

Company No: 6285982

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
OF
UTOPIA BATHROOM GROUP LIMITED

SATURDAY



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19/03/2011
COMPANIES HOUSE

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Pursuant to section 288 of the Companies Act 2006 (**2006 Act**) we, the undersigned, being eligible members (as defined by section 289 of the 2006 Act) of the Company for this purpose representing (in the case of an ordinary resolution) at least a simple majority of the total voting rights of all such eligible members and (in the case of a special resolution) not less than 75% of the total voting rights of all such eligible members, signify our agreement to pass the written resolution numbered 1 as a special resolution of the Company and written resolution numbered 2 as an ordinary resolution of the Company

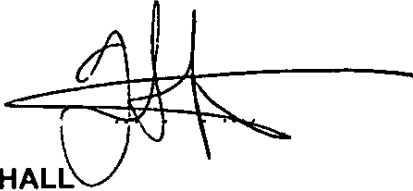
SPECIAL RESOLUTIONS

- 1 That the Company's existing articles of association of the Company (**Existing Articles**) be amended by deleting clause 3 (objects clause) and clause 5 (statement of capital) of the Company's memorandum of association, which, by virtue of section 28 of the 2006 Act, are to be treated as provisions of the Existing Articles
- 2 That the articles of association of the Company attached hereto and initialled, for identification purposes only, by a director of the Company, be and are hereby adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the Existing Articles
- 3 That, in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the 2006 Act to exercise all or any of the powers of the Company to allot C Ordinary Shares of £0.01 each in the Company or to grant rights to subscribe for C Ordinary Shares of £0.01 each in the Company (such shares and rights being together referred to in this resolution as relevant securities (**Relevant Securities**) up to an aggregate nominal value of £1,265 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company), provided that this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire on the day before the fifth anniversary of the date on which this resolution is passed, save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the

directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired

- 4 That, subject to and conditional upon the passing of the resolution numbered 3 above and in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred upon them by the resolution numbered 3 above, as if section 561 of the 2006 Act did not apply to any such allotment provided that this authority and power shall expire on the day before the fifth anniversary of the date of the passing of this resolution, save that the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired

Signature



Name **IAN HALL**

Date: 28 February 2011

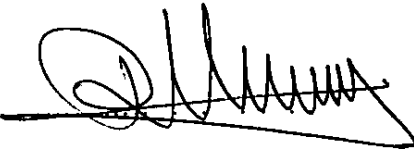
Signature



Name **ELIZABETH GREEN**

Date: 28 February 2011

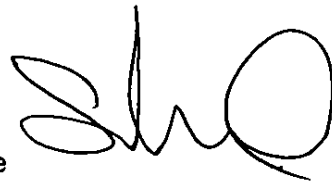
Signature



Name **DAVID CONN**

Date: 28 February 2011

Signature



Name **SIMON RUSSELL**

Date: 28 February 2011

EXPLANATORY STATEMENT TO MEMBERS

(This explanatory statement is not part of any proposed written resolution)

- 1 This document is proposed by the board of directors of the Company
- 2 This document is sent to Eligible members on 28 February 2011 (Circulation Date)
- 3 "Eligible members" are the members who are entitled to vote on the resolution on the Circulation Date
- 4 If you wish to signify agreement to this document please follow the procedure below
 - (a) you (or someone acting on your behalf) must sign, print your name beneath and date this document
 - (b) if someone else is signing this document on your behalf under a power of attorney or other authority, please send a certified copy of the relevant power of attorney or authority when returning this document
 - (c) please return the document to the Company at Utopia House, Springvale Avenue, Springvale Business Park, Bilston, West Midlands, WV14 OQL marked "for the attention of Simon Russell" or hand it to the chairman of the board in person
- OR
- (d) by faxing this document to the Company marked "for the attention of Simon Russell"
- 5 To be valid, this document must be received no later than 28 days after the Circulation Date
- 6 If this document is not received by this time your vote will not count Unless sufficient eligible members sign and return this document by that deadline, the proposed written resolutions will lapse
- 7 Please note that it is not possible to withdraw your consent once this document, signed by you or on your behalf, has been duly received

Company Number. 6285982

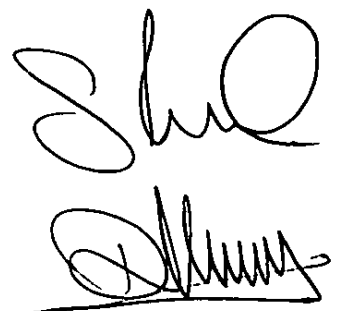
Companies Act 2006
Private Company Limited by Shares

1

NEW ARTICLES OF ASSOCIATION
of
UTOPIA BATHROOM GROUP LIMITED
(adopted by written resolution passed
on 28 February 2011)

Cobbetts LLP
One Colmore Square
Birmingham
B4 6AJ
DX 716703 Birmingham 43
Tel 0845 404 2404
Fax 0845 404 2434

MAG/DCB/UT1-41



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Company number: 6285982

COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
UTOPIA BATHROOM GROUP LIMITED
(the "Company")

(Adopted by written resolution passed on *28 February* 2011)

1 PRELIMINARY

1.1 In these Articles

"A Ordinary Share" an A ordinary share of £1.00 in the capital of the Company

"Act" the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force

"Adoption Date" the date of the Investment Agreement

"Asset Sale" the disposal by the Company or any of its subsidiaries of the whole or any material part of the business and assets of the Company or the relevant subsidiary

"Bad Leaver" a person who ceases to be an Employee other than where such cessation occurs as a result of wrongful dismissal, unfair dismissal (other than where the finding of an employment tribunal of unfair dismissal relates only to the failure of the Company or the relevant Group Company (as the case may be) to comply with fair and proper procedure in connection with such dismissal), death, permanent incapacity or retirement at normal retirement age

"Benefits" all salary fees and bonuses, sums paid by way of expenses allowances (so far as chargeable to income tax), pensions contributions, long term investment scheme payments and the estimated money value of benefits in kind

"B Director" means a director appointed pursuant to article 15.2

"B Ordinary Share" a B ordinary share of £1.00 in the capital of the Company

"Connected Person" has the meaning given to it by Section 839 of the Income and Corporation Taxes Act 1988

"Controlling Interest" an interest (within the meaning of Part I of Schedule 13 to the Act) in any shares conferring in the aggregate more than 50 per cent of the total voting rights conferred by all the shares in the capital of the Company from time to time in issue and conferring the right to vote at all general meetings of the Company

"C Ordinary Share" a C ordinary share of £0.01 in the capital of the Company

"Cost Price" means the total value of the relevant monies paid by the Leaver for his Leaver's Shares (or, where any of such Leaver's Shares were acquired by way of transfer rather than allotment, the lower of the total value of the subscription monies paid by the Leaver for his Leaver's Shares and the amount paid by the Leaver to a third party on the transfer)

"D Ordinary Share" a D ordinary share of £1 nominal value in the capital of the Company

"Employee" a director or employee of any Group Company

"Equity Shares" the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares

"Equity Shareholders" the holders of Equity Shares

"Event" a Sale or a Listing

"Excluded Person"

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

"Excess Benefits" Benefits in excess of the amount set out in the Service Agreements (as that expression is defined in the Investment Agreement) as payable in respect of the relevant financial year to Relevant Directors after deducting tax at the basic rate on such excess sum

"Fair Price" such price as the transferor and (with Investor Consent) the Company 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 11.2

"Family Trust" a trust, the terms and trustees of which have been approved by Investor Consent and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the Manager or the Privileged Relations of the Manager, and "trust" includes

a trust arising under a settlement, or declaration of trust, inter vivos but excludes testamentary disposition or a trust arising on an intestacy

"Financial year" and "financial period" an accounting reference period (as defined by the Act) of the Company

"Good Leaver"

- (c) a person who is not a Bad Leaver, or
- (d) a person who ceases to be a director or an Employee where the Board with Investor Consent resolves that such person is to be treated as a Good Leaver in circumstances where such person would not, but for this provision, be a Good Leaver, or
- (e) a holder of A Ordinary Shares

together with, in each case, any other person who becomes a Leaver as a consequence thereof

"Group Company" each of the companies referred to in the definition in these Articles of **"Group"**

"Group" 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

"ICTA" the Income and Corporation Taxes Act 1988

"Independent Expert" a firm of chartered accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination for a period of seven days, appointed upon the application of any of the parties concerned by the President for the time being of the Institute of Chartered Accountants in England and Wales

"Insolvency Event" means

- (a) any corporate action, legal proceedings or other procedure or step taken in relation to
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company,
 - (ii) a composition, compromise, assignment or arrangement with any class of creditors of the Company,

- (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Company or any of its assets,
- (b) save that paragraph (i) shall not apply to any winding-up petition which is frivolous or vexatious and discharged, stayed or dismissed within 21 days of commencement or, if earlier, the date on which it is advertised

"Investment Agreement" the agreement for share subscriptions of even date with the date of adoption of these articles between the Company (1) the Managers (2) and the Investors (3) (as each is defined therein)

"Investor Consent" the giving of a prior written consent by the Investor Majority

"Investor Direction" the giving of a prior written direction by the Investor Majority

"Investor Director" a director appointed pursuant to Article 16 1

"Investor Majority" the persons who together at the relevant time hold more than 50% in number of the A Ordinary Shares in issue at that time

"Investor Manager" has the meaning given it in the Investment Agreement

"Investors" those persons who are **"Investors"** within the meaning of this expression in the Investment Agreement, or any nominee of any such person and **"Investor"** means any of them The expression **"member of an Investor's Group"** 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 or any of the foregoing and **"Investor's Group"** shall be construed accordingly

"Investor Share" any A Ordinary Share and/or any C Ordinary Share held by an Investor

"Issue Price", 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

"Leaver"

- (a) any Employee who is a holder of B Ordinary Shares and/or D Ordinary Shares who ceases to be an Employee for whatever reason,
- (b) any holder of B Ordinary Shares and/or D Ordinary Shares who is the trustee of a Family Trust of any person who ceases to be an Employee,
- (c) any holder of B Ordinary Shares and/or D Ordinary Shares who is a Privileged Relation of any person who ceases to be an Employee,

- (d) any person who becomes entitled to any B Ordinary Shares and/or D Ordinary Shares on the death of a holder of B Ordinary Shares and/or D Ordinary Shares or on the exercise of an option after ceasing to be an Employee,
- (e) any B Ordinary Shareholder holding B Ordinary Shares and/or D Ordinary 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 to which he is entitled, on the Leaving Date and any Shares acquired by a Leaver after the Leaving Date whether under an employees' share scheme or otherwise, (but excluding for these purposes any A Ordinary Shares and any C Ordinary Shares held by a Leaver)

"Leaving Date", 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" 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 a recognised investment exchange (as defined in section 285 of the Financial services and Markets Act 2000) or any other public securities market (including AIM) and such permission becoming effective

"Loans" means the loans made by Halcon Properties Limited (Company Number 0547856) to the Company totalling in aggregate £5,656,786

"Manager" has the meaning given in the Investment Agreement

"Net Profit" the profit on ordinary activities before taxation of the Group calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Group for the relevant financial year (to the nearest £1) but adjusted by adding back any amortisation of goodwill

- (a) adding back Excess Benefits,
- (b) adding back any payment or provision which has been made for any dividend or any share capital of any Group Company,
- (c) adding back any sum transferred to reserves

"Preferred Ordinary Shares" the redeemable preferred ordinary shares of £1 00 nominal value each in the capital of the Company

"Privileged Relation", in relation to a Manager, the spouse of the Manager and the Manager's children (including step and adopted children)

"Relevant Directors" the directors and former directors of each Group Company (but only if such directors or former directors or their Connected Persons are interested in shares in the Company) and their Connected Persons but excluding any Investor Director

"Sale Price" has the meaning given in Article 11 1

"Sale Shares" has the meaning given in Article 10 6

"Seller" the holder of a Share which is the subject of a Transfer Notice

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

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

"Shareholder" a holder of any Share

"Start Date" the date on which the Fair Price of the Sale Shares is agreed or determined

"Specified Event" shall mean

- (a) the failure of the Company to obtain Investor Consent when required in accordance with the terms of the Investment Agreement, and/or
- (b) an Insolvency Event

"Table A" 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

"Termination Date"

where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires, or

- (a) where a contract of employment is terminated by notice given by the employer and a payment is made in lieu of notice, the date on which such notice was served, or
- (b) where the Employee concerned is a director and an employee of any Group Company, the date on which the Employee's contract of employment with any

Group Company is terminated unless the Investors by an Investor Direction direct otherwise, 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" a person (who is not an Investor or connected to an Investor) and any Connected Person of such person (in each case whether or not an existing Shareholder)

"Transfer Notice" a written notice deemed to be served on the Company in accordance with Article 10 by a Shareholder who is required to transfer any Shares

"Voting rights" shall be construed in accordance with section 1159(3) and schedule 6 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 or if no Investor Director shall be in office by the Investor Manager Any written consent or approval given by the Investor Majority to 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 issued share capital of the Company at the date of adoption of these Articles is £25,534,542 divided into 247,500 A Ordinary Shares, 176,000 B Ordinary Shares, 126,500 C Ordinary Shares 16,859,777 D Ordinary Shares and 7,250,000 Preferred Ordinary Shares

3 SHARE RIGHTS

3 1 Save as otherwise provided in these Articles the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall rank *pari passu* but shall constitute separate classes of shares

3 2 None of the D Ordinary Shares or the Preferred Ordinary Shares shall carry any right to attend or vote at any general meeting of the Company

3 3 None of the D Ordinary Shares or the Preferred Ordinary Shares shall have any right to a dividend

3 4 Income

After payment of all interest which has fallen due for payment in respect of the Loans and after the Company has repaid all of the Loans outstanding at the date of adoption of these Articles and which have fallen due for repayment and redeemed all of the Preferred Ordinary Shares, then the profits of the Company available for distribution shall be applied (with Investor Consent) in paying the balance of such profits amongst the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares (*pari passu* as if the same constituted one class of shares) and so that every dividend shall unless otherwise provided accrue on a daily basis,

3 5 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 applied as follows

3 5 1 first in redeeming at nominal value all of the Preferred Ordinary Shares,

3 5 2 next in paying to the holders of the Preferred Ordinary Shares (*pari passu* as a class) a distribution in the sum of £50,000,

3 5 3 next in paying to the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares (and rateably amongst them) a sum equal to any arrears or accruals of the dividends on the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares respectively calculated down to the date of the return of capital,

- 3 5 4 next in paying to the holders of the A Ordinary Shares and the C Ordinary Shares (and rateably amongst them) a sum equal to the Subscription Price for each such share,
- 3 5 5 next in paying to the holders of the B Ordinary Shares a sum equal to the Subscription Price for each such share and ratably amongst them,
- 3 5 6 the balance of such assets up to £80,000,000 shall be distributed amongst the holders of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares (pari passu as if the same constituted one class of share),
- 3 5 7 next in paying to the holders of the D Ordinary Shares the sum of £1 per share (or a pro rata amount of £1 per D Ordinary Share if the balance of the assets is greater than £80,000,000 but less than £96,821,277),
- 3 5 8 the balance of such assets shall be distributed amongst the holders of the A Ordinary Shares, B Ordinary Shares and the C Ordinary Shares (pari passu as if the same constituted one class of share)
- 3 6 **Voting**
- 3 6 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 A Ordinary Shares and/or B Ordinary Shares and/or C Ordinary 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 A Ordinary Share or B Ordinary Share or C Ordinary Share of which he is the holder The D Ordinary Shares carry no right to attend or vote at any general meeting of the Company nor any right to vote on any written resolution of the Company
- 3 6 2 If a Specified Event has occurred and the Investor Majority delivers a notice (a **"voting adjustment notice"**) to that effect to the Company then the voting rights attaching to the A Ordinary Shares shall be amended with effect from the date of the voting adjustment notice to the effect that on a poll each holder of A Ordinary Shares present in person or by proxy shall have one hundred thousand votes for every A Ordinary Share in the capital of the Company of which he is the holder until the earlier of
- 3 6 2 1 the date that the Specified Event has been rectified, and

3 6 2 2 the date that the Majority Holders give notice in writing to the Company cancelling the voting adjustment notice

3 6 3 If the Investors by an Investor Direction so direct, any Shares which are currently the subject of a Transfer Notice shall not confer the right to receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of Shares of the same class 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 8

3 7 Share Sale

In the event of a Share Sale or Listing, the holders of the D Ordinary Shares shall only be entitled to participate in the proceeds of such Share Sale or Listing if and to the extent that the consideration (received or receivable pursuant to the terms of the Share Sale or Listing) exceeds £80,000,000 whereafter any excess consideration shall be payable to the holders of the D Ordinary Shares at the rate of £1 per D Ordinary Share (or a pro rata amount of £1 per D Ordinary Share where the excess consideration is less than £96,821,277) and any balance thereafter shall be payable to the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares *pari passu* as if the same constituted one class of share Save as provided in this article 3 7 the D Ordinary Shares shall not otherwise have any rights to participate in the proceeds of sale of any Shares other than the proceeds arising on a sale of D Ordinary Shares made in accordance with these articles

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 only be varied or abrogated with the consent in writing of the holders of 75% in nominal value of the issued shares of that class, provided that in the case of the C Ordinary Shares the consent in writing of all the holders of the C Ordinary Shares shall be required

4 2 Without prejudice to the generality of Article 4 1, the special rights attached to the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be deemed to be varied by

4 2 1 any variation in the authorised or issued share capital of the Company, or

- 4 2 2 the creation or grant of any option or other right over or to subscribe for shares or by the creation, issue or grant of any security convertible into any shares in the capital of any Group Company, or
- 4 2 3 any alteration or variation of any of the rights attached to any of the shares for the time being in the capital of any Group Company, or
- 4 2 4 the application of any sum in or towards paying up any share or loan capital of any Group Company, or
- 4 2 5 the redemption of any shares of any Group Company (otherwise than pursuant to these Articles) or by entering into of a contract by any Group Company to purchase any of its shares, or
- 4 2 6 any resolution (whether pursuant to Part 7 of the Act or otherwise) to change the classification or status of any Group Company, or
- 4 2 7 any alteration to the Articles of Association of any Group Company, or
- 4 2 8 any resolution to wind up any Group Company, or
- 4 2 9 any sale, transfer or other disposal by any Group Company of the whole or part of its undertaking, business or assets, or
- 4 2 10 (other than any redemption of the Preferred Ordinary Shares pursuant to the terms of these Articles) the transfer by any Group Company of any profits to reserves or the taking of any other action (excluding the lawful payment of dividends) which will or may reduce the amount of its profits available for distribution, or
- 4 2 11 any suspension or relaxation by any Group Company of any provision of its Articles of Association which prohibits a director from voting at a meeting of the directors or of a committee of the directors in certain circumstances, or
- 4 2 12 any sale, transfer or other disposal by any Group Company of all or any part of, or any interest in, the shares of any Group Company by the Company or any other Group Company, or
- 4 2 13 the giving, variation, revocation or renewal of an authority for allotment under sections 549 – 551 of the Act, or
- 4 2 14 the disapplication of the provisions of sections 561(1) and 562(1) of the Act in relation to any allotment or issue of Shares by the Company
- 4 3 Without prejudice to the generality of Article 4 1, the special rights attached to the A Ordinary Shares shall be deemed varied by the calling of a meeting of the Company to

- effect or approve any matter which would by virtue of this Article be a variation of the Class rights of the A Ordinary Shares
- 4 4 Without prejudice to the generality of Article 4 1, the special rights attached to the B Ordinary Shares shall be deemed varied by the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the Class rights of the B Ordinary Shares
- 4 5 Without prejudice to the generality of Article 4 1, the special rights attached to the C Ordinary Shares shall be deemed varied by the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the Class rights of the C Ordinary Shares
- 4 6 Without prejudice to the generality of Article 4 1, the Company shall not, save with the prior written consent of all of the holders for the time being of the Preferred Ordinary Shares
- 4 6 1 create any class of shares in the capital of the Company with rights to income or capital which rank in priority to the Preferred Ordinary Shares,
- 4 6 2 incur or agree to incur any material borrowings in excess of the level of borrowings of the Group as at 17 July 2009 and excluding any borrowings reasonably required for the working capital of the Group, provided always that the consent of the holders of the Preferred Ordinary Shares shall not be unreasonably withheld or delayed,
- 4 6 3 issue any further loan notes or increase the interest rate or amount payable on the Loan Notes (as defined in Article 5) (whether by way of redemption or otherwise) as in force at the date of adoption of these Articles,
- 4 6 4 amend the Articles in any way which varies the rights conferred on the Preferred Ordinary Shares by Articles 4 6, 4 7 or which varies the provisions governing the redemption of the Preferred Ordinary Shares set out in Article 5
- 4 7 The holders of the Preferred Ordinary Shares shall be entitled to receive and the Company shall supply to the holders of the Preferred Ordinary Shares
- 4 7 1 monthly financial statements for the Company on a consolidated basis comprising a monthly profit and loss account and balance sheet within 30 days of the end of the month to which those statements relate,

- 4 7 2 at the same time as they are despatched to the directors, copies of all agenda's and supporting documents for meetings of the Directors of the Company

5 REDEMPTION OF PREFERRED ORDINARY SHARES

- 5 1 The Preferred Ordinary Shares shall be redeemed at nominal value of £1 per share on the earlier of the following

5 1 1 an Asset Sale,

5 1 2 a Listing,

5 1 3 a Share Sale

- 5 2 Notwithstanding the provisions of Article 5 1, the Preferred Ordinary Shares shall be redeemed as set out in the following provisions of this Article 5

- 5 3 Capitalised terms used in or required for the interpretation of this Article 5 have the following meanings

"Accession Letter" a document substantially in the form set out in Schedule 8 to the Facilities Agreement

"Accounting Principles" generally accepted accounting principles in England and Wales (including IFRS)

"Acquisition" the acquisition by the Company of the Target Shares on the terms of the Acquisition Documents

"Acquisition Agreement" the share purchase agreement dated on or around the date of the Facilities Agreement relating to the sale and purchase of the Target Shares and made between the Company and the Vendor

"Acquisition Documents" the Acquisition Agreement and the Disclosure Letter and any other document designated as an "Acquisition Document" by the Lender and the Company

"Ancillary Document" each document relating to or evidencing an Ancillary Facility

"Ancillary Facility" any ancillary facility made available by an Ancillary Lender in accordance with Clause 9 of the Facilities Agreement

"Ancillary Lender" a lender which makes available an Ancillary Facility in accordance with Clause 9 of the Facilities Agreement

"Annual Financial Statements" the financial statements for each Reference Period

"Barrhead Escrow Account Agreement" the agreement dated the same date as the Facilities Agreement made between the Company, the Lender and the Vendor in respect of the Barrhead Escrow Sum

"Barrhead Escrow Sum" the sum of £500,000 placed by the Vendor into the Barrhead Escrow Account as more particularly set out in the Barrhead Escrow Agreement

"Borrower" a borrower under the Facilities Agreement

"Capital Expenditure" expenditure in accordance with the Accounting Principles

"Compliance Certificate" a certificate substantially in the form set out in Schedule 9 of the Facilities Agreement

"Cure Amount Loan" has the meaning given to it in clause 5 of the Vendor Escrow Account Agreement

"Disclosure Letter" has the meaning given to it in the Acquisition Agreement

"EBIT" in relation to the companies in the Group, in relation to a period of time, the consolidated net profit of the Group calculated in accordance with the Accounting Principles (as shown by the Annual Financial Statements and Quarterly Financial Statements)

- (a) after adding back or deducting, as the case may be, losses or income from associated undertakings and/or unconsolidated joint ventures,
- (b) after adding back or deducting, as the case may be, minority interests in the net profit or loss of any member of the Group,
- (c) after adding back or deducting, as the case may be, operating losses or profits associated with discontinued activities for such period,
- (d) after adding back all professional and financing costs (but only where these have actually been charged or amortised in arriving at consolidated net profit in accordance with the Accounting Principles) incurred in connection with the Transaction Documents,
- (e) after adding back Interest Payable for such period,
- (f) after adding back Interest Receivable for such period,
- (g) after adding back extraordinary and/or exceptional costs which decrease the consolidated net profit,
- (h) after adding back extraordinary and/or exceptional gains which increase the consolidated net profit of the Group,

- (i) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than stock disposed of in the ordinary course of business) during such period (including, for the avoidance of doubt, gains or losses on the disposal of land, buildings, investments and plant and machinery),
- (j) after adding back or deducting, as the case may be, realised and unrealised non-trading exchange losses or gains during such period,
- (k) after adding back or deducting, as the case may be, corporation tax (and/or any other tax levied on or measured by reference to profits or gains) and/or deferred tax charges or credits on the Group profits or losses for such period, and
- (l) after adding back the provision made in respect of any dividend or other distribution on any share capital of the Company or any Subsidiary or the transfer of any sum to reserves for such period

"EBITDA", in relation to any period of time, the aggregate EBIT after adding back any amount written off in respect of depreciation and any amortisation of goodwill and/or know how or other intangible assets in the consolidated financial statements of the companies on the Group for such period

"Excess Cashflow" Operational Cashflow less Total Debt and Equity Obligations for the relevant Reference Period

"Facilities Agreement" the credit facilities agreement dated 26 September 2007 made between the Company (1) the original borrowers described therein, (2) the original guarantors described therein (3) and the Lender (4)

"Facility" a Term Facility and/or the Revolving Facility

"Facility A" the term loan facility made available under the Facilities Agreement and described in clause 2 1(a)(i) of the Facilities Agreement

"Facility A Loan" a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan

"Facility B" the term loan facility made available under the Facilities Agreement and described in clause 2 1(a)(ii) of the Facilities Agreement

"Facility B Loan" a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan

"Finance Documents" the Facilities Agreement, any Ancillary Document, any Transaction Security Document, the Intra-Group Loan Agreement, any Hedging

Agreement, the Intercreditor Agreement, the Vendor Escrow Account Agreement, the Barrhead Escrow Account Agreement, any Accession Letter, any Compliance Certificate, any Selection Notice, any Utilisation Request and any other document designated as such by the Lender and the Company

"Financial Indebtedness" any indebtedness for or in respect of

- (a) monies borrowed,
- (b) any acceptance under any acceptance credit facility or dematerialised equivalent,
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument,
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease,
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis),
- (f) any treasury Transaction (and, when calculating the value of that treasury Transaction, only the marked to market value shall be taken into account),
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution,
- (h) any amount of any liability under an advance or deferred purchase agreement if (a) one of the primary reasons being entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply,
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, and
- (j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above

"Financial Quarter" each consecutive three month period during each 12 month period commencing on 30 June

"Group" the Company and each of its respective Subsidiaries from time to time

"Guarantor" a guarantor under or in respect of the Facilities Agreement

"Hedging Agreement" any master agreement, confirmation, schedule or other agreement in agreed form entered into or to be entered into by the Company and a Hedge Counterparty for the purpose of hedging interest rate liabilities and/or any exchange rate or other risks in relation to the Facilities in accordance with the Hedging Letter delivered to the Lender pursuant to clause 4.1 of the Facilities Agreement

"Hedge Counterparty" a person which has become a party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the provisions of the Intercreditor Agreement

"Hedging Letter" a letter between the Lender and the Company in the agreed form dated on or before the date of the Facilities Agreement describing the hedging arrangements to be entered into in respect of the interest rate liabilities of the Borrowers and which shall hedge at least 66.67% of Facility A and Facility B for a period of at least three years

"Holding Company" in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary

"IFRS" international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements

"Intercreditor Agreement" the Intercreditor Agreement dated the same date as the Facilities Agreement made between the Company, the Lender, the Vendors and the other parties named therein

"Interest Payable" Senior Interest, interest on the Loan Notes accrued (whether or not paid or capitalised), in relation to a period of time, as an obligation of any member of the Group (other than to other members of the Group) during that period

"Interest Receivable" the amount of interest accrued due to members of the Group (other than by other members of the Group) in relation to a period of time

"Intra-Group Loan Agreement" the Loan agreement entered into on or around the date of the Facilities Agreement made between the Company and the other members of the Group named therein

"Investment Agreement" the investment agreement dated on or around the date of the Facilities Agreement made between the Company (1) the Investors named therein (2) and the Senior Management named therein (3)

"Investors" Ian William Hall and David Conn

"Issuing Bank" a Lender which has issued or agreed to issue a Letter of Credit

"Lender" the Royal Bank of Scotland plc

“Letter of Credit”

- (a) a letter of credit substantially in the form set out in Schedule 7 to the Facilities Letter or in any other form requested by a Borrower and agreed by the Lender and the Issuing Bank, or
- (b) any guarantee, indemnity or other instrument in a form requested by a Borrower and agreed by the lender and the Issuing Bank

“Loan Note Documents” the Loan Notes and the Loan Note Instruments,

“Loan Note Instruments” the instruments of the Company constitution variable rate secured guaranteed A loan notes 2014 and variable rate unsecured B loan notes 2014

“Loan Notes” the loan notes constituted by the Loan Note Instruments

“Monthly Financial Statement” the financial statements delivered pursuant to clause 25 1 of the Facilities Agreement

“Obligor” a Borrower or a Guarantor

“Obligors’ Constitutional Documents” the certificate of incorporate and the memorandum and articles of association of any Obligor

“Operational Cashflow”, in relation to a period of time, EBITDA for the Group for that period

- (a) after deducting extraordinary and/or exceptional costs which decrease the consolidated net profit of the Group,
- (b) after adding back extraordinary and/or exceptional gains which increase the consolidated net profit of the Group,
- (c) after adding back or deducting, as the case may be, operating profits or losses associated with discontinued activities for such period,
- (d) plus the amount of any decrease or minus the amount of any increase in Working Capital for such period,
- (e) minus any decrease and plus any increase in provisions made in respect of that period to the extent that the cash impact has not already been taken into account of in the movement in Working Capital,
- (f) plus any corporation tax or other similar tax rebate(s) received in cash, or minus the aggregate amount of all corporation tax or other similar taxes paid by the Group during such period,

- (g) plus the net proceeds (following the deduction of all costs and expenses connected with such disposal, including any tax paid or payable) of disposals that are permitted within the definition of "Permitted Disposals" during such period,
- (h) minus the amount of Capital Expenditure incurred by the Group during such period net of any principal amount advanced under any other finance agreement,
- (i) plus realised exchange gains and minus realised exchange losses charged during such period to the extent not already taken into account of in EBITDA for that period but only to the extent that there is a cashflow impact on the Group, and
- (j) plus any dividend received from an associated undertaking and/or unconsolidated joint venture for such period

"Permitted Acquisition"

- (a) the Acquisition,
- (b) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal,
- (c) an acquisition of shares or securities pursuant to a Permitted Share Issue,
- (d) an acquisition made with the prior written consent of the Lender

"Permitted Disposals" any sale, lease, licence, transfer or other disposal which is on arm's length terms

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity,
- (b) of any asset by a member of the Group (the "Disposing Company") to another member of the Group (the "Acquiring Company"), but if
 - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor,
 - (ii) the Disposing Company has given Security over the asset, the Acquiring Company must give equivalent Security over that Asset, and
 - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company,
- (c) of assets in exchange for other assets comparable or superior as to value or quality,

- (d) of obsolete or redundant vehicles, plant and equipment for cash,
- (e) constituted by a licence of intellectual property rights permitted by Clause 27 27 of the Facilities Agreement,
- (f) arising as a result of any Permitted Security,
- (g) of cash by way of Permitted Loan,
- (h) of cash in order to complete a Permitted Acquisition,
- (i) of assets up to £25,000 in any 12 month period, or
- (j) permitted by the Lender in writing

“Permitted Guarantee”

- (a) the endorsement of negotiable instruments in the ordinary course of trade,
- (b) any performance or similar bond or warranty guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade,
- (c) any guarantee permitted under clause 27 21 of the Facilities Agreement,
- (d) any guarantee or indemnity arising under a Transaction Document,
- (e) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of Permitted Security, or
- (f) any guarantee permitted by the Lender in writing

“Permitted Loan”

- (a) any trade credit extended by any member of the Group to its customers on normal commercial terms and in the ordinary course of its trading activities,
- (b) loans to employees by any member of the Group from the date of the Facilities Agreement to 31 December 2007 provided that such loans do not exceed £10,000 in aggregate during that period,
- (c) any loan made under the terms of the Intra-Group Loan Agreement for the purpose of enabling the Company to meet its payment obligations under the Finance Documents,
- (d) a loan made by an Obligor to another Obligor or made by a member of the Group which is not an Obligor to another member of the Group,
- (e) a Cure Amount Loan

“Permitted Security”

- (a) any Transaction Security,
- (b) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group,
- (c) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group but only so long as (i) such arrangement does not permit credit balances of Obligors to be netted or set off against debit balances of members of the Group which are not Obligors and (ii) such arrangement does not give rise to other Security over the assets of Obligors in support of liabilities of members of the Group which are not Obligors,
- (d) any Security under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group,
- (e) any Security arising as a consequence of any finance lease arising under a Permitted Loan or a Permitted Guarantee provided that the Security is limited to the relevant leased asset,
- (f) any Security granted by a member of the Group in favour of the Lender or Lombard North Central PLC prior to the date of the Facilities Agreement,
- (g) the Vendor Security,
- (h) any Security permitted by the Lender in writing

“Permitted Share Issue” an issue of

- (a) ordinary shares by the Company to the Investors, paid for in full in cash upon issue and which by their terms are not redeemable and where (i) such shares are of the same class and on the same terms as those initially issued by the Company and (ii) such issue does not lead to any other person or persons acquiring a Controlling Interest in the Company, and
- (b) shares by a member of the Group which is a subsidiary to its immediate Holding Company where (if the existing shares of the Subsidiary are the subject of Transaction Security) the newly issued shares also become subject to the Transaction Security on the same terms

"Principal Borrower Escrow Account" an account with the Lender and operated in accordance with clause 25.6

"Quarterly Financial Statements" a Monthly Financial Statement in respect of a month in which a Financial Quarter of the Principal Borrower expires

"Reference Period" each 12 month period ending on 31 March or 30 September as the case may be

"Revolving Facility" the revolving credit facility made available under the Facilities Agreement as described in clause 2.1 of the Facilities Agreement

"Revolving Facility Utilisation" a Revolving Loan or a Letter of Credit

"Revolving Loan" a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan

"Security" a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or other agreement or arrangement having a similar effect

"Selection Notice" a notice substantially in the form set out in part 2 of Schedule 3 to the Facilities Agreement given in accordance with clause 15 of the Facilities Agreement in relation to a Facility

"Senior Debt" at any time, the aggregate outstanding principal of

- (a) the Term Loan and the Revolving facility Utilisations (for the avoidance of doubt to include any drawn amount of an overdraft facility),
- (b) the amount of the principal outstanding in respect of all finance leases of members of the Group computed in accordance with the Accounting Principles, and
- (c) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution

"Senior Debt Obligations" in respect of any member of the Group in relation to a period of time, the aggregate of

- (a) Senior Interest paid by any member of the Group in such period, and
- (b) the principal amounts paid or prepaid or scheduled to be paid in respect of the Facilities but excluding any repayment or prepayment of any overdraft or Revolving Facility falling due during that period and capable of being simultaneously redrawn under the terms of the relevant Facility

“Senior Interest” in relation to a period of time, interest and amounts in the nature of interest paid or payable in respect of any Senior Debt including, without limitation

- (a) interest (on an accrued basis) from time to time charged by the Lender in respect of the Facilities or any other facility made available by the Lender from time to time to any member of the Group,
- (b) interest (on an accrued basis) on the interest element of hire purchase and finance leases,
- (c) the consideration given to any member of the Group during that period by way of discount or otherwise in connection with finance for any member of the Group by way of acceptance, credit, bill, discounting, debt factoring or other like arrangement and further adjusted by adding or deducting net amounts paid or received by any member of the Group under the Hedging Agreement,
- (d) commitment, utilisation and non-utilisation fees charged by the Lender in respect of the Facilities,
- (e) monitoring fees charged by the Lender under and in respect of the Facilities, and
- (f) excluding all professional and finance costs amortised in relation to the Finance Documents

“Subsidiaries” a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985

“Target Shares” all the shares of Utopia Group Limited (company number 5479695) and all warranties and options in respect of the share capital of Utopia Group Limited

“Term Facility” a Facility A and/or a Facility B

“Term Loan” a Facility A Loan and/or Facility B Loan

“Total Debt and Equity Obligations” in respect of the Group (excluding Financial Indebtedness between any member of the Group and any other member of the Group), in relation to a period of time, the aggregate of

- (a) the Senior Debt Obligations,
- (b) the aggregate principal amount of all scheduled repayments, prepayments and interest paid under the terms of any Financial Indebtedness during such period,
- (c) the aggregate principal amount of all dividends or other distributions (whether in cash or otherwise and including, without limitation, share redemptions and purchases) paid by the Company to its shareholders during such period,

- (d) the aggregate of dividends paid to any minority interests in any members of the Group during such period,
- (e) the aggregate of any repayments or principal amounts and interest paid under the terms of the Loan Note Instruments,
- (f) payments of interest and principal relating to any Vendor Loans created pursuant to the operation of the Vendor Escrow Account or otherwise and owed back to the Vendor, and
- (g) payments of any top-up amounts in the Vendor Escrow Account

"Transaction Documents" means the Finance Documents, the Acquisition Documents, the Investment Agreement, the Loan Note Documents, the Vendor Security and the Obligors' Constitutional Documents

"Transaction Security" the Security created or expressed to be created in favour of the Lender pursuant to the Transaction Security Documents

"Transaction Security Documents" each of the documents listed as being a Transaction Security Document in paragraph 3(c) of Schedule 2 to the Facilities Letter together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of any obligations of any of the Obligors under any of the Finance Documents

"Treasury Transactions" any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price

"Utilisation Request" a notice substantially in the relevant form set out in part 1 of Schedule 3 to the Facilities Agreement

"Vendor" Ian William Hall and David Conn

"Vendor Escrow Account" an account controlled by Cobbetts LLP and DLA Piper UK LLP and which is identified in the Vendor Escrow Account Agreement and operated in accordance with the terms of the Vendor Escrow Account Agreement

"Vendor Escrow Account Agreement" the agreement dated the same date as the Facilities Agreement and made between the Company, the Lender and the Vendor in respect of the sum of £550,000 placed by the Vendor into the Vendor Escrow Account

"Vendor Security"

- (a) the debentures granted by the Company in favour of Ian William Hall as security trustee for the Vendor,

- (b) the debentures granted by Utopia Group Limited in favour of Ian William Hall as security trustee for the Vendor,
- (c) the debentures granted by Utopia Furniture Limited in favour of Ian William Hall as security trustee for the Vendor,
- (d) the guarantees granted by the Company, Utopia Group Limited, Utopia Furniture Limited, Barrhead International Limited and Barrhead Sanitary Ware Limited in favour of Ian William Hall as security trustee for the Vendor,
- (e) the security trust deeds between Ian William Hall and the Vendor

“Working Capital” trade and other debtors in relation to the operating items of any member of the Group, plus prepayments and accrued income, plus stocks (including raw materials and consumables, work in progress and finished goods), less trade and other creditors (excluding finance lease liabilities) in relation to operating items of any member of the Group (excluding corporation tax liabilities on income or gains) and less accrued expenses, accrued costs, provisions for liabilities and charges and deferred income of any member of the Group. For the avoidance of doubt, Working Capital excludes each Revolving Loan (including, for the avoidance of doubt, any drawn amount of an overdraft facility), the Term Loan, cash, dividends payable and corporation tax and deferred taxes

- 5 4 In the event that Excess Cashflow is equal to or more than £500,000 in each Reference Period, the Company shall redeem such nominal amount of the capital of the Preferred Ordinary Shares as is equal to (rounding down to the nearest whole share)

$$((\text{Excess Cashflow} - £500,000) \times 50\%) \times 6/12$$

- 5 5 Redemptions made pursuant to Article 5 4 above shall be made by way of two equal redemptions on 31 March and 30 September in each year commencing on 31 March 2011 (which, for the avoidance of doubt, shall cover the period from 1 October 2010 to 31 March 2011)
- 5 6 At the time of redemption of any Preference Share, the holder thereof shall be bound to deliver up to the Company the relevant share certificate for cancellation and the Company shall pay the redemption money in respect of such Preference Share and, if appropriate, issue a replacement share certificate for the balance of the Preferred Ordinary Shares held by the relevant holder
- 5 7 If any holder of Preferred Ordinary Shares fails or refuses to surrender the certificate or certificates for such Preferred Ordinary Shares or fails or refuses to accept the redemption money payable in respect of them, such monies shall be retained and held by the Company in trust for such holder but without any further obligation whatsoever

6 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 sole registered holder thereof or one of several joint holders

7 CALLS

Calls may only be made on the holders of the Equity Shares and no call may be made on the holder of any Preferred Ordinary Share. 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"

8 ISSUES OF SHARES

Subject to these Articles the pre-emption provision of subsection (1) of section 561 and section 562 of the Act shall apply to any allotment of the Company's equity securities other than the D Ordinary Shares (which shall not be entitled to participate in any offer of equity securities on a pre-emptive basis), provided that

8 1 for the purposes of those sub-sections the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be treated as one class,

8 2 the period specified in section 562(5) of the Act shall be 14 days, and

8 3 the 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

9 PROVISIONS APPLYING ON EVERY TRANSFER OF SHARES

9 1 The Board shall refuse to register any transfer of any Equity 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.

9.2 Save for transfers pursuant to Article 10 and clause 9 of the Investment Agreement, no Equity Shares may be transferred unless

9.2.1 an Investor Consent has been obtained, and

9.2.2 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.

9.3 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.

9.4 For the avoidance of doubt, the provisions of this Article and Article 10 shall not apply to the Preferred Ordinary Shares which will be freely transferable.

10 TRANSFERS OF SHARES

10.1 **Permitted Transfers by Individual Shareholders, Privileged Relations and Family Trusts**

10.1.1 **Permitted transfers to Privileged Relations and Family Trusts**

Subject to Article 10.4, any Manager who is a Shareholder and is not an Excluded Person may at any time with Investor Consent transfer any Shares held by him to a Privileged Relation over the age of 17 or to trustees to be held upon a Family Trust of which he is the settlor provided in any event that

10.1.1.1 no Manager may transfer of any his Equity Shares under this Article 10.1 if, after the registration of any such transfer in the register of members of the Company, the total number of Equity Shares of any class registered in the name of such Manager would amount to less than 50% of the total number of Equity Shares of such class registered in the names of the

Manager, the trustees of the Manager's Family Trusts and his Privileged Relations,

10 1 1 2 any transfer of Equity Shares by a Manager to a Privileged Relation or trustees of the Manager's Family Trusts pursuant to this Article 10 1 will be on terms (approved before such transfer by the Board with Investor Consent) that the Privileged Relation or trustees (as the case may be) shall

(a) undertake to exercise all voting rights attaching to such Equity Shares and to sign all proxies, consents to short notice and other documents relating to such exercise in accordance with the directions of the Manager concerned, and

(b) give the Manager full unconditional and irrevocable authority to sell such Equity Shares on behalf of the trustees or Privileged Relation (as the case may be) on a Listing or a Share Sale or pursuant to clause 13 of the Investment Agreement,

10 1 1 3 the Privileged Relations and/or the trustees of Family Trusts to whom Equity Shares are transferred by a Manager pursuant to this Article 10 1 shall be entitled at any time to transfer any or all such Equity Shares to such Manager but shall not otherwise be entitled to transfer such Equity Shares pursuant to this Article 10 1,

10 1 1 4 if and whenever any Equity Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor in accordance with Article 10 2) or there cease to be any beneficiaries of the Family Trust other than a charity or charities

(a) the trustees of the Family Trust shall notify the Company in writing that such event has occurred, and

(b) unless the Investors by an Investor Direction direct otherwise, on the date of such cessation the trustees shall be deemed to have given a Transfer Notice which does not specify a Sale Price in favour of the settlor of

the Family Trust in respect of the Equity Shares held by the trustees and such Shares may not otherwise be transferred, and

10 1 1 5 if and whenever a Privileged Relation to whom Equity Shares have been transferred pursuant to this Article 10 1 ceases to be a Privileged Relation of the transferring party

(a) the transferring party shall notify the Company in writing that such cessation has occurred, and

(b) unless the Investors by an Investor Direction direct otherwise, on the date of such cessation the former Privileged Relation shall be deemed to have given a Transfer Notice which does not specify a Sale Price in favour of the transferring party in respect of the Equity Shares held by the former Privileged Relation and such Equity Shares may not otherwise be transferred

10 2 Permitted transfers by Privileged Relations and/or Family Trusts

Subject to Article 10 4 where any Equity Shares are held by trustees upon a Family Trust

10 2 1 on any change of trustees such Equity Shares may be transferred to the new trustees of that Family Trust, and

10 2 2 such Equity Shares may be transferred at any time to the settlor provided the settlor is a Manager or to another Family Trust of which the Manager if the settlor or to any Privileged Relation of the Manager

10 3 Permitted transfers by Investors

Notwithstanding any other provision in these Articles, the permitted transfers set out in Article 10 1 shall apply equally to the holders of the A Ordinary Shares and the C Ordinary Shares save that the holders of any A Ordinary Shares or any C Ordinary Shares shall not require Investor Consent in relation to any such transfer

10 4 Other Permitted Transfers

10 4 1 Transfers to the Company

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

10 4 2 Transfers with Investor Consent

Notwithstanding any other provisions of these Articles a transfer of any Equity Shares made with Investor Consent may be made without restriction as to price or otherwise

10 4 3 Transfers pursuant to a Listing, a Share Sale or pursuant to clause 9 the Investment Agreement

Notwithstanding any other provision of these Articles, a transfer of any Equity Share made pursuant to and in accordance with a Listing, a Share Sale or Clause 9 of the Investment Agreement shall be registered by the directors (subject to stamping)

10 5 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 outstanding Transfer Notice deemed to have been given under Article 10 1 and by the Privileged Relations and by the trustees of the Family Trusts of such Shareholder prior to that Shareholder becoming an Excluded Person, provided this Article 10 5 shall not apply in relation to any Transfer Notice given or deemed given in respect of A Ordinary Shares and/or C Ordinary Shares These Articles shall thereafter operate as if no such Transfer Notice had been given provided that such revocation shall be without prejudice to any sale of the Equity Shares which were the subject of the Transfer Notice completed prior to such revocation

10 6 Mandatory Transfers in respect of Leavers

Within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date, the Investors may direct the Company by an Investor Direction immediately to serve a notice on a Leaver notifying him that he is, with immediate effect, deemed to have served one or more Transfer Notices in respect of such number and class of his Leaver's Shares as is specified in the Investor Direction (the "Sale Shares")

11 TRANSFER ARRANGEMENTS

11 1 Save as otherwise set out in these Articles the Sale Price at which a Leaver must transfer his Leaver's Shares shall be

11 1 1 in the case of a Good Leaver the Fair Price,

11 1 2 in the case of a Bad Leaver who voluntarily gives notice to leave his employment with the Company or any member of the Group, the Cost Price,

11 1 3 in the case of a Bad Leaver who is dismissed by the Company or any member of the Group, the lower of Cost Price and Fair Price,

provided that in the case of any D Ordinary Shares held by a Leaver, the Sale Price shall be the sum of £1 00 in aggregate for the Leaver's entire holding of D Ordinary Shares (including any D Ordinary Shares held by a nominee, Privileged Relation or trustees of a Family Trust) save that where the Leaver is Elizabeth Green, the Sale Price for the first 187,315 D Ordinary Shares held by her (including a nominee, Privileged Relation, or the trustees of a Family Trust), the Sale Price shall be the sum of £1 00 for each D Ordinary Share where the Fair Price as agreed or determined by the Independent Expert would value the entire issued share capital of the Company at £96,821,277 or more, or a pro rata amount of £1 per D Ordinary Share where such value is less than £96,821,277, but greater than £80,000,000, failing which the Sale Price for any D Ordinary Shares held by Elizabeth Green shall be the sum of £1 00 in aggregate

11 2 If the Fair Price shall be determined by an Independent Expert

11 2 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 have no regard to the fact that such Leaver's Shares represent (if such be the case) a minority interest in the share capital of the Company,

11 2 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,

11 2 3 the certificate of the Independent Expert shall, in the absence of manifest error, be final and binding, and

11 2 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 (ii) 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 costs shall be borne by the Leaver

- 11 3 If a person who is deemed to have given a Transfer Notice pursuant to Article 10 6 has not transferred his Leaver's Shares in accordance with the Transfer Notice within 30 days of the date on which the Transfer Notice is deemed to have been given the Company may nominate some person to execute an instrument of transfer of such Leaver's Shares in the name and on behalf of the holder of such Leaver's Shares and thereafter, when the instrument has been duly stamped, the Company shall cause the name of the transferee to be entered in the register of members as the holder of such Leaver's Shares

12 PRE-EMPTION RIGHTS

- 12 1 The Investors may, within thirty days of the Start Date, direct the Company by an Investor Direction to offer at the Sale Price such number of Sale Shares to such person (the "Offeree") (being the person intended to take the place of the Leaver) as may be specified in the Investor Direction. If the Offeree applies for any of them within 6 weeks after the Start Date, the Company shall (with Investor Consent) within 7 days after such application allocate to the Offeree the number of Sale Shares applied for. If all of the Sale Shares are so allocated, the provisions of Articles 12 2 to 12 8 (inclusive) shall not apply. If none or some only of the Sale Shares are so allocated, the remaining provisions of this Article shall have effect as if references to Sale Shares shall mean those not allocated in accordance with this Article.

- 12 2 The Company shall

12 2 1 on the twenty-second day following the Start Date (or, if that day is not a Business Day, on the next Business Day), if an Investor Direction has not been given pursuant to Article 12 1, or

12 2 2 on the day immediately following the expiry of the 6 week period referred to in Article 12 1 (or, if that day is not a Business Day, on the next Business Day), if an Investor Direction has been given pursuant to Article 12 1,

give notice in writing to each of the Equity Shareholders (other than the Seller or an Excluded Person) offering for sale the Sale Shares at the Sale Price. The notice shall specify that the Shareholder shall have a period of 25 days from the date of such notice within which to apply for some or all of the Sale Shares. If the Shareholders of more than one class apply for some or all of the Sale Shares, the Sale Shares shall be treated as having been offered to all Shareholders (other than the Seller or any Excluded Person) holding the class of Shares shown in the line relevant to the class of Sale Shares in columns (1), (2) and (3) below in that order of priority

(1) Sale Shares	(2) Offered first to	(3) Offered second to
A Ordinary	A Ordinary	B Ordinary and C Ordinary
B Ordinary	B Ordinary	A Ordinary and C Ordinary
C Ordinary	C Ordinary	A Ordinary and B Ordinary
D Ordinary	the Investors	A Ordinary and B Ordinary and C Ordinary

- 12.3 The Sale Shares shall be treated as having been offered among each class of Shareholder in proportion (as nearly as may be) to their existing holdings of Shares of the class to which the offer is treated as having been made (the “**Proportionate Allocation**”) A Shareholder may, if he so desires, indicate in his application for Sale Shares that he would be willing to purchase a particular number of Shares in excess of his Proportionate Allocation (“**Extra Shares**”)
- 12.4 In respect of each class of Shareholder to whom the Sale Shares are offered, the Company shall allocate the Sale Shares as follows
- 12.4.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each Shareholder shall be allocated the number applied for in accordance with his application, or
- 12.4.2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each Shareholder shall be allocated his Proportionate Allocation or such lesser number of Sale Shares for which he has applied and applications or, in the event of such proportions as equal (as nearly as may be) the proportions of all the Shares of the same class held by such Shareholder
- 12.5 Allocations of Sale Shares made by the Company pursuant to this Article shall constitute the acceptance by the Shareholders to whom they are allocated of the offer to sell those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares that he has indicated to the Company he is willing to purchase
- 12.6 The Company shall forthwith upon allocating any Sale Shares give notice in writing (a “**Sale Notice**”) to the Seller and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable

therefor Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within five days after the date of the Sale Notice whereupon the Seller shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and deliver the relevant Share Certificates

- 12.7 Save in the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 12.6 to a person to whom such Shares have been allocated (the “**allocated person**”), the Company may receive the relevant purchase money from the allocated person and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when the instrument has been duly stamped, the Company shall cause the name of the allocated person to be entered in the register of members as the holder of such Sale Shares and shall hold the purchase money on trust (without interest) for the Seller. The receipt of the Company for the purchase money shall be a good discharge to the allocated person (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 12.6, the Company may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Seller
- 12.8 If not all of the Sale Shares are sold under the pre-emption provisions contained in Articles 12.1 to 12.7 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller. The Seller shall not be entitled to sell any of the Sale Shares for which no buyer has been found
- 12.9 For the purposes of this Article 12, references to the holders of A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and/or D Ordinary Shares who are to be offered any shares the subject of a Transfer Notice shall be deemed to be a reference to such of those Shareholders who are on the register at the close of business on the date of the Transfer Notice other than any Shareholder who at any time before such offer is made has given (or is deemed to have given) a current Transfer Notice in respect of any Shares or who is bound under these Articles to give a Transfer Notice in respect of his Shares or any of them

- 12 10 Any purported transfer of Shares otherwise than in accordance with the foregoing provisions of these Articles shall be void and have no effect

13 COMPLIANCE

- 13 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

13 1 1 he, or

13 1 2 any proposed transferee of any Shares, or

13 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)

- 13 2 Each holder of B Ordinary Shares, C Ordinary Shares and D Ordinary Shares 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 provision of these Articles

14 GENERAL MEETINGS

- 14 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"
- 14 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 in issue for the time being and 50% of the C Ordinary Shares in issue for the time being and Regulation 40 of Table A shall be construed accordingly
- 14 3 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor those present shall constitute a quorum

- 14 4 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"

15 DIRECTORS

15 1 Number of Directors

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

15 2 Appointment and removal of Directors

15 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

15 2 2 The Investor Majority may by notice in writing to the Company appoint a person who is willing to act to be a director either to fill a vacancy or to act as an additional director and remove any person so appointed

15 2 3 The Managers may by notice in writing to the Company unanimously appoint a person who is willing to act to be a director either to fill a vacancy or to act as an additional director and remove any person so appointed

15 2 4 Regulation 84 of Table A shall be modified by the deletion of the third and fourth sentences

15 2 5 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

15 2 5 1 The office of a director shall be vacated if

15 2 5 2 he ceases to be a director by virtue of any provision of the Act or these Articles or he becomes prohibited by law from being a director of a company, or

15 2 5 3 he becomes bankrupt or makes any arrangement or composition with his creditors generally, or

(a) he is, or may be, suffering from mental disorder and either

(b) 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

- (c) 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 minor motoring offence) 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

15 2 5 4 In addition and without prejudice to the provisions of section 168 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

15 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

15 4 Proceedings of Directors

15 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

15 4 2 Regulation 89 of Table A shall be modified

15 4 2 1 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

15 4 2 2 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"

15 4 2 3 by the deletion of the word "two" in the second line thereof and the substitution therefor of the word "one"

15 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

15 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 communication 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

15 4 5 Any quorum for the transaction of business at a meeting of the directors shall, save with Investor Consent, include the Investor Director (if appointed)

15 4 6 If a quorum is not present within half an hour from the time appointed for a meeting of the directors the meeting of the directors shall stand adjourned to the same day in the next week at the same time and place or to such other day at such other time and place as those directors present may determine and if at the adjourned meeting of the directors a quorum is not present within half an hour from the time appointed therefore those present shall constitute a quorum

15 4 7 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

15 4 7 1 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,

15 4 7 2 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,

15 4 7 3 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,

15 4 7 4 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 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

15 4 7 5 shall subject to Article 15 4 8 be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article

15 4 8 For the purposes of this Article

15 4 8 1 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,

15 4 8 2 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

15 4 8 3 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

15 4 9 If a Specified Event 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

15 4 9 1 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

15 4 9 2 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

16 INVESTOR DIRECTOR, B DIRECTOR AND OBSERVER

- 16 1 Notwithstanding any other provisions of these Articles the Investor Majority 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 Investor Majority the Company shall also procure that the Investor Director be appointed a director to any subsidiary of the Company.
- 16 2 Notwithstanding any other provisions of these Articles the Managers shall be entitled by notice in writing to the Company to unanimously appoint as a director of the Company any person (the “B 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 B Director shall be payable by the Company.
- 16 3 On any resolution to remove an Investor Director the A Ordinary Shares shall carry at least one vote in excess of 75% of the votes exercisable at the general meeting at which such resolution is proposed.
- 16 4 The Investor Majority shall have the right to designate a representative to attend, as an 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.

17 CHAIRMAN

The Investor Majority shall have the right at any time and from time to time by notice in writing to the Board to instruct the Board to appoint one of the directors of the company as Chairman of the Board and shall have the right to instruct the Board to remove from the office of Chairman of the Board any director appointed by it pursuant to this Article and to appoint another director in his or her place.

18 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.

19 INDEMNITIES AND INSURANCE

- 19 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 or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company
- 19 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

20 LIABILITY OF MEMBERS

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