

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

COPY WRITTEN RESOLUTION
of
GHD GROUP HOLDINGS LIMITED
("Company")

FRIDAY



PASSED ON 4 May 2012

In accordance with the written resolution procedure in chapter 2 of part 13 of the Companies Act 2005 the following resolution was duly passed on **4 May** 2012 as a special resolution as indicated below

1 **That** the articles of association of the Company adopted on 27 August 2009 be amended, as indicated below.

1 1 In article 1 1 insert the following definitions.

"C3 Ordinary Shares" means the C3 Ordinary Shares of £1 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class;

"E Ordinary Shares" means the E Ordinary Shares of £0 10 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"E Trigger Amount" means such Realisation Value in respect of all of the Ordinary Shares as would give rise to an Extraordinary Return for the Investors in respect of a Realisation where the Realisation Date occurs prior to 31 January 2014,

"Extraordinary Return" means when the Return is equal to 2 75 times the Investment, provided that, for the purposes of calculating Extraordinary Return

(a) deducted from the Return shall be all non-reimbursed costs and expenses of the Investors incurred in connection with that Realisation which are agreed by the Board as bona fide and reasonable,

(b) the Return shall be deemed to include any Realisation Value conferred on the holders of D Shares by virtue of the application of the provisions of Article 6 (Realisations Proceeds), and

(c) the "Investment" shall be interpreted as defined, but shall be deemed also to include an additional sum of £2,000,000,

1 2 Amend the existing definitions in article 1.1 as follows

- "C Ordinary Shares" replace the current word "C2" with "C3" and insert after the words "C1 Ordinary Shares," the words "C2 Ordinary Shares"
- "C Ordinary Majority" delete the words "in number" and replace with "of the voting rights capable of being exercised in general meeting by the holders" before "of the C Ordinary Shares"
- "Ordinary Shares" delete the letter "D" and replace with the letter "E" and add the words "the D Ordinary Shares" after the existing words "the C Ordinary Shares"
- "Pro Rata" delete the word "this"
- "Realisation Value" at paragraph (b)(v) delete the number "6 9" and replace with the number "6 7"
- "Seller Manager" delete the words "means Martin Penny" and replace with "shall not have any meaning for the purposes of these Articles and shall be construed accordingly"

1 3 Delete the definitions of "H", "Management Trigger Amount", "Management Return" and "Unallocated Shares" in article 1 1

1 4 Delete article 2 and replace with the following article

"The share capital of the Company is £616,004 5 divided into 729,567 A Ordinary Shares, 232,004 C1 Ordinary Shares, 38,428 C2 Ordinary Shares, 1 C3 Ordinary Share, 10 D Ordinary Shares and 10 E Ordinary Shares "

1 5 Delete and replace article 3 1 3 1 with the following:

3 1 3 1 Regulation 54 shall not apply to the Company Subject to Articles 3 1.3.2 and 13 2 below, the holders of

- a) the Ordinary Shares (excluding the A Ordinary Shares and the C3 Ordinary Shares) shall be entitled to receive notice and to attend and speak at any general meetings of the Company and on a show of hands, every holder of Ordinary Shares (excluding the A Ordinary Shares and the C3 Ordinary Shares) who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll every holder of Ordinary Shares (excluding the A Ordinary Shares and the C3 Ordinary Shares) who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every Ordinary Share (excluding the A Ordinary Shares and the C3 Ordinary Shares) of which he is a holder;
- b) the C3 Ordinary Shares shall be entitled to receive notice and to attend and speak at any general meetings of the Company and on a show of hands, every holder of C3 Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by

a duly authorised representative shall have one vote, and on a poll every holder of the C3 Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every C3 Ordinary Share of which he is a holder plus such number of additional votes as, in aggregate for all holders of C3 Ordinary Shares who are present and voting, represents 1 per cent (%) of all the votes being cast (on a poll) at such general meeting of the Company by the holders of Ordinary Shares, and

- c) the A Ordinary Shares shall be entitled to receive notice and to attend and speak at any general meetings of the Company and on a show of hands, every holder of A Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll every holder of A Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every A Ordinary Share of which he is a holder less (applied on a pro-rata basis in respect of all holders of A Ordinary Shares who are present and voting) the aggregate number of votes being cast (on a poll) at such general meeting of the Company by the holders of C3 Ordinary Shares

- 1 6 Insert the words "up to" before the words "£1 in aggregate" in article 3 2 3
- 1 7 Amend article 4 1 by replacing the letter "C" on lines 2 and 5 with the letter "E" and inserting the words "C Ordinary Shares" after the existing words "B Ordinary Shares" on lines 1 and 5.
- 1 8 In line 1 of article 6 1, delete the words "on or before 14 July 2010 (the **"Relevant Date"**)".
- 1 9 In line 2 of article 6 1.2 delete the words "and", "and including" and "Management" and insert the letter "E" before the existing words "Trigger Amount shall be distributed"
- 1 10 In line 1 of article 6 1 3 delete the word "Management" and insert the letter "E" before the existing words "Trigger Amount shall be distributed"
- 1.11 Replace article 6 2 with the following
- 6 2 If for any reason the Warrant is not exercised on or before a Realisation, the Primary Ratchet Proportions and the Secondary Ratchet Proportions shall be adjusted so that the relevant percentage in respect of:
- 6 2 1 the D Ordinary Shares shall be "0", and
- 6 2 2 the A Ordinary Shares shall be increased by "+2".
- 1 12 Delete article 6 3

1 13 In line 1 of existing article 6 4, delete the words "Articles 6 1 and 6 2" and replace with the words "this Article 6,"

1 14 In the table forming part of existing article 6 4, in the first row and under the column headed "Percentage (%)", delete the existing equation of

$$\left(\frac{AS}{ABCS} \times 100 \right) - 1$$

and replace it with the following equation

$$\left(\frac{AS}{ABCS} \times 100 \right) - 2$$

1 15 In the table forming part of existing article 6 4, in the second row and under the column headed "Percentage (%)", delete the existing equation of

$$\left(\frac{BS}{ABCS} \times 100 \right) - 1$$

and replace it with the following equation

$$\left(\frac{BS}{ABCS} \times 100 \right)$$

1 16 In the table forming part of existing article 6 4, add another row which refers to "E Ordinary Shares" under the column headed "Class of Ordinary Shares" and "0" under the column headed "Percentage (%)".

1 17 Renumber the existing article "6 4" as article "6 3".

1 18 Replace existing article 6.5 (but without replacing the table forming part of the existing article 6 5) with

"For the purposes of this Article 6, the "Secondary Ratchet Proportions" shall mean in respect of each class of Ordinary Shares, such percentage as is set out opposite such class of Ordinary Shares in the following table "

1 19 In the table forming part of existing article 6 5, in the first row and under the column headed "Percentage (%)", delete the existing equation of.

$$\left(\frac{AS}{ABCS + H} \times 100 \right) - 3.5$$

and replace it with the following equation

$$\left(\left(\frac{AS}{ABCS} \times 100 \right) - 2 \right) - 5 \left(\frac{AS}{ABCS} \right)$$

- 1 20 In the table forming part of existing article 6 5, in the second row and under the column headed "Percentage (%)", delete the existing equation of

$$\left(\frac{BS}{ABCS + H} \times 100 \right) - 3.5$$

and replace it with the following equation:

$$\left(\frac{BS}{ABCS} \times 100 \right) - 5 \left(\frac{BS}{ABCS} \right)$$

- 1 21 In the table forming part of existing article 6 5, in the third row and under the column headed "Percentage (%)", delete the existing equation of

$$\left(\frac{CS + H}{ABCS + H} \times 100 \right) + 5$$

and replace it with the following equation

$$\left(\frac{CS}{ABCS} \times 100 \right) - 5 \left(\frac{CS}{ABCS} \right)$$


- 1 22 In the table forming part of existing article 6 5, add another row which refers to "E Ordinary Shares" under the column headed "Class of Ordinary Shares" and "5" under the column headed "Percentage (%)"
- 1 23 Renumber existing article "6 5" as article "6 4"
- 1 24 Delete existing article 6 6
- 1 25 Renumber existing article "6 7" as article "6 5" and at line 13 delete the number "6.7" and replace it with the number "6.5"
- 1 26 Renumber existing article "6 8" as article "6 6"
- 1 27 Renumber existing article "6 9" as article "6 7", article "6 9 1" as "6 7 1", article "6 9 1 1" as "6 7 1 1" and article "6.9 1 2" as "6 7 1 2"
- 1 28 Delete the number "6 9" at line 1 of existing article 6 9 and replace it with the number "6 7".
- 1 29 In existing article 6 9.1, delete the words "Article 6 1, 6.2 and 6 3" and replace with "Article 6 1".
- 1 30 Renumber existing article "6 10" as article "6.8" and renumber article "6.11" as "6 9".
- 1 31 Delete existing article 6.12

- 1 32 In articles 8 2 and 8.2 7 delete the words "provided always that whether or not the shares held by the Seller Manager have been disenfranchised pursuant to Article 13 2 6 or Article 13.2 7 and whether or not any such special resolution as referred to in this Article 8 2 is passed, the holder of B Ordinary Shares shall, subject to Article 8 2 3, always be offered any such new shares at the same price in proportion to the number of existing Shares held by him unless he gives his prior written consent waiving these rights in respect of a particular issue of shares (such waiver only to be valid in respect of that issue)"
- 1 33 Delete existing article 8 4 1 and renumber existing articles "8 4 2" and "8 4 3" as "8 4 1" and "8.4.2" respectively
- 1.34 In the last row of column 1 of the table in article 12 8 1 3 insert the words "and E Ordinary Shares" after the words "C Ordinary Shares".
- 1 35 In article 12 18 insert the words "sub-divided and" before the existing words "redesignated into A Ordinary Shares" and after these same existing words insert the words "and Deferred Shares (such that for each B Ordinary Share, it shall be sub-divided and redesignated into an A Ordinary Share of £0 50 and 5 Deferred Shares of £0 10 each)"
- 1 36 Insert the following as a new article 12 20
- "C3 Ordinary Shares will, immediately and without resolution of the Directors or the Members be redesignated into C1 Ordinary Shares upon being acquired (whether by way of transfer or allotment) by any person who is not a holder of any other C3 Ordinary Shares prior to such acquisition "
- 1 37 In line 7 of article 13 2 6 insert the words ", written resolution" after the words "whether on a show of hands, a poll".
- 1 38 In article 13 2 8 insert the words "or on any written resolution" before the words "for any share of which he is a holder".
- 1 39 Add ", and" at the end of article 13.5 5 2
- 1 40 Insert the following as a new article 13 5 6
- "the holder of E Ordinary Shares the subject of a Deemed Transfer Notice shall, in respect of such E Ordinary Shares, be automatically deemed to be a Bad Leaver and their Market Value deemed to be nil "
- 1 41 Delete existing article 14 2 and substitute it with the following article
- "14 2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect ("**Drag Along Notice**") to all other Members ("**Called Shareholders**") at any time before the transfer of Shares resulting in the Change of Control A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to Article 14.1, the proposed date of transfer, the price at which the Called Shares are to be transferred, being not less than the price per share offered to the Selling Shareholders save

14.2 1 only that (if any share is sold cum dividend) for any difference relating to and not exceeding any difference in accruals or arrears of dividend between a Called Share and a share to be sold by the Selling Shareholders, such dividend to be calculated down to the time of completion of the Change of Control, and

14 2 2 always that the provisions in Article 6 (Realisation Proceeds) shall apply in determining the relevant price to be attributed to each class of Called Shares "

1 42 At the end of article 15 2 after the words "shall be final and binding ", insert the sentence "In calculating the Specified Price and apportionment thereof, the provisions of Article 6 (Realisation Proceeds) shall be applied in determining the relevant price to be attributed to each class of Shares to which this Article 15 may apply."



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Director

Document comparison by Workshare Professional on 30 April 2012 19 02 42

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Document 2 ID	interwovenSite //GBDMS/UKMATTERS/41118535/5
Description	#41118535v5<UKMATTERS> - Articles - GHD Group Holdings Limited (DLA draft 4)
Rendering set	dla standard

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Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	0
Style change	0
Format changed	0
Total changes	220

ARTICLES OF ASSOCIATION
of
GHD Group Holdings Limited

(adopted on 27 August 2009)

amended by special resolution dated _____ 2012

CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	AUTHORISED SHARE CAPITAL	12
3	SHARES	12
4	RETURN OF CAPITAL	14
5	VARIATION OF CLASS RIGHTS	14
6	REALISATION PROCEEDS	15 <u>16</u>
7	ALLOTMENT OF D SHARES	20 <u>18</u>
8	ISSUE OF SHARES	20 <u>18</u>
9	LIEN	22 <u>20</u>
10	TRANSFER OF SHARES – GENERAL	22 <u>21</u>
11	PERMITTED TRANSFERS	23 <u>22</u>
12	VOLUNTARY TRANSFERS	24 <u>22</u>
13	COMPULSORY TRANSFERS	29 <u>27</u>
14	DRAG ALONG OPTION	34 <u>32</u>
15	TAG ALONG OPTION	35 <u>33</u>
16	PROHIBITED TRANSFERS	35 <u>34</u>
17	GENERAL MEETINGS	36 <u>34</u>
18	PROCEEDINGS AT GENERAL MEETINGS	36 <u>34</u>
19	NUMBER AND APPOINTMENT OF DIRECTORS	36 <u>35</u>
20	INVESTOR DIRECTORS	37 <u>35</u>
21	SELLER MANAGER DIRECTOR	38 <u>36</u>
22	ALTERNATE DIRECTORS	38 <u>37</u>
23	PROCEEDINGS OF DIRECTORS	39 <u>37</u>
24	RETIREMENT OF DIRECTORS	39 <u>38</u>
25	NOTICES	39 <u>38</u>
26	INDEMNITY	40 <u>38</u>
27	PARTLY PAID SHARES	40 <u>38</u>

Company No 06302477

The Companies Acts 1985 and 1989

Company Limited by Shares

ARTICLES OF ASSOCIATION

of

GHD GROUP HOLDINGS LIMITED

(adopted on ~~2009~~ 27 August 2009, as amended by
special resolution on 2012)

1 DEFINITIONS AND INTERPRETATION

1 1 In these Articles, unless the context otherwise requires

"ABCS" means the total number of A Ordinary Shares, B Ordinary Shares and C Ordinary Shares in issue immediately prior to a Realisation Date,

"acting in concert" has the meaning ascribed to it by the City Code on Takeovers and Mergers,

"A Ordinary Shares" means the A Ordinary Shares of £0 50 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"AS" means the total number of A Ordinary Shares in issue immediately prior to a Realisation Date,

"Asset Sale" means the disposal by any one or more members of the Group of assets (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) which represent 50% or more (by book value) of the consolidated gross tangible assets of the Group at that time,

"Auditors" means the auditors for the time being of the Company,

"Bank" has the meaning ascribed to it in the Investment Agreement,

"Banking Facility Agreement" means the senior credit agreement between the Company (1), GHD Holdings Limited (2), GHD Group Limited (3), Jemella Group (Holdings) Limited (4), Jemella Group Limited (5), Jemella Limited (6), Barclays Bank plc (as Mandated Lead Arranger) (7), The Financial Institutions (as defined therein) (8), Barclays Bank plc (as Agent) (9) and Barclays Bank plc (as Security Trustee) (10) entered into on 14 July 2007,

"Board" means the directors present at a duly convened quorate meeting of the board of directors of the Company or subject to Article 23 3 a committee thereof from time to time,

"B Ordinary Majority" means Members holding more than 50% in nominal value of the B Ordinary Shares,

"B Ordinary Shares" means the B Ordinary Shares of £1 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"Borrowings" includes any indebtedness in the nature of borrowings together with, except insofar as otherwise taken into account, the following

- (a) any amounts payable under any hire purchase, credit sale conditional sale, leasing or similar agreements (other than leases of real or heritable property) which can, in accordance with generally accepted accounting practice, be attributed to capital,
- (b) the amount of any payment for goods and services which is deferred (except for deferred payments within the routine course of trading),
- (c) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed money, together with any fixed or minimum premium payable on redemption or repayment, of any body (whether corporate or unincorporated) the beneficial interest in which is not for the time being owned by a member of the Group and the redemption or repayment of which is the subject of a guarantee or indemnity by a member of the Group,
- (d) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit facility opened on behalf of and in favour of any member of the Group,
- (e) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group,
- (f) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group,
- (g) any fixed or minimum premium payable on final redemption or repayment of any borrowing or deemed borrowing,
- (h) any amount payable under any letter of credit issued in respect of the obligation of any member of the Group,
- (i) monies borrowed from banks and other similar financial institutions, including, without limit, any amounts due or otherwise payable in connection with the Banking Facilities,
- (j) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis),
- (k) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument,

- (l) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the market to market value shall be taken into account),
- (m) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution,
- (n) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (m) above,

but (except for the purposes of calculating Enterprise Value and Enterprise Value Ratio and EBITDA) shall exclude any amount outstanding under the Investor Loan Notes or the Rollover Loan Notes or with Investor Majority consent,

"BS" means the total number of B Ordinary Shares in issue immediately prior to a Realisation Date,

"Business" has the meaning set out in the Investment Agreement,

"Chairman" has the meaning ascribed to it in Article 20,

"Change of Control" means the acquisition (whether by purchase, transfer, renunciation or otherwise but excluding a transfer of Shares made in accordance with Article 11)) by any person acting in good faith and on arms length terms ("Third Party Purchaser") of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser, together with persons acting in concert or connected with him, would Control 50% or more of the voting rights normally exercisable at general meetings of the Company,

"Companies Act" means the Companies Act 1985 as amended,

"connected with" has the meaning ascribed to it in section 839 Income and Corporation Taxes Act 1988,

"Control" shall mean the right to exercise or, by virtue of voting rights in relation to another body corporate, to procure the exercise of voting rights attached to the relevant shares,

"C1 Ordinary Shares" means the C1 Ordinary Shares of £1 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"C2 Ordinary Shares" means the C2 Ordinary Shares of £0.50 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"C3 Ordinary Shares" means the C3 Ordinary Shares of £1 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class.

"C Ordinary Shares" means, together the C1 Ordinary Shares, C2 Ordinary Shares and the C3 Ordinary Shares,

"C Ordinary Majority" means Members holding more than 50% in number of the voting rights capable of being exercised in general meeting by the holders of the C Ordinary Shares,

"CS" means the total number of C Ordinary Shares in issue immediately prior to a Realisation Date,

"D Ordinary Shares" means the D Ordinary Shares of £0 10 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"Deferred Shares" means the Deferred Shares of £0 10 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"Defined Group" means

- (a) each of HSBC Global Custody Nominee (UK) Limited, MPE K G P Limited and MPE G P Limited and any of their respective subsidiaries, holding companies and subsidiaries of such holding companies and Montagu Private Equity LLP (together **"Montagu Entities"**),
- (b) any partnership of which any of the Montagu Entities is general partner, manager or adviser,
- (c) any unit trust or Fund of which any of the Montagu Entities is trustee, manager, adviser or general partner,
- (d) any unit trust, partnership or Fund the managers of which are advised by any of the Montagu Entities, in each case from time to time, and
- (e) any nominee or trustee or custodian of any of the Montagu Entities or of any Fund referred to in paragraph (c) or (d) above or of any partnership referred to in paragraph (b) above,

"Development Loan Notes" means the £33,000,000 fixed rate unsecured 2015 loan notes constituted by the Development Loan Note Instrument,

"Development Loan Note Instrument" has the meaning ascribed to it in the Investment Agreement,

"Directors" means the directors for the time being of the Company,

"E Ordinary Shares" means the E Ordinary Shares of £0.10 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles for shares of that class,

"EBITDA" shall have the meaning given to it in the Banking Facility Agreement,

"EBT" means any employee benefit trust established by the Company (with the prior written consent of the Investor Majority),

"Enterprise Value" means the aggregate value, as at the relevant EVR Test Date, of

- (a) £965,250, plus
- (b) Borrowings, less
- (c) cash in hand or standing to the credit of any Group Company bank account,

"Enterprise Value Ratio" means the product of

$$\frac{X}{Y}$$

where

X = Enterprise Value of the Group on the relevant EVR Test Date, and

Y = EBITDA of the Group for the 12 months period ended on the relevant EVR Test Date,

"E Trigger Amount" means such Realisation Value in respect of all of the Ordinary Shares as would give rise to an Extraordinary Return for the Investors in respect of a Realisation where the Realisation Date occurs prior to 31 January 2014.

"EVR Test Date" means each of 30 September, 31 December, 31 March and 30 June in each calendar year,

"Extraordinary Return" means when the Return is equal to 2.75 times the Investment, provided that, for the purposes of calculating Extraordinary Return,

- (a) deducted from the Return shall be all non-reimbursed costs and expenses of the Investors incurred in connection with that Realisation which are agreed by the Board as bona fide and reasonable,
- (b) the Return shall be deemed to include any Realisation Value conferred on the holders of D Shares by virtue of the application of the provisions of Article 6 (Realisation Proceeds), and
- (c) the "Investment" shall be interpreted as defined, but shall be deemed also to include an additional sum of £2,000,000.

"Fund" means any investment trust or investment company (both within the meaning of chapter 21 of the listing rules issued by the UK Listing Authority), bank, building society, industrial and provident or friendly society, unit trust, any other collective investment scheme (as defined in section 235 of the FSMA), any intermediate customer (within the meaning of the Conduct of Business Rules made under the FSMA), partnership, limited partnership, limited liability partnership, pension fund or insurance company or any person who is an authorised person (within the meaning of section 31(2) of the FSMA), and the term will include any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing,

"Group" means the Company and all its subsidiaries and subsidiary undertakings from time to time and **"member of the Group"** and **"Group Company"** shall be construed accordingly,

"Group Borrowings" means the aggregate amount for the time being outstanding of all Borrowings of members of the Group (excluding amounts borrowed from one member of the Group by another member of the Group),

~~**"H"** means the aggregate number of Unallocated Shares which remain unissued immediately prior to a Realisation Date,~~

"Independent Expert" means an independent chartered accountant nominated jointly by the Investor Majority and the B Ordinary Majority (save that in circumstances where the Seller Manager has ceased to be an employee and/or director of any Group Company and where he does not become an employee and/or director of or continue in either of those capacities in respect of any other Group Company, such nomination will be made jointly by the Investor Majority and the Board) or, failing such nomination within seven days after request by either the Investor Majority or the B Ordinary Majority or the Board (as relevant), nominated at the request of the Investor Majority or the B Ordinary Majority by the President from time to time of the Institute of Chartered Accountants in England and Wales,

"Inter-Creditor Deed" shall have the meaning ascribed to it in the Investment Agreement;

"Investment" means the Investment (as defined in the Investment Agreement) together with any subsequent investment by the Investors in the Company (whether by way of subscription for loan notes, shares or otherwise and including, for the avoidance of doubt, by way of subscription for the Development Loan Notes),

"Investment Agreement" means the agreement relating to the Company dated 14 July 2007 and made between the Company, the Managers (as therein defined) and the Investors (as therein defined) as duly and properly amended, waived, restated, modified or supplemented for the time being,

"Investor Directors" has the meaning ascribed to it in Article 20,

"Investor Loan Notes" has the meaning ascribed to it in the Investment Agreement,

"Investor Majority" means Members holding more than 50% in nominal value of the A Ordinary Shares,

"Investors" means the Investors or any of them, as defined in the Investment Agreement (or any nominee or custodian of any Investor),

"Issue Price" means the amount paid up or credited as paid up (including any premium on issue) on the Share concerned,

"Listing" means either

- (a) the admission by the UK Listing Authority (or any other competent authority for the purpose of Part VI Financial Services and Markets Act 2000) of any of the issued equity share capital of the Company to the Official List, and such admission becoming effective, or

- (b) the admission by the London Stock Exchange plc of any of the issued equity share capital of the Company to trading on the Alternative Investment Market, and such admission becoming effective, or
- (c) any equivalent admission to any other Recognised Investment Exchange becoming unconditionally effective in relation to any of the issued equity share capital of the Company,

"Listing Shares" means, on a Listing, all the issued equity share capital of the Company (excluding any new equity share capital to be subscribed and issued on such Listing in order to raise money for the Group but not including any new shares to be paid up by way of capitalisation of reserves or arising from any subdivision consolidation or conversion of shares),

~~**"Management Trigger Amount"** means such Realisation Value in respect of all of the Ordinary Shares as would give rise to a Management Return for the Investors,~~

~~**"Management Return"** means when the Return (such Return being calculated after deducting 50% of the amount of the Realisation Value to be paid to the Members holding the D Ordinary Shares by reason of the operation of Article 6.1.2 (if applicable)) is equal to three times the Investment;~~

"Manager" shall have the meaning ascribed to it in the Investment Agreement,

"Market Value" means the market value of the Shares in question agreed between the party offering such Shares for sale ("**Offeror**") and the Board (and, in the event that a Material Default is subsisting at the time in question, with the approval of the Investor Majority) or, in the absence of such agreement within 21 days after the date of service (or deemed service) of the relevant Transfer Notice, determined (at the request of either the Offeror or the Board) by the Valuers in accordance with Article 12.14,

"Material Default" means any of the following situations

- (a) the Company is
 - (i) in breach of any of the financial covenants set out in clause 28 of the Banking Facility Agreement, or
 - (ii) in material breach of any of the other covenants set out in the Banking Facilities and any such breach entitles the Bank to enforce its security (whether the Bank has notified the Company of such default or not) and where such breach will in the reasonable opinion of the Investors (acting in good faith) have or might reasonably be considered likely to have a material and adverse effect on the Investors' investment in the Company, or
- (b) the Company or any of the Managers are in breach of any of the provisions of the Investment Agreement where such breach will in the reasonable opinion of the Investors (acting in good faith) have or might reasonably be considered likely to have a material and adverse effect on the Investors' investment in the Company, or

- (c) the Enterprise Value Ratio at an EVR Test Date is greater than 7.01 or if the quarterly financial forecasts delivered to the Investors pursuant to clause 11 of the Investment Agreement or delivered by the Company to the Banks (as defined in the Investment Agreement) evidence that, for the 12 month period ending on the EVR Test Date immediately following the date of such quarterly financial forecasts, the Enterprise Value Ratio will be greater than 7.01 provided that
- (i) on the EVR Test Date on 30 September 2007 the Enterprise Value Ratio shall be determined by reference only to quarterly financial forecasts for the 12 month period ending on 31 December 2007 and no reference shall be made to the 12 month period ending on 30 September 2007;
 - (ii) if, on the EVR Test Date on 30 September 2008, the Group's working capital has increased due to seasonality and provided that the Company demonstrate to the Investors (acting reasonably) that the working capital of the Group will reduce to its normal levels by 31 January 2009, then for the purposes of calculating Enterprise Value on 30 September 2008, £5,000,000 of the increase in the Group's working capital shall be disregarded, and
 - (iii) if the Group, at the time it delivers relevant financial information in relation to an EVR Test Date, evidences that costs, expenses, taxes or other items incurred by any member of the Group have been incurred following an issue of Development Loan Notes (and properly incurred in compliance with the Investment Agreement for the purposes for which the Development Loan Notes were issued) then the amount of such costs, expenses, taxes or other items, shall be taken into consideration and added back when calculating EBITDA at the EVR Test Date, provided always that the aggregate amount of all amounts added back to EBITDA shall not exceed the aggregate amount of Development Loan Notes issued,

and having been given notice of such default by the Investors, the Company or the Managers, as the case may be fails to remedy such defaults within 10 Business Days of receipt of such notice,

"Material Default Situation" has the meaning as set out in Article 3.13.2,

"Member" means any registered holder of Shares for the time being,

"Ordinary Shares" means the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the ~~DE~~ Ordinary Shares,

"paid-up" includes credited as paid up,

"Permitted Transferee" means a person to whom a Member has transferred any Share(s) in circumstances permitted by Article 11,

"Pro-Rata" means in respect of any of the A Ordinary Shares, B Ordinary Shares or C Ordinary Shares (or any of them) an amount which is pro-rata to the aggregate number of A Ordinary Shares, B Ordinary Shares and C Ordinary Shares in issue immediately prior to the application of ~~this~~ Article 6,

"Realisation" means any of the following events

- (a) the obtaining of a Listing, or
- (b) the entering into of an agreement or agreements for a Sale where the agreement or agreements in question either is or are unconditional in all respects or (if originally conditional in any respect) is or are or has or have become unconditional in all respects, or
- (c) a Winding-Up,

"Realisation Date" means either

- (a) where the Realisation is by way of a Listing, the date on which dealings are permitted to commence under the rules of London Stock Exchange plc or any other Recognised Investment Exchange (as applicable) in respect of the shares for which the Listing has been obtained,
- (b) where the Realisation is by way of a Sale, the date of receipt from the purchaser or purchasers of the consideration first payable on completion of the Sale,
- (c) where the Realisation is by way of a Winding-Up, the date of the first distribution of assets pursuant to the Winding-Up,

"Realisation Value" means the value of all the Ordinary Shares (which shall include shares deriving therefrom since their date of issue, including shares deriving therefrom following any capital reorganisation effected prior to the Realisation and shall, to the extent that the Warrant is to be exercised on or before a Realisation Date, include the D Ordinary Share issued or to be issued upon the exercise of the Warrant) calculated as follows and on the basis that the relevant Realisation has been effected in accordance with its terms

- (a) in the event of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the merchant bank or, if none, the broker appointed by the Board to advise in connection with the Listing,
- (b) in the event of a Sale
 - (i) if the Ordinary Shares ("Exit Shares") are to be sold by private treaty (as distinct from a public offer) and to the extent that the consideration is a fixed cash sum payable in full on completion of the Sale, the total amount of such cash sum,
 - (ii) to the extent that a written offer has been made for a cash consideration or, to the extent that the Sale is pursuant to any other public cash offer or public offer accompanied by a full cash alternative, the total cash consideration or cash alternative price for the Exit Shares of the Company,

- (iii) if the Sale is by private treaty or public offer and to the extent that the consideration is the issue of securities (not accompanied by a cash alternative)
 - (A) if the securities will rank pari passu with a class of securities already admitted to trading on a Recognised Investment Exchange (in the case of a sale by private treaty) the value attributed to such consideration in the related sale agreement setting out the terms of such sale or, (in the case of a Sale following a public offer or failing any such attribution in the sale agreement) by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the period of five business days ending three days prior to the day on which the Sale is completed, or
 - (B) if the securities are not of such a class, the value of the relevant consideration as agreed between the Investor Majority and the B Ordinary Majority or, in the absence of such agreement prior to the Realisation, such value as is reported on by the Valuers, in a report obtained for the purpose and addressed to the holders of the Ordinary Shares (the cost of such a report to be borne between them in proportion to the share of the Realisation Value they actually receive),
 - (iv) to the extent that the Sale includes an element of deferred consideration, its value shall be the present value of such deferred consideration determined by the Valuers, in a report obtained for the purpose and addressed to the holders of the Ordinary Shares (the cost of such a report to be borne between them in proportion to the share of the Realisation Value they actually receive or are entitled to receive as determined by the Valuers), and
 - (v) to the extent that the Sale includes an element of consideration which is contingent and/or unquantified then no value shall be ascribed thereto in determining the Realisation Value but the provisions of Article ~~6-96~~7 shall apply, and
 - (vi) if and to the extent that (i) to (v) above are not applicable, the value of the relevant consideration as agreed between the Investor Majority and the B Ordinary Majority or, in the absence of such agreement prior to the Realisation such value as it is reported on by the Valuers, in a report obtained for the purpose and addressed to the holders of the Ordinary Shares (the cost of such a report to be borne between them in proportion to the share of the Realisation Value they actually receive or are entitled to receive as determined by the Valuers),
- (c) in the event of a Winding Up the assets of the Company remaining after the payment of its liabilities available for distribution to the Shareholders

"Recognised Investment Exchange" has the meaning ascribed thereto in section 285(1)(a) Financial Services and Markets Act 2000,

"Required Total Return" means when the Return is at least equal to 2.5 times the Subscription Monies (as defined in the Investment Agreement),

"Return" means a payment or payments in aggregate to the Investors which equals the aggregate of

- (a) the Realisation Value payable to the Investors from the relevant Realisation in respect of its holding of A Ordinary Shares,
- (b) the value of any dividends paid to the Investors in respect of their holding of any Shares,
- (c) all amounts paid to the Investors upon any buy back or sale or otherwise in respect of their holding of Shares, and
- (d) all repayments of capital and payments of interest pursuant to the Investor Loan Notes and the Development Loan Notes

For the avoidance of doubt (i) any monies received by the Investor shall only be counted once for the purpose of calculating the Return and the Realisation Value and (ii) payments shall include both cash and the receipt of non-cash consideration

"Rollover Loan Notes" shall mean the Midco Rollover Loan Notes and the Bidco Rollover Loan Notes as such terms are defined in the Investment Agreement,

"Sale" means the making of one or more agreements (whether conditional or not) for an acquisition of any Share or Shares giving rise to a Change of Control

"Seller Manager" ~~means Martin Penny~~ shall not have any meaning for the purposes of these Articles and shall be construed accordingly.

"Share" means a share in the capital of the Company.

"Shareholder Contract" means any contract, agreement, arrangement or transaction, including in particular (but without limitation) contracts of employment or for the provision of services, made between any Manager (or any person who is connected to a Manager) and any Group Company,

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985,

"Third Party Purchaser" has the meaning ascribed to it in the definition of **"Change of Control"** and, where the relevant acquisition was effected by the renunciation of a renounceable letter of allotment, shall include the relevant renounee,

~~**"Unallocated Shares"** means the 55,000 authorised (but as at 14 July 2007 unissued) C Ordinary Shares in the capital of the Company,~~

"Valuers" means the Auditors unless

- (a) a report on Market Value is to be made pursuant to a Deemed Transfer Notice and, within 21 days after the date of the Deemed Transfer Notice, the Vendor notifies the Board in writing that it objects to the Auditors making that report, or
- (b) the Auditors decline an instruction to report on Market Value, Realisation Value or any other instruction which may be applicable,

when the Valuers shall be a firm of chartered accountants agreed between the Vendor (in the event that the Valuers are being asked to report on Market Value) or an Investor Director (in all other cases) and the Board or, in default of agreement within 20 days after the event referred to in (a) or (b) above, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or an Investor Director (as applicable) or the Board, and

"Warrant" means the warrant issued to Lloyds TSB Development Capital Limited and Lloyds TSB Venture Nominees Limited in respect of the right to subscribe for 10 D Ordinary Shares,

"Warrant Return" means when the Return is equal to 2.5 times the Investment,

"Warrant Trigger Amount" means such Realisation Value in respect of all of the Ordinary Shares as would give rise to a Warrant Return for the Investors, and

"Winding-Up" means the passing of any resolution for the winding up of the Company

- 1.2 These Articles and the regulations of Table A (subject to any modifications set out in these Articles) shall constitute the Articles of Association of the Company. In the event of a conflict or inconsistency between the Articles and Table A, these Articles shall prevail.
- 1.3 References in these Articles to regulations are to regulations in Table A and references to an Article by number are to the particular Article of these Articles.
- 1.4 In these Articles, words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships.
- 1.5 Words and expressions defined in or for the purposes of the Act or Table A shall, unless the context otherwise requires, have the same meanings in these Articles.
- 1.6 Words and expressions defined elsewhere in these Articles shall bear the meanings thereby ascribed to them.
- 1.7 The headings in these Articles shall not affect their construction or interpretation.
- 1.8 Notwithstanding any other provision of these Articles, in the event of a conflict or inconsistency between these Articles and the Investment Agreement, the Investment Agreement shall prevail.
- 1.9 All amounts and payments due to Members pursuant to these Articles are subject to the provisions of the Inter-Creditor Deed.

2 AUTHORISED SHARE CAPITAL

~~The authorised share capital of the Company at the date of the adoption of these Articles is £800,000, is £616,004.5 divided into 361,572,729,567 A Ordinary Shares, 400,000 B 232,004 C1 Ordinary Shares, 200,000 C1 Ordinary Shares and 38,428 C2 Ordinary Shares, 1 C3 Ordinary Share, 10 D Ordinary Shares and 10 DE Ordinary Shares~~

3 SHARES

3 1 The rights of the Ordinary Shares are as follows

3 1 1 Dividends

Any profits which the Company determines to distribute in respect of any financial year shall (subject to the prior written consent or sanction required by Article 5) be applied in distributing such profits amongst the holders of the Ordinary Shares then in issue par passu according to the number of such Ordinary Shares held by them respectively as if they constituted one class of Ordinary Share

3 1 2 Capital

On a return of capital whether on liquidation or capital reduction or otherwise (other than a redemption or purchase of shares made in accordance with these Articles) the surplus assets of the Company remaining after the payment of its liabilities shall be applied in accordance with Article 4.

3 1 3 Voting

3 1.3 1 Regulation 54 shall not apply to the Company Subject to Articles 3.1.3.2 and 13.2 below, the holders of:

(a) 3 1 3 1 Subject to Articles 3 1 3 1 and 13 2 below, the holders of the Ordinary Shares (excluding the A Ordinary Shares and the C3 Ordinary Shares) shall be entitled to receive notice and to attend and speak at any general meetings of the Company and on a show of hands, every holder of Ordinary Shares (excluding the A Ordinary Shares and the C3 Ordinary Shares) who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll every holder of Ordinary Shares (excluding the A Ordinary Shares and the C3 Ordinary Shares) who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every Ordinary Share (excluding the A Ordinary Shares and the C3 Ordinary Shares) of which he is a holder—Regulation 54 shall not apply to the Company:

(b) the C3 Ordinary Shares shall be entitled to receive notice and to attend and speak at any general meetings of the Company

and on a show of hands, every holder of C3 Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll every holder of the C3 Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every C3 Ordinary Share of which he is a holder plus such number of additional votes as, in aggregate for all holders of C3 Ordinary Shares who are present and voting, represents 1 per. cent (%) of all the votes being cast (on a poll) at such general meeting of the Company by the holders of Ordinary Shares, and

(c) the A Ordinary Shares shall be entitled to receive notice and to attend and speak at any general meetings of the Company and on a show of hands, every holder of A Ordinary Shares who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote, and on a poll every holder of A Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every A Ordinary Share of which he is a holder less (applied on a pro-rata basis in respect of all holders of A Ordinary Shares who are present and voting) the aggregate number of votes being cast (on a poll) at such general meeting of the Company by the holders of C3 Ordinary Shares,

3 1 3 2 Subject to Article 11.5 if the Company is in a state of Material Default and the Investor Majority has delivered a notice ("voting adjustment notice") to that effect ("Material Default Situation") to the Company then

- (a) 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 or (being a corporation) is present by a representative or by proxy shall have 10 times the total number of votes conferred by all the shares of any other classes for the time being in issue, and
- (b) the voting rights that the Investor Directors hold shall be such number of votes at Board Meetings which is equal to 10 times the total number of votes exercisable by the remaining Directors present at such Board Meeting (and where any vote is required to be passed by a simple majority any Investor Director shall by himself constitute such simple majority)

until the date that the Investor Majority serves notice in writing to the Company cancelling the voting adjustment notice (at which date the Material Default Situation shall be deemed to cease) which the Investors undertake to procure immediately that an Investor Majority

is satisfied (acting reasonably) that the Material Default in question has been remedied or otherwise made good and appropriate controls or procedures designed to prevent a re-occurrence of such breach have been established and implemented by the Company

3 2 The rights of the Deferred Shares are as follows

- 3 2 1 The holders of the Deferred Shares shall not be entitled to receive any distribution or dividend in respect of the Deferred Shares held by them
- 3 2 2 The holders of the Deferred Shares shall have such rights to capital as are set out in Article 4
- 3 2 3 Subject to the provisions of the Companies Act, the Company shall be entitled to repurchase the Deferred Shares for a sum of up to £1 in aggregate payable to each holder of such Deferred Shares
- 3 2 4 The holding of Deferred Shares shall not (in itself) entitle the holders of Deferred Shares to receive notice of, nor to attend or speak or vote at general meetings of the Company

4 **RETURN OF CAPITAL**

Subject to Article 6, where such applies, on a return of capital on liquidation or capital reduction or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be applied in distributing such surplus assets

- 4 1 firstly in paying to each of the holders of the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and €E Ordinary Shares (pari passu as if they were one class of share) any dividends thereon which have been declared but are unpaid and (after payment of such dividends) an amount equal to the Issue Price paid by each of the holders of the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and €E Ordinary Shares plus, in the case of the C2 Ordinary Shares only, a premium of 50 pence per share, and
- 4 2 secondly in paying to each holder of a Deferred Share the sum of £0 0000001 for each Deferred Share held, and
- 4 3 thirdly in paying any remaining balance of such surplus assets to the holders of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares then in issue pari passu as if they were one class of share according to the number of such Ordinary Shares held (for these purposes, irrespective of class)

5 **VARIATION OF CLASS RIGHTS**

- 5 1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three quarters of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued shares of that class, but not

otherwise To every such separate meeting (if applicable), all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply

5 2 Without prejudice to the generality of this Article, the special rights attached to the A Ordinary Shares and, subject to Articles 5 3, 13 2 6 and 13 2 7, the B Ordinary Shares, shall be deemed to be varied at any time by any of the following provided that if the Seller Manager has ceased to be an employee and/or director of any Group Company in circumstances where he does not become an employee and/or director of or continue in either of those capacities in respect of any other Group Company, the provisions of this Article 5 2 shall cease to apply to the holders of any B Ordinary Shares

5 2 1 save as provided for in the Investment Agreement or in these Articles an increase, reduction or other alteration in the issued share capital of the Company or any other member of the Group (including any allotment of any share, whether conditional or otherwise) or a variation in the rights attaching to any class thereof, apart from an alteration arising out of a redemption of shares under these Articles,

5 2 2 the grant of an option to subscribe for shares in the Company or any other member of the Group, or the issue of any securities or instruments convertible into shares in any such company,

5 2 3 the creation by the Company or any other member of the Group of any mortgage, charge, pledge, lien, encumbrance or other security interest (other than pursuant to or as required by the Banking Facilities, and excluding an interest arising by operation of law in the ordinary course of business),

5 2 4 the Group Borrowings exceeding the Borrowings as at the date of adoption of these Articles,

5 2 5 the making of any material change (including cessation) in the nature of the business of the Group taken as a whole,

5 2 6 the alteration of the memorandum of association of the Company or these Articles or the passing of any special or extraordinary resolution of the Members (or any class of them),

5 2 7 the declaration or payment of any dividend or the making or any other distribution in respect of the profits, assets or reserves of the Company or any other member of the Group,

5 2 8 the institution of any proceedings for, or the passing of any resolution for, the voluntary winding up or administration of the Company or any other member of the Group,

5 2 9 the removal of any Investor Director or the Chairman otherwise than in accordance with Article 20 which shall only constitute a variation or abrogation of the rights attaching to the A Ordinary Shares and not a variation or abrogation of the rights attaching to the B Ordinary Shares,

5 2 10 a Sale (save where such Sale arises by reason of the operation of Article 14 of these Articles), an Asset Sale or a Listing,

- 5 2 11 the issue of any loan notes or like instruments by the Company,
 - 5 2 12 the registration or purported registration of any transfer of any share or interest therein other than as expressly permitted by these Articles, and
 - 5 2 13 the Company or any other member of the Group incurring an obligation to do any of the foregoing
- 5 3 Whilst a Material Default Situation exists any provision of Article 5.1 or 5 2 which requires the consent of the holders of any B Ordinary Shares to the taking of any step or action set out therein shall be deemed to be varied so as to require the Company to consult in good faith with the holders of the B Ordinary Shares in advance of such step or action being undertaken, but not to obtain such consent Further, the taking of any such step or action after having so consulted shall not vary any special rights attaching to any of the B Ordinary Shares

6 REALISATION PROCEEDS

- 6 1 On a Realisation ~~on or before 14 July 2010 (the "Relevant Date")~~ in circumstances where the Warrant is to be exercised on or before such Realisation, the Realisation Value shall be calculated and distributed as follows:

6 1 1 firstly, such part of the Realisation Value up to and including the Warrant Trigger Amount shall be distributed Pro-Rata between the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares,

6 1 2 secondly, such part (if any) of the Realisation Value in excess of the Warrant Trigger Amount ~~and up to and including the ManagementE Trigger Amount~~ shall be distributed between the holders of the Ordinary Shares in the Primary Ratchet Proportions, and

6 1 3 thirdly, such part (if any) of the Realisation Value in excess of the ~~ManagementE~~ Trigger Amount shall be distributed between the holders of the Ordinary Shares in the Secondary Ratchet Proportions

- 6 2 ~~On a Realisation following the Relevant Date in circumstances where~~ If for any reason the Warrant is to be exercised on or before such Realisation, the Realisation Value shall be calculated and distributed as follows ~~not exercised on or before a Realisation, the Primary Ratchet Proportions and the Secondary Ratchet Proportions shall be adjusted so that the relevant percentage in respect of~~

6 2 1 ~~firstly, such part of the Realisation Value up to and including the Warrant Trigger Amount shall be distributed Pro-Rata between the holders of the A~~ the D Ordinary Shares ~~shall be "0", the B Ordinary Shares and the C Ordinary Shares; and~~

6 2 2 ~~secondly, such part (if any) of the Realisation Value in excess of the Warrant Trigger Amount shall be distributed between the holders of the Ordinary Shares in the Primary Ratchet Proportions~~ the A Ordinary Shares shall be increased by "+2".

~~6.3~~ On a Realisation on or before the Relevant Date in circumstances where the Warrant lapses on such Realisation, the Realisation Value shall be calculated and distributed as follows-

~~6.3.1~~ firstly, such part of the Realisation Value up to and including the Management Trigger Amount shall be distributed Pro Rata between the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares,

~~6.3.2~~ secondly, such part (if any) of the Realisation Value in excess of the Management Trigger Amount shall be distributed between the holders of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares in the Management Ratchet Proportions-

6.3 ~~6.4~~ For the purposes of ~~Articles 6.1 and 6.2~~ this Article 6, the "Primary Ratchet Proportions" shall mean, in respect of each class of Ordinary Shares, such percentage as is set out opposite such class of Ordinary Shares in the following table

Class of Ordinary Shares	Percentage (%)
A Ordinary Shares	$\left(\frac{AS}{ABCS} \times 100 \right) - 2$
B Ordinary Shares	$\left(\frac{BS}{ABCS} \times 100 \right)$
C Ordinary Shares	$\left(\frac{CS}{ABCS} \times 100 \right)$
D Ordinary Shares	2
<u>E Ordinary Shares</u>	<u>0</u>

6.4 ~~6.5~~ For the purposes of this Article 6.16, the "Secondary Ratchet Proportions" shall mean, ~~in respect of each class of Ordinary Shares, such percentage as is set out opposite such class of Ordinary Shares in the following table in respect of each class of Ordinary Shares, such percentage as is set out opposite such class of Ordinary Shares in the following table.~~

Class of Ordinary Shares	Percentage (%)
A Ordinary Shares	$\left(\left(\frac{AS}{ABCS} \times 100 \right) - 2 \right) - 5 \left(\frac{AS}{ABCS} \right)$
B Ordinary Shares	$\left(\frac{BS}{ABCS} \times 100 \right) - 5 \left(\frac{BS}{ABCS} \right)$

Class of Ordinary Shares	Percentage (%)
C Ordinary Shares	$\left(\frac{CS}{ABCS} \times 100\right) - 5 \left(\frac{CS}{ABCS}\right)$
D Ordinary Shares	2
<u>E Ordinary Shares</u>	<u>5</u>

~~6.6~~ For the purposes of Article ~~6.3~~ the "Management Ratchet Proportions" shall mean, in respect of each class of Ordinary Shares, such percentage as is set out opposite such class of Ordinary Shares in the following table:

Class of Ordinary Shares	Percentage (%)
A Ordinary Shares	
B Ordinary Shares	
C Ordinary Shares	

6.5 ~~6.7~~ In order to give effect to the provisions of this Article 6, such adjustments as are necessary will be made to the share capital of the Company in order to leave the holders of each class of Ordinary Shares with the correct percentage of the Ordinary Shares as will give them their appropriate percentage of the Realisation Value. The Directors may make such adjustments by the conversion into Deferred Shares or otherwise and/or by subdivision, consolidation, issue, allotment, redemption or purchase of any Ordinary Shares or in any other lawful manner directed by the Board (and approved by an Investor Director and the B Ordinary Majority (or in circumstances where the Seller Manager has ceased to be an employee and/or director of any Group Company and where he does not become an employee and/or director of or continue in either of those capacities in respect of any other Group Company as agreed by the Investor Majority and the Board)) and for the purposes of this Article ~~6.7~~6.5 all members shall be deemed to have authorised the Company and the Directors of the Company to take any action and to execute any document required for any such adjustment required and to attend any meeting and sign any document on their behalf to effect such adjustment.

6.6 ~~6.8~~ The amount of any Realisation Value attributable to a class of Ordinary Shares shall be divided amongst the holders of that class of Ordinary Shares pro-rata to their respective holdings of that class of Ordinary Shares on the Realisation Date.

6.7 ~~6.9~~ This Article ~~6.9~~6.7 shall only apply in the circumstances envisaged in the definition of Realisation Value.

6.7.1 ~~6.9.1~~ On each occasion on which any contingent and/or unquantified consideration disregarded in such definition shall in fact be received, the provisions of ~~Articles 6.1, 6.2 and 6.3~~ Article 6.1 shall be reopened and reapplied as at the Realisation Date treating that late receipt as a non-contingent deferred

consideration under the definition and discounted accordingly back to the Realisation Date to determine the allocation of the same and, for that purpose, the calculations used in allocating consideration already received shall be reworked provided always that

6 7 1.1 ~~6-9-1.4~~—no value already allocated shall be reallocated and this provision shall serve only to allocate the additional consideration later received, and

6 7.1 2 ~~6-9-1.2~~—although the receipt shall be discounted as aforesaid to determine how to allocate the same, the amount of such discount shall also be reallocated to the Shareholders in the same proportion in which the discounted receipt is allocated

6 8 ~~6-10~~—Immediately prior to and conditionally upon a Listing the holders of Ordinary Shares shall enter into such reorganisation of the share capital of the Company as the Investor Majority and the B Ordinary Majority may agree (save that in circumstances where the Seller Manager has ceased to be an employee and/or director of any Group Company and where he does not become an employee and/or director of or continue in either of those capacities in respect of any other Group Company as agreed by the Investor Majority and the Board) (or, in default of agreement, as the Valuers shall reasonably determine) to ensure that the Realisation Value is reallocated between the Members in the same proportions as the preceding provisions of these Articles would provide on a Sale at that Realisation Date

6.9 ~~6-11~~—In the event that the application of any provision of this Article 6 cannot be agreed between the Members, any such matters in dispute shall be referred to an Independent Expert whose costs shall be borne as he may direct and whose decision shall be final and binding on all Members (save in the case of manifest error)

~~6-12~~—In the event that for whatever reason there are no or insufficient B Ordinary Shares in issue at the point in time when a calculation of entitlements pursuant to any of Articles 6-1, 6-2 and/or 6-3 is to be made then the calculation of

~~6-12-1~~ — "**Primary Ratchet Proportions**" in Article 6-4 shall instead be calculated as follows-

Class of Ordinary Shares	Percentage (%)
A Ordinary Shares	
B Ordinary Shares	0
C Ordinary Shares	
D Ordinary Shares	2

~~6.12.2 "Secondary Ratchet Proportions" in Article 6.5 shall instead be calculated as follows:~~

Class of Ordinary Shares	Percentage (%)
A Ordinary Shares	
B Ordinary Shares	0
C Ordinary Shares	
D Ordinary Shares	2

~~6.12.3 "Management Ratchet Proportions" in Article 6.6 shall instead be calculated as follows:~~

Class of Ordinary Shares	Percentage (%)
A Ordinary Shares	
B Ordinary Shares	0
C Ordinary Shares	

7 ALLOTMENT OF D SHARES

- 7.1 The D Ordinary Share may be allotted and issued by the Company, pursuant to the Warrant, free from the pre-emption provisions set out in Article 8, sections 89(1) and 90(1) to (6) of the Companies Act or otherwise and subject to the provisions of Article 7.2
- 7.2 To the extent that the Warrant is exercised on or prior to a Realisation, the provisions in Article 7.1 shall be applied before the application of Article 6 (Realisation Proceeds)

8 ISSUE OF SHARES

- 8.1 The pre-emption of subsection (1) of section 89 and subsection (1) to (6) of section 90 of the Act shall not apply to any allotment of the Company's securities
- 8.2 All Shares which are comprised in the authorised share capital of the Company from time to time which the directors propose to issue shall first be offered to the Members in proportion to the number of the existing Shares held by them respectively and at the same price, subject to Article 8.2.3, unless the Company shall by special resolution otherwise direct ~~provided always that whether or not the shares held by the Seller Manager have been disenfranchised pursuant to Article 13.2.6 or Article 13.2.7 and whether or not any such special resolution as referred to in this Article 8.2 is passed, the holder of B Ordinary Shares shall, subject to Article 8.2.3, always be offered any such new shares at the same price in proportion to the number of existing Shares held by him unless he gives his prior written consent waiving these rights in respect of a particular issue of shares (such waiver only to be valid in respect of that~~

~~issue)~~ Regulation 110 of Table shall be amended accordingly For the purposes of this Article 8 2-

8 2 1 the Shares shall be treated as one class,

8 2 2 the Members agree that (notwithstanding the disenfranchisement provisions of Article 13 2) the holders of any B Ordinary Shares shall be entitled to participate in any such offer made to the Members pursuant to this Article,

8 2 3 each such offer shall be made by notice specifying the total number of Shares being offered to the Members as a whole, the proportionate entitlement of the Member to whom the offer is made and the price per share and shall require each Member to state in writing within a period (not being less than 21 days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said shares up to his proportionate entitlement,

8 2 4 the offer may (and, if required by an Investor Majority shall) include conditions that, if the Members holding A Ordinary Shares are proposing to subscribe for Shares pursuant to the offer and also make loans to the Company at the same time as the proposed issue of Shares ("**Investor Loans**"), then the Members holding B Ordinary Shares are also required to make loans to the Company ("**B Loans**") on the same terms as the Investor Loans provided that

8 2 4 1 B Loans for each such Member holding B Ordinary Shares shall be in the same proportions of loans to equity subscription monies as the proportions proposed to be invested by the Members holding A Ordinary Shares,

8 2 4 2 Members holding B Ordinary Shares are required to subscribe for such number of Shares as equal (as nearly as possible) to their pro rata proportion of Equity Shares held by them respectively at that time,

and any Member who fails to accept such an offer or who, having accepted such an offer does not meet the conditions, shall not be entitled to subscribe for any shares pursuant to such offer,

8 2 5 subject to Article 8 2 3, the holders of equity securities ("**Equity Shareholders**") who accept Shares shall be entitled to indicate that they would accept Shares that have not been accepted by other Equity Shareholders ("**Excess Shares**") on the same terms as originally offered to all Equity Shareholders and any Shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares Such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or, if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares applied for,

- 8 2 6 any Excess Shares not allotted as aforesaid or not capable of being allotted as aforesaid except by way of fractions shall not be issued,
- 8 2 7 any Shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may (with the prior written consent of an Investor Majority) allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit ~~provided always that whether or not the shares held by the Seller Manager have been disenfranchised pursuant to Article 13 2 6 or Article 13 2 7 and whether or not any such special resolution as referred to in this Article 8 2 is passed, the holder of B Ordinary Shares shall, subject to Article 8 2 3, always be offered any such new shares at the same price in proportion to the number of existing Shares held by him unless he gives his prior written consent waiving these rights in respect of a particular issue of shares (such waiver only to be valid in respect of that issue), and~~
- 8 2 8 no share shall be issued at a discount or otherwise in breach of the provisions of these Articles or of the Act
- 8 3
- 8 3 1 The Directors of the Company are hereby authorised pursuant to section 80 of the Act generally to exercise each and every power of the Company to allot relevant securities (as defined in that section) up to a maximum amount in nominal value which when aggregated with the subscriber share(s) and the relevant securities already allotted on the adoption of these Articles is equal to the authorised share capital at such date, such authority to expire on day immediately preceding the fifth anniversary of the date on which these Articles were adopted
- 8 3 2 The Company is hereby allowed to make before the authority conferred by this Article 8 3 has expired one or more offers or agreements which would or might require relevant securities (as so defined) to be allotted after this authority has expired and the Directors may allot relevant securities (as so defined) after the authority conferred by this Article 8 3 has expired in pursuance of each and every such offer or agreement made by the Company
- 8 3 3 The authority conferred by this Article 8 3 is in substitution for each (if any) other authority already given pursuant to the said section 80 whether contained in the Articles of Association of the Company or otherwise and each (if any) such earlier authority is hereby revoked but without prejudice to the validity of any allotment offer or agreement made pursuant to any such earlier authority before the date of adoption of this Article
- 8 4 The class rights set out in Article 5 2 1 and the restrictions on allotment and rights of pre-emption set out in Article 8 2 shall not, subject in each case to compliance with clause 8 of the Investment Agreement, apply to
- ~~8 4 1 the allotment and issue of any of the Unallocated Shares, or~~
- 8 4 1 ~~8 4 2~~ the allotment of and issue of any Deferred Shares pursuant to Article 7, or

8 4 2 ~~8-4-3~~ the issue of the D Ordinary Shares on the exercise of the Warrant,

which in each case the Directors shall subject to compliance as aforesaid be authorised to grant and/or allot and issue (as the case may be) without any further consents from or resolutions of the Members

9 LIEN

9 1 The lien conferred by regulation 8 shall attach to all Shares of any class, whether fully paid or not, and to all Shares registered in the name of any Member for all money presently payable by him or his estate to the Company, whether he is their sole registered holder or one of two or more joint holders Regulation 8 shall be modified accordingly

9 2 All Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 13 as if a Deemed Transfer Notice were deemed given in respect of such Shares

10 TRANSFER OF SHARES – GENERAL

10 1 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer

10 1 1 is either

10 1 1 1 permitted by Article 11, or

10 1 1 2 is made in accordance with Article 12, Article 13, Article 14 or Article 15, and

10 1 2 is not prohibited under Article 16

10 2 For the purpose of ensuring that a transfer of Shares is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice (as defined in Article 12 1) the Board may from time to time require any Member or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as it reasonably deems relevant to such purpose Failing such information or evidence being furnished to its reasonable satisfaction within a reasonable time after request the Board may in their absolute discretion refuse to register the transfer in question (provided that it gives the Member concerned and the person named as transferee in the transfer 14 days' notice of his intention to do so) or (in case no transfer is in question) require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned within the period (being not more than 28 days) specified in that notice If such information or evidence discloses to the satisfaction of the Board in their absolute discretion that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice (otherwise than in connection with the permitted transfer) the Board may in their absolute discretion by notice in writing to the Member(s) concerned require that a Transfer Notice be given in respect of the Shares concerned within the period (being not more than 28 days) specified in that notice

10 3 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance

10 4 No arrangement shall be entered into by any Member whereby the terms upon which that Member holds any Shares are to be varied if as a result any interest in those Shares is varied, disposed of or created or extinguished, except with the prior consent of the holders of the A Ordinary Shares given as if the arrangement were a variation of the rights attaching to the A Ordinary Shares

10 5 Regulations 30 and 31 shall be modified to reflect the provisions of this Article 10 and Articles 11, 12, 13, 14, and 15

11 PERMITTED TRANSFERS

11 1 For the purposes of this Article 11 and Articles 12 and 13·

"a member of the same group" means, in relation to a body corporate, any other body corporate which is for the time being a holding company of that body corporate or a subsidiary of that holding company, and

"permitted transfer" means any transfer of Shares permitted under this Article 11

11 2

11 2 1 Any Member which is a body corporate may at any time transfer any Shares held by it to a member of the same group

11 2 2 Where Shares have been transferred under Article 11 2 1 (whether directly or by a series of such transfers) from a Member ("**Transferor**" which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group as the Transferor ("**Transferee**") and subsequently the Transferee ceases to be a member of the same group as the Transferor, the Transferee shall forthwith transfer all the Shares held by it to the Transferor, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period, shall during the remainder of the 28 day period after the cessation, give a Transfer Notice in respect of all of the Shares then held by the Transferee

11 3 The Investors shall each have the right to transfer, or otherwise dispose of, interests in all or any of their Shares to any member of its Defined Group or in accordance with Article 11 5

11 4 A Member may transfer Shares to any person at any time with the prior written consent of an Investor Majority, (subject to Article 13 2 6 and Article 13 2 7) a B Ordinary Majority and a C Ordinary Majority

11 5 Any Investor (or any person to whom any Investor may have transferred Shares pursuant to this Article 11 or any subsequent transferee of such Shares) shall be entitled to transfer or dispose of such number of the voting (but not economic) rights arising from any Shares held by them to such person or persons nominated by the Investor Majority, and for such period, as the holder of such Shares sees fit

11 6 The trustee of an EBT may transfer, or grant option or other rights or interest over any C Ordinary Shares held by such EBT in favour of any person who is entitled to be a beneficiary of that EBT whether in pursuance of any share incentive scheme established by the Company or otherwise

11 7 Save as envisaged in Article 11 5 or 11 6, a transfer of any Share pursuant to this Article 11 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such Share, free from any lien, charge or other encumbrance

12 VOLUNTARY TRANSFERS

12 1 Except as permitted under Article 11 or unless the transfer is a transfer of Called Shares made pursuant to Article 14, or is a transfer made pursuant to acceptance of an offer made pursuant to Article 15, any Member ("**Vendor**") shall, before transferring or agreeing to transfer any Share or any interest in any Share, obtain the prior written consent of the Board and an Investor Majority and serve notice in writing ("**Transfer Notice**") on the Company of his wish to make that transfer

12 2 In the Transfer Notice, the Vendor shall specify.

12 2 1 the number of Shares ("**Sale Shares**") which he wishes to transfer,

12 2 2 the identity of the person (if any) to whom the Vendor wishes to transfer the Sale Shares,

12 2 3 the price per share at which the Vendor wishes to transfer the Sale Shares ("**Proposed Sale Price**"),

12 2 4 any other terms relating to the transfer of the Sale Shares which are not prohibited by these Articles, and

12 2 5 whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 12 ("**Total Transfer Condition**")

12 3 Each Transfer Notice shall

12 3 1 relate to one class of Shares only,

12 3 2 constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 12,

12 3 3 save as provided in Article 12 5, be irrevocable, and

12 3 4 not be deemed to contain a Total Transfer Condition unless expressly stated otherwise or required by these Articles

12 4 The Sale Shares shall be offered for purchase in accordance with this Article 12 at a price per Sale Share ("**Sale Price**") which is the Proposed Sale Price (if agreed between the Vendor and the Board (with the prior written consent of an Investor Majority) or failing agreement the Market Value as determined by the Valuers in accordance with Article 12.14 below)

12 5 If the Market Value is found to be less than the Proposed Sale Price specified in the Transfer Notice, the Vendor may revoke the Transfer Notice by written notice given to the Board within the period of 14 days after the date the Board serves on the Vendor the Valuers' written opinion of the Market Value

12 6 Subject to the following provisions of this Article 12 6, the Board shall offer the Sale Shares for purchase at the Sale Price by a written offer notice ("**Offer Notice**") served on all Members within seven days after the Sale Price is agreed or determined under Article 12 4 or, if the Transfer Notice is capable of being revoked under Article 12 5, within seven days after the expiry of the period for revocation in Article 12 5. If the Sale Shares are C Ordinary Shares and the Board (with the prior written consent of the Investor Majority) reasonably believes that if such Sale Shares were to be offered to an EBT in accordance with Article 12 8 all such Sale Shares would be allocated to and purchased by the EBT then the Board shall only be required to serve the Offer Notice on the trustee of the EBT. If the Board subsequently decides or becomes aware that some or all of such Sale Shares will not be purchased by the EBT then the Board shall serve the relevant Offer Notice in respect of all or, in the event the EBT is to purchase only some of such Sale Shares, the balance of the Sale Shares on all Members within seven days after making such decisions or becoming so aware

12 7 An Offer Notice shall

12 7 1 specify the Sale Price,

12 7 2 expire 42 days after its service (unless extended under Article 12 8 2),

12 7 3 contain the other details included in the Transfer Notice, and

12 7 4 invite the relevant Members to apply in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their application

12 8

12 8 1 Sale Shares of a particular class specified in column (1) in the table below shall be treated as offered

12 8 1 1 in the first instance to all persons (if any) in the category set out in the corresponding line in column (2) in the table below,

12 8 1 2 to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below, and

12 8 1 3 to the extent not accepted by persons in columns (2) and (3), to all persons set out in the corresponding line in column (4) in the table below,

(1) Class of Sale Shares	(2) Offered First to	(3) Offered Secondly to	(4) Offered Thirdly to
A Ordinary Shares	Members holding A Ordinary Shares	Members holding B Ordinary Shares	Members holding C Ordinary Shares
B Ordinary Shares	Invitees (with the prior written consent of the Investor Majority)	Members holding B Ordinary Shares	Members holding A Ordinary Shares and Members holding C Ordinary Shares
C Ordinary Shares <u>and E Ordinary Shares</u>	Invitees (with the prior written consent of the Investor Majority)	Members holding C Ordinary Shares	Members holding A Ordinary Shares and Members holding B Ordinary Shares

provided always that no Shares shall be treated as offered to the Vendor or any other Member who is then bound to give or deemed to have given a Transfer Notice

12 8 2 The expression "**Invitees**" in these Articles means (i) any person not being an existing Member and who either is or is proposed to be engaged or appointed as an employee and/or director of any Group Company selected during the six months period immediately following the date of the Offer Notice by the Board (with the prior written consent of an Investor Majority both as to his identity and as to him being treated as an Invitee at the relevant time), and/or (ii) an EBT (with prior written consent of an Investors Majority as to it being treated as an Invitee at the relevant time)

12 9 After the expiry date of the Offer Notice, as extended under Article 12 8 2 (or, if earlier, upon valid applications being received for all the Sale Shares in accordance with Article 12 7 and the Board (with the written approval of an Investor Majority) resolving that they will not select any Invitees other than those (if any) already selected), the Board shall allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles and Table A, save that

12 9 1 if it is not possible to allocate any of the Sale Shares without involving fractions, those fractions shall be aggregated and allocated amongst the applicants of each class in such manner as the Board thinks fit,

12 9 2 any allocation of Sale Shares to or between Invitees shall be entirely at the discretion of the Board with the consent of an Investor Director, and

- 12 9 3 if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated
- 12 10 The Board shall, within seven days of the expiry of the Offer Notice, give notice in writing ("Sale Notice") to the Vendor and to each person to whom Sale Shares have been allocated (each a "Purchaser") specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them, and the time for completion of each sale and purchase
- 12 11 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than one week nor more than two months after the expiry of the Offer Notice, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser
- 12 12 Subject to the prior written consent of an Investor Majority, the Vendor may, at any time during the three months after the expiry of the Offer Notice, sell any Sale Shares for which a Sale Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that
- 12 12 1 the Board shall be entitled to refuse registration of the proposed transferee if he is believed by the Board (acting reasonably) to be a competitor or connected with or acting in concert with a competitor of any business of any member of the Group or a nominee of such a person, and
- 12 12 2 if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this Article 12, save with the written consent of all the other Members
- 12 13 If a Vendor fails to transfer any Sale Shares when required pursuant to this Article 12, the Board may authorise any person (who shall be deemed to be the attorney of the Vendor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for the Sale Shares from the Purchaser and shall, upon receipt of the transfer duly stamped, register the Purchaser as the holder of those Sale Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the Purchaser (who shall not be concerned to see to the application of it) and, after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this Article 12 13, the validity of that exercise shall not be questioned by any person
- 12 14 If instructed to report on their opinion of Market Value, the Valuers shall
- 12 14 1 act as expert and not as arbitrator and their written determination shall be final and binding on the Members, save in the case of manifest error, and

- 12 14 2 proceed on the basis that
- 12 14 2 1 the open market value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the class of Shares of which the Sale Shares form part, divided by the number of issued Shares then comprised in that class,
- 12 14 2 2 there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares,
- 12 14 2 3 in arriving at the valuation the Valuers shall pay regard to the fact that certain of the Group Companies are not wholly owned by the Group, and
- 12 14 2 4 any difficulty in applying either of the foregoing bases shall be resolved by the Valuers as they think fit in their absolute discretion
- 12 15 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board within 28 days of the Board electing to instruct them under Article 12 4
- 12 16 The Valuers' fees for reporting on their opinion of the Market Value shall be borne as to one half by the Vendor and as to the other half by the Purchasers pro rata to the number of Sale Shares purchased by them unless
- 12 16 1 the Vendor revokes the Transfer Notice pursuant to Article 12 5, or
- 12 16 2 none of the Sale Shares are purchased pursuant to this Article 12,
- when the Vendor shall pay all the Valuers' fees
- 12 17 B Ordinary Shares will, immediately and without resolution of the Directors or the Members be redesignated into C1 Ordinary Shares upon being acquired (whether by way of transfer or allotment) by any person who is not a holder of any other B Ordinary Shares or A Ordinary Shares prior to such acquisition
- 12 18 B Ordinary Shares will, immediately and without resolution of the Directors or the Members be sub-divided and redesignated into A Ordinary Shares and Deferred Shares (such that for each B Ordinary Share, it shall be sub-divided and redesignated into an A Ordinary Share of £0.50 and 5 Deferred Shares of £0.10 each) upon being acquired (whether by way of transfer or allotment) by any person who is a holder of any A Ordinary Shares prior to such acquisition
- 12 19 A Ordinary Shares will, immediately and without resolution of the Directors or the Members, be redesignated into C2 Ordinary Shares upon being acquired (whether by way of transfer or allotment) by any person who is a holder of any C Ordinary Shares prior to such acquisition

12 20 C3 Ordinary Shares will, immediately and without resolution of the Directors or the Members be redesignated into C1 Ordinary Shares upon being acquired (whether by way of transfer or allotment) by any person who is not a holder of any other C3 Ordinary Shares prior to such acquisition.

13 COMPULSORY TRANSFERS

13 1 In this Article 13, a Transfer Event means, in relation to any Member

13 1 1 a Member becoming bankrupt or making any arrangement or composition with his creditors generally,

13 1 2 a Member which is a body corporate

13 1 2 1 having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets, or

13 1 2 2 having an administrator appointed in relation to it, or

13 1 2 3 entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction), or

13 1 2 4 having any equivalent action taken in any jurisdiction,

13 1 3 a Member who is a director or employee of a member of the Group ceasing to hold such office or employment (whether by virtue of death, illness, retirement, dismissal, resignation or for any other reason whatsoever) and as a consequence no longer being a director or employee of any member of the Group unless an Investor Majority (in the absolute discretion of the Investor Majority) notifies the Company within three months after becoming aware of it that such event is not to be treated as a Transfer Event in relation to that Member or, notwithstanding that it is to be treated as a Transfer Event, that Member shall nonetheless not be required to offer for sale some or all of the Shares (as the Investor Majority shall in its absolute discretion, determine) to which Articles 13 2 1 or 13 2 2 apply for the purposes of this Article shall not apply to the Seller Manager Non Transferring Shares (as defined in Article 13 2 2),

13 1 4 a Member or any family member or any family trust of that Member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with Article 11, Article 12 and this Article 13 or in contravention of Article 15 unless an Investor Majority notifies the Company within three months after becoming aware of it that such event is not to be a Transfer Event in relation to that Member for the purposes of this Article), and

13 1 5 a Member not giving a Transfer Notice in respect of any Shares or refusing to transfer any Shares (as the case may be) as required by Articles 10 2 or 11 2 2, unless an Investor Majority notifies the Company within three months after becoming aware of it that such event is not a Transfer Event in relation to that Member for the purposes of this Article

13 2 Upon the happening of any Transfer Event

13 2 1 subject to Articles 13 2 5 and 13 2 8, the Member in question (other than the Seller Manager) and any other Member who has acquired Shares from him under a permitted transfer under Article 11 (directly or by means of a series of two or more permitted transfers under Article 11 4) shall be deemed to have immediately given a Transfer Notice in respect of all such Shares, and

13 2 2 the Seller Manager and any other Member who has acquired shares from him under a permitted transfer under Article 11 (directly or by means of a series of two or more permitted transfers under Article 11 4) shall be deemed to have immediately given a Transfer Notice in respect of 50% of all such Shares ("**Seller Manager Transferring Shares**") and, for the avoidance of doubt, shall not be deemed to have given any Transfer Notice in respect of the remaining 50% of all such Shares ("**Seller Manager Non Transferring Shares**"),

in each case a Deemed Transfer Notice

13 2 3 A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice

13 2 4 A Deemed Transfer Notice shall also be deemed to have been served in relation to any Shares acquired by such Member(s) or his personal representatives after the happening of the Transfer Event under any option scheme or other arrangement which was made prior to such Transfer Event (and in this case the Transfer Notice will be deemed served on the date such Shares are acquired)

13 2 5 A Deemed Transfer Notice, and any Offer Notice issued pursuant thereto, shall be deemed immediately to be cancelled upon an Investor Majority notifying the Company (in accordance with Article 13 1 3, 13 1 4 or 13 1 5) that the event giving rise to such Deemed Transfer Notice was not a Transfer Event The Company shall give notice forthwith to every Member of such notification by an Investor Majority, and resulting cancellation Any such cancellation shall re-instate any previously current Transfer Notice, which the Deemed Transfer Notice in question superseded and cancelled, but shall not avoid or otherwise prejudice or affect any transfer of Shares validly made pursuant to the Deemed Transfer Notice in question

13 2 6 Subject to Article 13 2 7 below and notwithstanding any other provision of these Articles, if an Investor Majority so notifies the Board in relation to any Shares, the Shares held by any Member in respect of which a Deemed Transfer Notice is deemed given (including for the avoidance of doubt the Seller Manager Transferring Shares) shall be disenfranchised such that the relevant Member shall not be entitled to any vote (whether on a show of hands, a poll, written resolution or otherwise) for any Share of which he is a holder and that Member shall not be entitled to receive notice of nor to attend or speak at any general meetings of the Company between the date of the relevant Deemed Transfer Notice and the expiry of six months after the date of the Sale Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the holder of those Shares

- 13 2 7 Notwithstanding any other provision of these Articles, if an Investor Majority so notifies the Board, the Shares held by Martin Penny that are Seller Manager Non Transferring Shares shall be disenfranchised such that the relevant Member shall not be entitled to receive notice of nor to attend or speak at any general meetings of the Company from the date such Shares become Seller Manager Non Transferring Shares ("**Disenfranchisement Date**") and all matters set out in these Articles which require the consent, approval or presence of the holder of B Ordinary Shares or the B Ordinary Majority or the Seller Manager Director shall from the Disenfranchisement Date no longer require such consent, approval or presence and shall be capable of being given or held (as appropriate) without any requirement to obtain such consent or approval or such presence
- 13 2 8 Any or all C Ordinary Shares which are retained by a Member by virtue of the Investor Majority exercising its discretion and giving a notice pursuant to Article 13 1 3 shall be disenfranchised such that the relevant Member shall not be entitled to receive notice of nor to attend or speak at any general meetings of the Company and shall not be entitled to any vote at any such meeting (whether on a show of hands, a poll or otherwise) or on any written resolution for any Share of which he is a holder
- 13 3 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 12 as if they were Sale Shares in respect of which a Transfer Notice had been given save that
- 13 3.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of the first meeting of the Board at which details of the facts or circumstances giving rise to the Deemed Transfer Notice are tabled,
- 13 3 2 subject to Article 13 4, the Sale Price shall be the Market Value,
- 13 3 3 a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable,
- 13 3 4 the Vendor may retain any Sale Shares for which Purchasers are not found or, at any time during the three months after the expiry of the relevant Offer Notice sell all or any of those Sale Shares to any person (including any Member) at any price per Sale Share which is not less than the Sale Price, and
- 13 3.5 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date
- 13 4 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within Article 13 1 3 shall be
- 13 4 1 in the event that the Member in question is a Bad Leaver (as defined in Article 13 5 below), the lower of the Issue Price of such Sale Shares or their Market Value as at the Termination Date (as defined in Article 13 6), or

- 13 4 2 in the event that the Member in question is a Good Leaver (as defined in Article 13 5 below) their Market Value as at the Termination Date (as defined in Article 13 6)

A dispute as to whether the Member in question is a Good Leaver shall not affect the validity of a Deemed Transfer Notice but any person who acquires Sale Shares pursuant to a Deemed Transfer Notice while such a dispute is continuing shall pay to the Vendor an amount equal to the lower of the Issue Price of such Sale Shares or their Market Value and shall pay the difference between that amount and the aggregate price which would be payable if the Member in question is a Good Leaver within 14 days of such dispute being resolved (but not otherwise), together with interest thereon at the base rate of the Bank for the time being for the period between completion of the purchase and the making of such payment

13 5 In Article 13 4

- 13 5 1 a holder of C Ordinary Shares shall be a "**Good Leaver**" if he/she ceases to be a director or employee of any member of the Group (other than as a Bad Leaver as defined in Article 13 5 2) and as a consequence is no longer a director or employee of any member of the Group, and

- 13 5 2 a holder of C Ordinary Shares who holds C Ordinary Shares on 14 July 2007 shall be a "**Bad Leaver**" if he/she ceases to be a director or employee of any member of the Group and as a consequence is no longer a director or employee of any member of the Group and such cessation occurs

- 13 5 2 1 prior to 14 July 2008 for any reason other than (i) the death or permanent incapacity through ill health of that holder of C Ordinary Shares or (ii) where an Investor Majority and, subject to Article 13 2 6 and Article 13 2 7, the Seller Manager determine in writing that such person shall not be deemed to be a Bad Leaver for the purposes of these Articles, or

- 13 5 2 2 on or at any time after 14 July 2008 as a result of that holder of C Ordinary Shares

- (a) voluntarily resigning from his employment in accordance with the terms of his/her contract of employment with the Company or member of the Group (save where it is subsequently determined by a court or employment tribunal that he was wrongfully or unfairly dismissed), or
- (b) being summarily dismissed for gross misconduct, gross negligence, fraud, dishonesty, conviction for a criminal offence (other than a road traffic offence not resulting in a custodial sentence) for which a custodial sentence could be imposed (whether or not it is), disqualification from holding office as a director, or acting or omitting to act in a manner which the Board (with the prior written consent of the Investor Majority) reasonably believes has materially damaged the reputation of the Group,

- 13 5 3 a holder of C Ordinary Shares who does not hold C Ordinary Shares on 14 July 2007 but became or becomes a holder of C Ordinary Shares thereafter shall be a **"Bad Leaver"** if he/she ceases to be a director or employee of any member of the Group and as a consequence is no longer a director or employee of any member of the Group and such cessation occurs for any reason other than (i) the death or permanent incapacity through ill health of that holder of C Ordinary Shares or (ii) where an Investor Majority and, subject to Article 13 2 6 and Article 13 2 7, the Seller Manager determine in writing that such person shall not be deemed to be a Bad Leaver for the purposes of these Articles,
- 13 5 4 the Seller Manager shall be a Good Leaver if he ceases to be a director or employee of any member of the Group at any time (other than as a Bad Leaver as defined in Article 13 5 5) and as a consequence is no longer a director or employee of any member of the Group,
- 13 5 5 the Seller Manager shall only be a Bad Leaver if he ceases at any time to be a director or employee of any member of the Group and as a consequence is no longer a director or employee of any member of the Group and such cessation occurs either as a result of him
- 13 5 5 1 voluntarily resigning from his employment in accordance with the terms of his contract of employment with the Company or member of the Group (save where it is subsequently determined by a court or employment tribunal that he was wrongfully or unfairly dismissed), or
- 13 5 5 2 being summarily dismissed for gross misconduct, gross negligence, fraud, dishonesty, conviction for a criminal offence (other than a road traffic offence not resulting in a custodial sentence) for which a custodial sentence could be imposed (whether or not it is), disqualification from holding office as a director, or acting or omitting to act in a manner which the Board (with the prior written consent of the Investor Majority) reasonably believes has materially damaged the reputation of the Group, and
- 13 5 6 the holder of E Ordinary Shares the subject of a Deemed Transfer Notice shall, in respect of such E Ordinary Shares, be automatically deemed to be a Bad Leaver and their Market Value deemed to be nil
- 13 6 Each of the Members undertake to each other that he/it will sign an engagement letter with the Valuers in such form as the Valuers require (having regard to the usual requirements of major firms of chartered accountants) and the Members acknowledge that such letter may include a waiver by them of claims against the Valuers and similar hold harmless provisions in favour of the Valuer arising out of the performance of their role If a Member fails to sign such an engagement letter the Board may authorise any person (who shall be deemed to be an attorney of the Member for that purpose) to execute the engagement letter and deliver it on behalf of such Member

13 7 For the purpose of Articles 13 1 3 and 13 4, the date upon which a Member ceases to hold office as described therein ("**Termination Date**") shall be

13 7 1 where a contract of employment or directorship is terminated by the employer giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination),

13 7 2 where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice,

13 7 3 where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance,

13 7 4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event, and

13 7 5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in Article 13 7 1 to 13 7 3 above, the date on which the action or event giving rise to the termination occurs

14. DRAG ALONG OPTION

14 1 If at any time

14 1 1 an Investor Majority and a B Ordinary Majority acting together, or

14 1 2 an Investor Majority acting alone in circumstances where (i) a Material Default Situation has occurred, or (ii) where the Seller Manager has ceased to be an employee and/or director of any Group Company in circumstances where he does not become an employee and/or director of or continue in either of those capacities in respect of any other Group Company, or (iii) a proposed transaction will result in the Investors receiving a Required Total Return, or (iv) at any time following 14 July 2010,

(such Investor Majority and B Ordinary Majority or Investor Majority alone (as the case may be) being hereafter referred to as the "**Selling Shareholders**") wish to transfer their Shares pursuant to a transaction ("**Offer**") which would result in a Change of Control then the Selling Shareholders shall have the option ("**Drag Along Option**") to require all the other holders of Shares to transfer all their Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct with full title guarantee

14 2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect ("**Drag Along Notice**") to all other Members ("**Called Shareholders**") at any time before the transfer of Shares resulting in the Change of Control. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to Article 14 1, the proposed date of transfer, the price at which the Called Shares are to be transferred, (being not less than the price per share offered to the Selling

Shareholders save; ~~only (if any share is sold cum dividend) for any difference relating to and not exceeding any difference in accruals or arrears of dividend between a Called Share and a share to be sold by the Selling Shareholders, such dividend to be calculated down to the time of completion of the Change of Control)~~

14 2 1 only that (if any share is sold cum dividend) for any difference relating to and not exceeding any difference in accruals or arrears of dividend between a Called Share and a share to be sold by the Selling Shareholders, such dividend to be calculated down to the time of completion of the Change of Control, and

14 2 2 always that the provisions in Article 6 (Realisation Proceeds) shall apply in determining the relevant price to be attributed to each class of Called Shares.

14 3 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason there is not a Change of Control caused by a transfer of Shares by the Selling Shareholders to the Third Party Purchaser within 120 days after the date of the Drag Along Notice (other than as a result of default by a Called Shareholder)

14 4 If a Called Shareholder shall make default in transferring their shares pursuant to this Article 14 the provisions of Article 12 13 (references to "Vendor" and "Sale Shares" being read as "Called Shareholders" and "Called Shares") shall apply mutatis mutandis

14 5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless

14 5 1 all of the Called Shareholders and the Selling Shareholders agree otherwise, or

14 5 2 that date is less than seven days after the Drag Along Notice, where it shall be deferred until the seventh day after the Drag Along Notice

14 6 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company ("New Member"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article 14 shall apply mutatis mutandis to the New Member save that if it would otherwise have occurred earlier completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member. If any Called Shareholder does not on completion of the sale of Called Shares execute transfers in respect of all his Called Shares, that holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfers on his behalf, and against receipt by the Company (on trust for the holder) of the purchase monies or any other consideration payable for the Called Shares, deliver those transfers to the Third Party Purchaser (or as he may direct)

14 7 The rights of pre-emption set out in the Articles shall not arise on any transfer of shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served

15 TAG ALONG OPTION

15 1 No sale or transfer of the legal or beneficial interest in any Shares may be made or validly registered if as a result of such sale or transfer and registration thereof a Change of Control would occur unless the proposed transferee or transferees or his or their nominees has or have offered to purchase all the Shares at the Specified Price (calculated as set out below) If any part of the Specified Price is to be paid other than in cash then the holders of the Ordinary Shares may, at their option, elect to take a price per share of such cash sum as may be agreed by an Investor Majority, the Board and the proposed transferee having regard to the transaction as a whole

15 2 In this Article the "**Specified Price**" means

15 2 1 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the shares being acquired, plus

15 2 2 the relevant proportion of any other consideration (in cash or otherwise received or receivable by the holders of such other shares) which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable, plus

15 2 3 all arrears and accruals of the dividends on such share calculated down to the date of the sale or transfer

In the event of disagreement the calculation of the Specified Price shall be referred to the Valuers whose decision shall be final and binding. In calculating the Specified Price and apportionment thereof, the provisions of Article 6 (Realisation Proceeds) shall be applied in determining the relevant price to be attributed to each class of Shares to which this Article 15 may apply

15 3 The rights of pre-emption set out in the Articles shall not arise on any transfer of shares pursuant to this Article 15

16 PROHIBITED TRANSFERS

Notwithstanding any other provision of these Articles, no transfer of any Share shall be registered if it is to any infant, bankrupt, trustee in bankruptcy or person of unsound mind

17 GENERAL MEETINGS

17 1 The Board shall procure that the audited accounts of the Company for each financial year are laid before the Company in general meeting not later than one month after the date of the auditors' report contained in those accounts

17 2 Notice of a general meeting need not be given to any director in that capacity Regulation 38 shall be modified accordingly

- 17 3 Regulation 37 shall be amended by the insertion of the words "or, in the event that a Material Default is subsisting, an Investor Director acting alone" after the second word of that regulation

18 PROCEEDINGS AT GENERAL MEETINGS

- 18 1 Any Member having the right to vote at the meeting may demand a poll at a general meeting Regulation 46 shall be modified accordingly.
- 18 2 The Chairman shall not be entitled to exercise any second or casting vote. Regulation 50 shall not apply
- 18 3 A director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the capital of the Company
- 18 4 If a meeting is adjourned under regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those Members present shall form a quorum, and regulation 41 shall be modified accordingly
- 18 5 Regulation 62 shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Board resolve otherwise"
- 18 6 Regulation 54 shall not apply
- 18 7 No meeting of Members shall be quorate unless those Members present include (whether in person or by a duly authorised representative or a proxy) holders of more than 50% of A Ordinary Shares in issue for the time being and regulation 40 of Table A shall be construed accordingly

19 NUMBER AND APPOINTMENT OF DIRECTORS

- 19 1 The number of directors (other than any Investor Directors) shall not be less than two Regulation 64 shall not apply
- 19 2 Subject always to the prior written approval of an Investor Majority, the Members may by ordinary resolution without special notice at any time (save in relation to the Investor Directors, the Seller Manager Director or the Chairman, the appointment and removal of whom is governed by Articles 20 1 and 21 1 below) appoint any person to or remove any person from the Board

20 INVESTOR DIRECTORS

- 20 1 An Investor Majority may

20 1 1 for so long as any Investor is the registered holder or beneficial owner of any Shares (subject to the proviso below) in their absolute discretion appoint up to

two person(s) to be directors of the Company (each an "**Investor Director**"), which expression shall where the context so permits, but not in Article 23 3, include a duly appointed alternate of any such director) and remove any such Investor Director and appoint a replacement, and/or

- 20 1 2 appoint, subject to Article 13 2 6 and Article 13 2 7 acting jointly with the Seller Manager one person to be the non-executive chairman of the board of directors of the Company ("**Chairman**"), and remove, subject to Article 13 2 6, and 13 2 7 acting jointly with the Seller Manager any such Chairman and appoint, subject to Article 13 2 6, acting jointly with the Seller Manager a replacement, save that where the Seller Manager has ceased to be an employee and/or director of any Group Company in circumstances where he does not become an employee and/or director of or continue in either of those capacities in respect of any other Group Company, any such appointment or removal of the chairman shall be a matter for the Investor Majority having consulted in good faith with the Board as to the choice of candidate
- 20 2 Any Investor Director in office for the time being and appointed by an Investor Majority shall, at the request of an Investor Majority be appointed a director of any other Group Companies specified in such request provided always that at no time shall the number of people in office as directors of such a Group Company as a result of their appointment by an Investor Majority pursuant to this Article 20 2 exceed or be equal to the number of people in office as directors of that Group Company other than pursuant to such an appointment
- 20 3 Any appointment or removal of an Investor Director by an Investor Majority shall be in writing served on the relevant Group Company signed by an Investor Majority and shall take effect at the time it is served on the relevant Group Company or produced to a meeting of the board of the relevant Group Company whichever is earlier Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative
- 20 4 Any appointment or removal of the Chairman by the Investor Majority and, subject to Article 13 2 6 and 13 2 7, the Seller Manager shall be in writing served on the Company signed by an Investor Majority and, subject to Article 13 2 6 and 13 2 7, the Seller Manager and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative Provided always that where the Seller Manager has ceased to be an employee and/or director of any Group Company in circumstances where he does not become an employee and/or director of or continue in either of those capacities in respect of any other Group Company any such appointment or removal shall follow after the period of consultation referred to in Article 20 1 2
- 20 5 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the address(es) for service of notice of the Investors under the Investment Agreement The third sentence of regulation 88 shall not apply
- 20 6 Regulation 81(e) shall not apply to an Investor Director
- 20 7 Where any decision is to be made by the Company in relation to
- 20 7 1 the Investment Agreement, or

20 7 2 the Banking Facilities, or

20 7 3 any Shareholder Contract,

then, notwithstanding any other provision of these Articles, no meeting of the Board or any committee thereof of which an Investor Director is a member at which such decision will be considered shall be quorate unless an Investor Director (if any is appointed) is present in person at such meeting and the Investor Director(s) present shall be entitled to exercise such number of votes at any meeting of the Board or of any committee of which they are a member which is equal to one vote less than half of the total number of votes exercisable at such a meeting

21 SELLER MANAGER DIRECTOR

21 1 The Seller Manager may, for so long as he is (a) the registered holder or beneficial owner of any Shares and (b) an employee or director of any Group Company, in his absolute discretion appoint any one person to be a director of the Company ("**Seller Manager Director**", which expression shall where the context so permits, but not in Article 23 3, include a duly appointed alternate of such a director) and remove any such Seller Manager Director and appoint a replacement

21 2 Any Seller Manager Director in office for the time being and appointed by the Seller Manager shall, at the request of the Seller Manager be appointed a director of any other Group Companies specified in such request

21 3 Any appointment or removal of a Seller Manager Director by the Seller Manager shall be in writing served on the Company signed by the Seller Manager and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier

21 4 Notice of meetings of the Board shall be served on the Seller Manager Director if absent from the United Kingdom at the address(es) provided for service of notice on him referred to in and pursuant to the Investment Agreement (which includes the provisions for substitution of an address) and also to him by email to such email account as he shall designate from time to time no later than two days prior to such email being despatched The third sentence of regulation 88 shall not apply

22 ALTERNATE DIRECTORS

22 1 The words "approved by resolution of the directors and" in regulation 65 shall not apply to an appointment of an alternate director by an Investor Director.

22 2 Regulation 66 shall be amended by the insertion between the words "shall" and "be" of the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)"

22 3 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum

- 22 4 If an alternate director is himself a director or attends any meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present

23 PROCEEDINGS OF DIRECTORS

- 23 1 The quorum for the transaction of business of the Board shall be two directors being an Investor Director and (subject to Article 13 2 6 and Article 13 2 7 and provided that a Material Default Situation does not exist, whereupon in such circumstances the quorum shall be any two directors (including at least one Investor Director)), the Seller Manager Director (unless either has previously agreed otherwise in writing expressly for that purpose) If an Investor Director or the Seller Manager Director fails to attend a meeting of the Board convened in accordance with the terms of the Investment Agreement the meeting shall be adjourned for a period of not less than seven days and not more than 21 days and appropriate notice given to all directors If an Investor Director or the Seller Manager Director fails to attend the reconvened meeting then (subject to Article 20 7) the quorum for such meeting shall be any two directors
- 23 2 Any director or his alternate may validly participate in a meeting of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the meeting then is
- 23 3 Save with the consent of an Investor Director
- 23 3 1 the Board shall not delegate any of its powers to a committee, and
- 23 3 2 meetings of the Board shall not be held outside the United Kingdom
- 23 4 The Chairman of the Board shall not have a second or casting vote at a meeting of the Board The fifth sentence of regulation 88 shall not apply
- 23 5 Subject to disclosure under section 317 of the Act and to Article 20 7, a director may vote at any meeting of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which conflicts or may conflict with the interests of the Company Regulations 94 and 95 shall not apply

24 RETIREMENT OF DIRECTORS

- 24 1 Directors shall not be required to retire by rotation Regulations 67 and 78 shall be modified accordingly Regulations 73 to 77, the second and third sentences of regulation 79, regulation 80 and the last sentence of regulation 84 shall not apply
- 24 2 The office of a director (other than an Investor Director) shall be vacated if (being an executive director) he ceases to be employed or engaged by any member of the Group unless an Investor Majority otherwise agrees Regulation 81 shall be extended accordingly.

25 NOTICES

- 25 1 Any notice to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board.
- 25 2 The figure "24" shall be inserted in substitution for the figure "48" on each occasion where it appears in the final sentence of regulation 115 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left

26 INDEMNITY

- 26 1 Subject to the provisions of the Act, but without prejudice to any other indemnity to which the person concerned may otherwise be entitled, every director, alternate director, secretary or other officer (but excluding the auditor) of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation thereto Regulation 118 shall be extended accordingly
- 26 2 The directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may be lawfully insured against

27 PARTLY PAID SHARES

- 27 1 The liability of any member 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 because of the non-payment"
- 27 2 If the subscription price of any share (including any premium) is partly paid, the voting rights, rights to dividend and rights on a Realisation of that share shall in each case be abated in the same proportion as the unpaid amount bears to the total subscription price

Company No. 6302477

GHD GROUP HOLDINGS LIMITED

("Company")

CLASS CONSENT

OF

C ORDINARY SHAREHOLDERS

We, the undersigned, being members of the Company holding C ordinary shares of £1 each in the capital of the Company ("Shares") (who together hold not less than three quarters in nominal value of the issued Shares) consent to all variations in the rights attaching to the Shares, as a result of the passing of the shareholder written resolutions in the form attached and initialled by a director of the Company for identification purposes


By a duly authorised signatory on behalf of Paul Stoneham
GHD EBT Company Limited

Date 4 MAY 2012

Mark Hall

Date 4 MAY 2012

By Peter Marsden

Date 4 MAY 2012

Date

Sarah Lambley

Date 4 MAY 2012

By John Lovering

Date.

Company No. 6302477

GHD GROUP HOLDINGS LIMITED

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By a duly authorised signatory on behalf of Paul Stoneham
GHD EBT Company Limited

Date.

Date

Mark Hall

Sarah Lambley

Date

Date

By Peter Marsden

By John Lovering

Date

Date

4 May 2012

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
COPY WRITTEN RESOLUTIONS
of
GHD GROUP HOLDINGS LIMITED
("Company")

PASSED ON 4 May 2012

In accordance with the written resolution procedure in Chapter 2 of part 13 of the Companies Act 2006, the following resolutions were duly passed as special resolutions as indicated below:

SPECIAL RESOLUTIONS

- 1 **That:**
 - 1 1 367,995 of the issued B ordinary shares of £1 00 each in the capital of the Company held by HSBC Global Custody Nominee (UK) Limited as nominee for each of Montagu III LP, Montagu III GmbH & Co KG, Montagu Investor LP and Montagu III B LP be sub-divided into 367,995 B ordinary shares of £0 50 each and 1,839,975 B ordinary shares of £0 10 each, and
 - 1 2 367,995 of the resulting B ordinary shares of £0 50 each be re-designated as an A ordinary share of £0 50 ("**A Share**") and 1,839,975 of the resulting B ordinary shares of £0 10 be re-designated as 1,839,975 deferred shares of £0 10 ("**Deferred Shares**"), such A Shares and Deferred Shares having the rights set out in the articles of association of the Company
- 2 **That** 32,005 of the issued B ordinary shares of £1.00 each in the capital of the Company be re-designated as C1 ordinary shares of £1 00 each having the rights set out in the articles of association of the Company



Director

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
COPY WRITTEN RESOLUTION
of
GHD GROUP HOLDINGS LIMITED
("Company")

PASSED ON 4 May 2012

In accordance with the written resolution procedure in chapter 2 of part 13 of the Companies Act 2005 the following resolution was duly passed on 4 May 2012 as a special resolution as indicated below:

ORDINARY RESOLUTION

- 1 **That**, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company up to an aggregate nominal amount of £1.00, being 10 E ordinary shares of £0.10 each, **provided that** (unless previously revoked, varied or renewed) this authority shall expire on the first anniversary of the date on which this resolution was circulated.

SPECIAL RESOLUTIONS

2. **That:**
- 2.1 subject to the passing of resolution 1 and pursuant to section 571 of the Companies Act 2006 ("Act"), section 561 of the Act and article 8.2 of the articles of association of the Company do not apply to the allotment of equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 1, and
- 2.2 this resolution shall expire on the first anniversary of the date on which this resolution was circulated
- 3 **That** one C1 ordinary share of £1 held by Mark Hall be re-designated as a C3 ordinary share of £1, to have the rights and be subject to the restrictions set out in the articles of association of the Company



Director

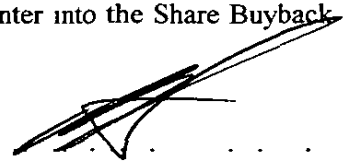
THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
COPY WRITTEN RESOLUTION
of
GHD GROUP HOLDINGS LIMITED
("Company")

PASSED ON 4 May 2012

In accordance with the written resolution procedure in Chapter 2 of part 13 of the Companies Act 2006, the following resolution was duly passed as a special resolution as indicated below

SPECIAL RESOLUTION

That the terms of the proposed contract ("**Share Buyback Contract**") for the purchase by the Company from Montagu III LP, Montagu III GmbH & Co KG, Montagu Investor LP and Montagu III B LP of a total of 1,839,975 Deferred shares of £0.10 each in the Company ("**Sale Shares**") for the aggregate sum of £1 00 (a copy of which contract is supplied with this written resolution) be and is hereby approved and that the Company be and is hereby authorised to enter into the Share Buyback Contract



Director