANSACTIONS**

- 17 1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is in any way directly or indirectly interested, that director shall be counted as participating in the decision making process for quorum and voting purposes provided that the relevant interest either

(a) has been duly declared in accordance with section 177 or section 182 CA 2006, as the case may require, or

(b) is not required by the terms of either of those sections to be declared

- 17 2 So long as the relevant interest falls within Article 17 1(a) or 17 1(b), a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction with the Company

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

(b) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of any such matter or proposed matter in which he is interested,

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

(d) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested

## **18 INVESTOR DIRECTOR AND OBSERVER**

- 18 1 Notwithstanding any other provisions of these Articles the Majority Institutional Holders shall be entitled by notice in writing to the Company to appoint as a director of the Company any person (the "**Investor Director**") and at any time and from time to time to remove from office in like manner any person so appointed and to appoint another person in his place The reasonable expenses to be paid to the Investor Director shall be payable by the Company Upon request by the Majority Institutional Holders the Company shall also procure that the Investor Director be appointed a director to any subsidiary of the Company

- 18 2 The Majority Institutional Holders shall have the right to designate a representative to attend, as observer, and speak but not vote at all meetings of the directors and at all meetings of all committees of the directors Such representative will be entitled to receive all written materials and other information given to the directors and to members of the committees of the directors

in connection with such meetings at the same time as those materials or information are given to the directors or, as the case may be, to such members

## **19 DIVIDENDS**

Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 3 1 and in Regulation 103 of Table A the words from "If the share capital is divided" to the end of the Regulation shall be deleted

## **20 INDEMNITY**

20 1 Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article shall be deemed not to provide for or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act

20 2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any liability which may lawfully be insured against by the Company

## **21 SENIOR LOAN AGREEMENT**

These Articles are subject to the terms of the Senior Loan Agreement entered into pursuant to it, which terms in relation to any shareholders entitlement to seek, receive and keep payment in respect of any and all dividends as provided by these Articles shall prevail and any payment in respect of any dividend which is paid, received or kept in breach of the terms of the Senior Loan Agreement shall be held on trust for the Senior Banks by the relevant recipient PROVIDED THAT this Article shall not operate to supersede any provisions of these Articles which specify the consequence of non payment of any dividend

## **22 LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them

## **23 SHARE TRANSFERS TO FINANCIAL INSTITUTIONS**

Notwithstanding anything contained in these Articles

- (a) any pre-emption rights conferred on existing members by these Articles or otherwise shall not apply to, and

(b) the directors shall not decline to register, nor suspend registration of,  
any transfer of shares where such transfer is

- (i) in favour of any bank or institution (or any nominee or nominees of such bank or institution) to whom such shares are being transferred by way of security, or
- (ii) duly executed by any such bank or institution (or any such nominee or nominees) to whom such shares shall (including any further shares in the Company acquired by reason of its holding of such shares) have been transferred as aforesaid, pursuant to the power of sale under such security, or
- (iii) duly executed by a receiver appointed by a bank or institution pursuant to any security document which creates any security interest over such shares,

and a certificate by any official of such bank or institution or any such receiver that the shares are or are to be subject to such a security and that the transfer is executed in accordance with the provisions of this Article shall be conclusive evidence of such facts. Any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a bank or financial institution or a subsidiary of a bank or financial institution or which are transferred in accordance with the provisions of this Article.