

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

SELECT LIVING PROPERTIES LIMITED (the "Company")

31 / 8 / 2010

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as written resolutions of the Company, having effect as ordinary and special resolutions (the "Resolutions")

ORDINARY RESOLUTIONS

- 1 **THAT** the share capital of the Company be re-organised by reclassifying the 3 ordinary shares of £1 each in the capital of the Company into 3 A ordinary shares of £1 each and each having the rights set out in the articles of association to be adopted by the Company pursuant to Resolution 4
- 2 **THAT** in substitution for any previous authority, the Directors be hereby generally and unconditionally authorised, in accordance with section 551 of the Act, to allot shares in the Company up to a maximum aggregate nominal amount of £1000 provided that this authority will expire on the date being five years from the date on which this resolution is passed, but the Company may before this authority expires make an offer or agreement which would or might require shares to be allotted after this authority expires and the Directors may allot shares pursuant to such offer or agreement as if this authority had not expired

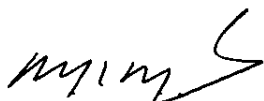
SPECIAL RESOLUTIONS

- 3 **THAT**, subject to the passing of Resolution 2, the Directors be hereby given power in accordance with section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority conferred by Resolution 2 above as if section 561(1) of the Act did not apply to the allotment provided that such power shall expire when the authority conferred by Resolution 2 is revoked or expires unless previously renewed, varied or revoked by the Company in general meeting but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired
- 4 **THAT** the new articles of association of the Company be adopted in the form of the document attached to this Special Resolution

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions

The undersigned was at the time the Resolutions were circulated entitled to vote on, and hereby irrevocably agree to, the Resolutions

A handwritten signature in black ink, appearing to be 'mying' followed by a large, stylized flourish.

31/8/10

For and on behalf of Sovereign Capital Limited Date
Partnership II, and English Limited partnership
established under the Limited Partnership Act 1907,
acting by its duly authorised signatory ("SCLP II")

NOTES

- 1 If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods -
 - **By Hand** delivering the signed copy to Laura Coulter at Pinsent Masons LLP, 3 Colmore Circus, Birmingham, B4 6BH,
 - **Post** returning the signed copy by post to Laura Coulter at Pinsent Masons LLP, 3 Colmore Circus, Birmingham, B4 6BH,

If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
- 2 Once you have indicated your agreement to the Resolution, you may not revoke your agreement
- 3 Unless, by 28 days from the circulation date stated above, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date
- 4 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

Company No 7327304

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

of

SELECT LIVING PROPERTIES LIMITED

(Adopted by Special Resolution passed on 31/8/2010)



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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

of

SELECT LIVING PROPERTIES LIMITED

(Adopted by Special Resolution passed on 2010)

1 PRELIMINARY

1 1 The definitions and other interpretation provisions of the Schedule to these Articles shall apply

1 2 In these Articles, a reference to a **"group undertaking"** or a **"subsidiary undertaking"** is to be construed in accordance with sections 1161 and 1162 respectively of the Act and a reference to a **"subsidiary"** or **"holding company"** is to be construed in accordance with section 1159 of the Act

1 3 A reference in these Articles to a statute, statutory provision or sub-ordinate legislation (other than in Article 1 8 or the definition of "Model Articles") is a reference to it as it is in force from time to time, taking account of -

1 3 1 any subordinate legislation from time to time made under it, and

1 3 2 any amendment or re-amendment and includes any statute, statutory provision or sub-ordinate legislation which it amends or re-enacts

1 4 In these Articles, a reference to any other document is a reference to that other document as amended, varied, novated or supplemented (other than in breach of the provisions of the relevant other document) from time to time

1 5 The regulations contained in or incorporated in the Model Articles shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded, varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company

1 6 An Investor Consent required or permitted to be given under these Articles may be given by any Investor Director who holds office as a director of the Company at the time that the consent or direction (as the case may be) is given Any written consent or approval given by an Investor Director or the Investor Majority after a matter or event in respect of which Investor Consent is required shall, unless such consent or approval expressly states otherwise, be deemed to be an Investor Consent for the purpose of these Articles

1 7 Regulations 2, 8, 9(2) to 9(4) (inclusive), 10, 14, 17, 18, 21, 26(1), 26(5), 30(5) to 30(7) (inclusive), 38, 48(1), 48(2), 52 and 53 of the Model Articles shall not apply to the Company

1 8 Unless the context otherwise requires (for example, where otherwise defined herein), words or expressions defined in or having a meaning provided by the Act (as in force at the date these Articles became binding on the Company) shall have the same meaning when used in these Articles

1 9 Where an ordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose

1 10 The headings in these Articles are for convenience only and shall not affect their meaning

1 11 A reference in these Articles to an Article is a reference to the relevant Article of these Articles unless expressly provided otherwise

1 12 In construing these Articles, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words

2 **LIMITATION OF LIABILITY**

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

3 **SHARE CAPITAL**

3 1 The share capital of the Company is divided into A Ordinary Shares

3 2 Regulation 36 of the Model Articles shall be modified as follows

3 2 1 by inserting the words "or in or towards paying up, on their behalf, the amounts, if any, for the time being unpaid on any Shares held by each person entitled respectively" at the end of regulation 36(3), and

3 2 2 by inserting the words "(credited up as fully paid)" after the word "debentures" in regulation 36(5)(c)

3 3 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a share, the directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale

3 4 Except as otherwise expressly provided in these Articles, the Equity Shares shall rank *pari passu* in all respects

4 **INCOME AND CAPITAL**

4 1 Subject to the class rights attaching to the Investor Shares any profits resolved to be distributed in any Financial Year or part thereof shall be distributed amongst the holders of the Equity Shares, *pari passu* as if the same are one and the same class of share, *pro rata* to the number of Equity Shares respectively held by them

4 2 On a return of assets on liquidation or otherwise, the assets of the Company remaining after payment of its debts and liabilities and available for distribution to holders of Equity Shares shall be applied in the following manner and order of priority

4 2 1 first, in paying to the holders of the Equity Shares (in proportion to the number of Equity Shares held by them respectively) the amounts respectively paid up or credited as paid up thereon,

4 2 2 lastly, the balance (if any) shall be distributed between the holders of the Equity Shares (as if one and the same class) pro rata to the number of Equity Shares respectively held by them

4 3 On a Sale, the total consideration received in respect of the Equity Shares shall be allocated between the sellers of such shares to the extent necessary to ensure that the aggregate sale proceeds are apportioned in the priority provided in Article 4 2

5 VOTING RIGHTS

5 1 Each holder of 'A' Ordinary Shares holding not less than five per cent of all the issued 'A' Ordinary Shares present in person or by proxy or corporate representative shall be entitled on a show of hands to one vote and, on a poll the number of votes available to all the holders of 'A' Ordinary Shares shall be equal to the number of issued 'A' Ordinary Shares and shall be attributed and be exercisable by the holders of the 'A' Ordinary Shares holding not less than five per cent of all the issued 'A' Ordinary Shares pro-rata to their respective such holdings

5 2 Except as expressly provided below, a holder of any other class of shares in the capital of the Company present in person or by proxy or other voting representative permitted by these Articles shall be entitled on a show of hands to one vote and on a poll to one vote for every Equity Share of which he is the holder

5 3 During a Default Period only the holders of the 'A' Ordinary Shares shall be entitled to vote, in accordance with Article 5 1, and any holder of 'A' Ordinary Shares may convene a general meeting, by such notice as is required by the Act and these Articles, as if such holder had full and immediate authority on behalf of the Board for that purpose The Company shall be provided with a copy of the notice convening the meeting at the same time as it is sent to the members entitled to receive the same

5 4 For so long as any Privileged Relation and/or Family Trust of a Relevant Executive or former Relevant Executive shall hold shares in the Company and such a Relevant Executive or former Relevant Executive shall be physically able to do so and none of the circumstances in Article 18 3 2 or 18 3 3 apply to him, all votes attaching to the shares so held shall only be voted by or under direction of such a Relevant Executive or former Relevant Executive, except to the extent otherwise agreed from time to time by Investor Consent

5 5 Unless otherwise agreed by Investor Consent, no member shall be entitled to exercise any voting rights attaching to his shares whilst a Mandatory Transfer Notice has been given or deemed given in respect of them and has not expired

6 CLASS CONSENTS. INVESTOR SHARES

6 1 Investor Consent shall be required before the Company or any other member of the Group shall

6 1 1 except as expressly provided in the Subscription Agreement create or allot or issue any further shares or grant or agree to grant to any person any option or right to subscribe for convert into or otherwise to require the issue or allotment of any shares or the creation or allotment or issue of shares, except to the Company or a subsidiary thereof,

6 1 2 pass a resolution for the reduction or cancellation of its share capital or the reduction of any uncalled liability in respect thereof,

6 1 3 purchase or redeem the whole or any part of its share capital other than in accordance with the terms of issue of any class of share capital,

- 6 1 4 modify vary alter or abrogate any of the rights privileges or restrictions attaching to any of the classes of its share capital,
- 6 1 5 sell transfer lease licence or otherwise dispose of the whole or any material part of its business undertaking or assets whether by a single transaction or series of transactions related or not,
- 6 1 6 make or permit any material alteration (including cessation) to the general nature of the business carried on by it from time to time,
- 6 1 7 establish or adopt or (except with Special Director Consent) operate any retirement death or disability scheme or any bonus or profit sharing scheme or any share option scheme, employee share ownership plan or employees trust or other similar incentive scheme,
- 6 1 8 change its corporate name or (except with Special Director Consent) any name under which it carries on its business or any part thereof,
- 6 1 9 make any alteration to its Memorandum and Articles of Association,
- 6 1 10 pass any resolution or seek any order or take any steps with a view to the liquidation, winding up or striking off dissolution or administration or receivership of any member of the Group or the equivalent in any other jurisdiction,
- 6 1 11 except for any dividends due and payable on Investor Shares or for dividends paid to the Company or a wholly owned subsidiary thereof, make any distribution by way of dividend or otherwise out of its profits or reserves,
- 6 1 12 approve or adopt its annual accounts or any subsequent modification thereto,
- 6 1 13 except as expressly provided in the Subscription Agreement, issue, redeem or purchase any loan stock or loan notes or prepay any bank debt, or
- 6 1 14 enter into any agreement commitment or arrangement to do any of the foregoing
- 6 2 Special Director Consent shall be required before the Company or any other member of the Group shall
 - 6 2 1 make or provide any loan or financial facility other than (i) credit given in the ordinary course of business or (ii) loans to the Company or any subsidiary thereof and (iii) loans not exceeding £1,000 in the aggregate to any individual director or employee by way of advance to cover reasonable business expenses (iv) by way of season ticket loan to any individual director or employee,
 - 6 2 2 give any guarantee, suretyship or indemnity or similar liability in respect of the obligations of any person firm or company other than the Company or a wholly owned subsidiary thereof,
 - 6 2 3 enter into any factoring or invoice discounting arrangements in respect of its debts,
 - 6 2 4 permit or allow or do anything which results or will result in a breach of Article 22 (Borrowing Powers of Directors),
 - 6 2 5 acquire share or loan capital of another company wherever incorporated (other than by way of formation of a wholly owned subsidiary) or any business or undertaking,
 - 6 2 6 dispose of or dilute its interest directly or indirectly in any subsidiary or subsidiary undertaking,
 - 6 2 7 save as expressly contemplated by the Projections referred to in the Subscription Agreement or any subsequent budgets expressly approved by Special Director Consent

for this purpose, incur in any accounting period any capital expenditure or enter into any capital commitment (which expression shall include without limitation the entry into any transactions involving the taking by it or its own acquisition on hire and/or hire purchase of plant machinery or any conditional sale or deferred payment arrangement) exceeding in the aggregate £50,000 or such other limit as may from time to time be approved by Special Director Consent,

- 6 2 8 acquire develop dispose relocate or close any property or premises or business outlet (freehold or leasehold) or any interest therein other than by way of renewal of any lease previously held by the Company or the subsidiary concerned on fair market terms,
- 6 2 9 except solely in the ordinary course or business, enter into any agreement to occupy or permit any third party to occupy any property or premises (whether freehold or leasehold) or vary any of the material terms under which it occupies or permits any third party to occupy any property or premises,
- 6 2 10 enter into or vary any of the material terms of any material agreement for the acquisition and/or user or other exploitation (whether by a member of the Group or a third party) of any intellectual property rights,
- 6 2 11 engage or dismiss or enter into or terminate any agreement of service or for services with any director or Senior Executive,
- 6 2 12 make any material change to the remuneration or benefits (including but not limited to agreeing the extent of such benefits) or other terms of employment or engagement any of its directors or Senior Executives or grant any material waiver or consent in respect thereof,
- 6 2 13 make payment by way of bonus or profit share to, any of its directors or Senior Executives and then only (in the case of a bonus or profit share payments) in amounts approved by a remuneration committee of the Board consisting of a majority of non-executive directors,
- 6 2 14 appoint or remove any director (other than an alternate director or an Investor Director pursuant to these Articles),
- 6 2 15 enter into any transaction or arrangement which is not either properly ancillary to or in the normal and ordinary course of conducting its business,
- 6 2 16 enter into any transaction or arrangement which is not on arm's length terms or which is of a particularly long term or unusual nature
- 6 2 17 enter into or in any material respect vary the terms of or grant any material waiver or consent in respect of an agreement or a transaction with any person who is or has in the previous twelve months been a director or shadow director or shareholder of the Company or connected person of such a director a shadow director or shareholder (save as expressly contemplated by the Subscription Agreement or for an agreement or transaction in the ordinary course of its trade and which in the reasonable opinion of the Special Director is not material to the Group as a whole),
- 6 2 18 remove its Auditors or appoint any new or additional Auditors, except in the case of a subsidiary or subsidiary undertaking of the Company to remove its auditors and appoint in their place the auditors of the Company,
- 6 2 19 change its accounting reference date (except, in the case of a subsidiary, to conform with that of the Company),
- 6 2 20 seek to take any steps to achieve a Flotation or a Sale, or
- 6 2 21 enter into any agreement, commitment or arrangement to do any of the foregoing

- 6 3 The provisions of Article 6 2 (matters requiring Special Director Consent) are special rights of (and only of) the 'A' Ordinary Shares and Article 9 shall be construed accordingly

7 AUTHORITY TO ALLOT

- 7 1 Subject to the Articles, but without prejudice to the rights attached to any existing shares, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution

- 7 2 The authority contained in Article 7 1 insofar as the same relates to relevant securities (as defined aforesaid) shall, unless revoked or varied in accordance with sections 549 to 551 of the Act

7 2 1 be limited to a maximum nominal amount of shares equal to the amount of the authorised but unissued share capital of the Company immediately following the time of the passing of the resolution adopting these Articles, and

7 2 2 expire on the first anniversary of the date of the passing of such resolution but without prejudice to any offer or agreement made before that anniversary which would or might require the exercise by the Directors after such anniversary of their powers in pursuance of the said authority

- 7 3 In exercising their authority under this Article the Directors shall not be required to have regard to Section 561 or (insofar as the exclusion of the application of such sub sections is permitted by the Act) Section 562 of the Act which provisions shall be excluded from applying to the Company

8 NEW SHARE ISSUES

- 8 1 Subject to the special rights of the respective classes of shares and to Articles 8 3 and 8 4 and to the Subscription Agreement and (subject thereto) as may otherwise be resolved by special resolution ,any unissued shares (whether forming part of the original share capital or not) shall, before they are issued, first be offered as follows to the members

8 1 1 the offer shall be made by notice in writing to all the members specifying the number and class and subscription price of the shares on offer limiting the time (not being less than seven days or) within which the offer may be accepted,

8 1 2 any Equity Shares offered to a member by reference to a particular class of Equity Shares already held by him shall be issued as shares of the same class,

8 1 3 acceptances shall be given to the Company by notice in writing and in such acceptance the applicant shall state the number of the shares on offer which he is willing to subscribe for,

8 1 4 after the end of such offer period or after the Company shall have received notice of the acceptance or as the case may be refusal of such offer from every offeree (whichever shall be the earlier event) the Directors shall allot the offered shares, first to and amongst the applicants who are registered as holders of the then issued Equity Shares and to the extent there is competition between them, pro-rata according to the number of Equity Shares in respect of which they are respectively registered as holders and secondly (if any of the offered shares shall remain after such applicants have been satisfied in full) to and amongst the remaining applicants and, to the extent there is competition between them, pro rata to the number of shares of the Company other than Equity Shares in respect of which they are respectively registered as holders

PROVIDED THAT no applicant shall be obliged to take more than the maximum number of offered shares specified by him in his application as aforesaid

- 8 2 If all or any of the unissued shares to which Article 8 1 applies are not taken up in accordance with the provisions of Article 8 1 the Directors may offer such shares at the share price to a third party (to be approved by Investor Consent) and, subject to these Articles and to the provisions of the Act,

such shares shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit

8 3 Article 8 1 shall not apply to 'A' Ordinary Shares to be allotted under any express provision of the Subscription Agreement

8 4 The provisions of Article 8 1 shall not apply to the grant of a Permitted Option nor to the allotment of any other class of shares in the capital of the Company on exercise thereof but subject always to the terms of any Investor Consent relevant to the Subscription Rights concerned

9 VARIATION OF RIGHTS

9 1 If at any time the share capital is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with the approval of an Extraordinary Resolution passed at a separate class meeting of the holders of the issued shares of that class, or with the consent in writing of a Majority of that class (or such higher percentage as may be required by the Act)

9 2 The provisions of these Articles, regulations relating to General Meetings shall apply to every separate General Meeting referred to in Article 9 1, but the necessary quorum shall be two persons at least holding or representing by proxy or corporate representative three quarters or more in nominal value of the issued shares of the class and that any holders of shares of the class present in person or by proxy may demand a poll and on a poll each share concerned shall carry one vote PROVIDED THAT where there is only one holder of the issued shares of the relevant class a quorum shall be that holder alone present in person or by proxy or corporate representative

9 3 Nothing in these Articles or otherwise shall confer any special rights or privileges or class rights or entitlements on the holders of any shares which are not Investor Shares during any Default Period and nothing done in a Default Period (or thereafter as a necessary consequence of anything done or any right or entitlement granted during a Default Period) by the Company or any member of the Group or any other shareholder thereof shall constitute or be deemed to constitute any variation modification or abrogation of the rights of or require any consent to be obtained from the holders of any shares which are not Investor Shares or any of them, other than anything which imposes upon the holder of any such shares any liability greater than that to which the subscriber of the same was subject at the time of their issue Each holder of shares which are not Investor Shares hereby gives his irrevocable authority and power of attorney to the Special Director or any holder of Investor Shares to sign and give any waiver or consents on his part necessary to give effect to the foregoing provisions of this Article 9 3 including any which by virtue of Section 334 and 630 of the Act or otherwise can only be effective if so separately given

9 4 For the avoidance of doubt and subject to Article 9 3, the variation, modification, abrogation or cancellation of this Article or of any provision of these Articles which contains or affects any class rights shall (save as expressly provided herein) require the consent aforesaid of the holders of shares of the class or classes concerned to be effective

9 5 In exercising any class rights as the holder of any particular class of share such holder shall be entitled to exercise such rights in its absolute discretion as it sees fit including for the avoidance of doubt without regard to the interests of any other holder of the same class of shares or the rights of holders of that particular class as a whole

10 LIENS AND OTHER CAPITAL PROVISIONS

10 1 The Company shall have a first and paramount lien on all shares standing registered in the name of any person indebted or under liability to the Company and a right of set off against all moneys payable by the Company on or in respect of the same, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company whether in respect of those shares or otherwise

10 2 If any PAYE or income tax and/or national insurance contribution (or similar or substituted tax) liability and/or related interest penalties, fines, costs and expenses (together "**employee related tax liability**") becomes payable by the Company and/or any subsidiary thereof by reference to any shares held or disposed of by any member (even if the employee or director or former employee or director of the Company or other relevant Group member by reference to which the relevant employee related tax liability arises or arose is a person other than that member) the member concerned shall be liable on demand by the Company or Special Director and without right of reimbursement from the Group, to make payment to the Company of such amount as on an after tax basis will meet the employee related tax liability concerned and the lien referred to in Article 10 1 shall extend, as security for any such amount payable, to the shares concerned and to any proceeds for sale or other disposal thereof. On a Sale or Flotation the Company shall without limitation be irrevocably appointed as attorney and authorised on behalf of any such member to make such arrangements as are necessary for any such amounts payable by him under this Article 10 2 to be directly paid to the Company or relevant member of the Group out of any proceeds of sale which are payable for such shares on such Sale or under the Flotation arrangements

10 3 Subject to the provisions of Part 17 and Part 18 of the Act and to the rights of the holders of the respective classes of shares of the Company, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder, purchase its own shares (including any redeemable shares), and make a payment in respect of the redemption or purchase otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by sections 709, 710 and 734 of the Act

11 TRANSFERS - GENERAL

11 1 No shares or any interest therein shall be transferred and the Directors shall not register any transfer of shares in the Company other than a Permitted Transfer and, subject only to Article 12, the Directors shall be obliged to register a Permitted Transfer

11 2 For the purposes of the provisions of these Articles relating to transfer of shares, a transfer of shares includes a renunciation of any allotment of shares or of any Subscription Rights and any other disposition of any interest in any share (or the income or capital or other rights referable thereto) whether legal beneficial or otherwise (including the entry into any option or other agreement (conditionally or otherwise) for the possible sale or transfer thereof or grant of any security thereover) and whether or not for consideration or by written disposition or otherwise

11 3 Any transfer or purported transfer of any share or of any interest therein made otherwise than in accordance with these Articles shall be void and of no effect whatsoever. In addition the Directors shall be at liberty by notice in writing to the registered holders thereof to disenfranchise any shares which are the subject of a transfer not made in accordance with these Articles until such time as the Directors (acting reasonably) are satisfied that the provisions of these Articles relating to transfer of shares have been complied with

11 4 The transferor of any share shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof

12 SPECIAL TRANSFER PROVISIONS

12 1 Save for transfers of A Ordinary Shares, no transfer of any other class of shares or any interest therein shall be made or registered without Investor Consent except

12 1 1 pursuant to acceptance of an offer made and completed under and in accordance with Article 15 1 or Article 15 2, or

12 1 2 by way of Permitted Family Transfer to the extent expressly permitted by the Subscription Agreement, or

12 1 3 where required and made in accordance with Article 14

- 12 2 No transfer of any shares or any interest therein shall be made or registered, without Investor Consent
- 12 2 1 in breach of the Subscription Agreement or any deed of adherence thereto, or
- 12 2 2 in favour of a Competitor or any nominee thereof
- 12 3 The following provisions shall apply as regards Restricted Securities, except to the extent otherwise agreed by Investor Consent -
- 12 3 1 for the purposes of this Article "**Restricted Securities**" shall mean any restricted securities or interests in restricted securities as defined in Part 7 of the Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") as amended or proposed to be amended by the Finance Act 2003 in the Company or any member of the Group and other words and expressions defined in such Part 7 shall bear the same meaning except where clearly inconsistent with the context,
- 12 3 2 no Restricted Security or interest therein shall be transferred or otherwise disposed of or allotted or issued to any person in circumstances where as a result that person and the Company or another member of the Group could make an election in respect thereof under Section 431(1) ITEPA (an "**Up Front Election**"), unless the Board and the Special Director are satisfied that such election will be made and submitted to the Inland Revenue in the manner and by the latest time provided by Section 431(1) and (5) ITEPA,
- 12 3 3 each member who through employment by any member of the Group becomes entitled to make an Up Front Election or who is an associated person of a person so entitled shall and shall procure that any such associated person shall duly join with this employer member of the Group in duly making and submitting that election as and within the time limits provided in Sections 431(4) and (5) ITEPA and such member hereby irrevocably and as security for his due performance of such obligation appoints the Secretary for the time being of the Company as his attorney for the purposes of signing and making any submitting any such election on his behalf,
- 12 3 4 each member shall duly provide to the Company and relevant employer member of the Group such information as it shall require or need for the purposes of fulfilling its obligations as a responsible person in relation to that member and/or his associated persons and/or any Restricted Securities or interest therein from time to time held or owned or formerly held or owned or proposed to be acquired by him and/or any such associated person and in particular and without limitation shall notify the Company of any reportable event and/or chargeable event relevant thereto without delays after it occurs, and
- 12 3 5 the Company shall procure that any Up Front Elections required to be signed and made by it and/or any other employer member of the Group as required by the foregoing are duly made as so required and in the manner and by the latest time provided in Sections 431(4) and (5) ITEPA
- 12 4 The Directors may in their absolute discretion and shall if required by any Special Director, and without assigning any reason therefor, decline to register (i) any transfer of any share over which the Company has a lien, (ii) any transfer to more than four transferees, (iii) any transfer comprising shares of more than one class, (iv) any transfer of any share which is not fully paid to a person of whom the Directors do not approve, or (v) any transfer to an infant, bankrupt or person suffering from mental disorder as that expression is used in the Model Articles, or (vi) any transfer made otherwise than in accordance with the Model Articles
- 13 **EXPRESSLY PERMITTED TRANSFERS**
- 13 1 The provisions of this Article 13 are subject to the restrictions in Article 12

- 13 2 Any share may be transferred at any time by a member to any other person with the written consent of the holders of not less than eighty per cent (or during a Default Period, fifty-one per cent) in nominal value of the issued Equity Shares or (except where Article 15 applies) with Investor Consent
- 13 3 Without prejudice to the provisions of these Articles, any share may be transferred to a person to be held as bare nominee and any shares held by a member as bare nominee may be transferred to any other person or persons provided, in either such case, that the transferor and transferee certify to the Company and the Directors (including any Investor Director) are satisfied that no beneficial interest in such shares passed by reason of the transfer
- 13 4 Subject to Article 13 5 and subject also to Investor Consent first being obtained where the shares are not Investor Shares, the following transfers of shares shall be permitted and constitute Permitted Family Transfers for the purposes of these Articles
- 13 4 1 a transfer of shares by their absolute beneficial owner, being an individual ("**the Original Member**") or his personal or other legal representatives, to a Privileged Relation of his or to trustees to be held on Family Trusts of his,
- 13 4 2 a transfer of any shares transferred under Article 13 4 1 and/or any Related Shares in relation thereto
- (a) to the Original Member or any Privileged Relation of his, or
- (b) by the trustees of the Family Trust concerned to new or continuing trustees thereof,
- 13 4 3 a transfer of any shares held on the Adoption Date and/or thereafter acquired by the trustees of a Family Trust of an Approved Beneficiary and/or any Related Shares in relation thereto
- (a) to the Approved Beneficiary or any Privileged Relation of his, or
- (b) to new or continuing trustees of such Family Trust
- 13 5 If a member holds shares as a result of an earlier transfer under Article 13 4 that member may only transfer such shares and/or any Related Shares in relation thereto under Article 13 4 to a person to whom the member who originally transferred him the shares could have transferred them under Article 13 4
- 13 6 Any Investor may transfer all or any of its shares
- 13 6 1 to a Permitted Investor Transferee, or
- 13 6 2 to a member who is already an Investor (or a person who is a Permitted Investor Transferee thereto), or
- provided that, in the case of Article 13 6 2, the transfer is approved by Investor Consent Each person holding shares as a result of any such Permitted Transfer shall also be an Investor for the purposes of these Articles
- 13 7 If a member holds shares as a result of an earlier transfer under Article 13 6 1, that member may only transfer such shares and/or any Related Shares in relation thereto under Article 13 6 1 to a person to whom the member who originally transferred him the shares could have transferred them under Article 13 6 1
- 13 8 Any shares may be transferred to the trustees of an Employees Trust or by the trustees of an Employees Trust to any beneficiary hereunder and the trustees of an Employee Trust may grant options in favour of any such directors or employees, provided in any such case such transfer or

option is effected or granted in accordance with the terms of such trust and has been approved by Special Director Consent

14 MANDATORY TRANSFERS

14 1 Subject to Article 14 2 if a person becomes a Leaver

14 1 1 he and each Relevant Member in relation to him shall, if and to the extent required by the Directors or any Special Director by notice in writing given to him (or his personal representative, as appropriate) at any time and from time to time during the period of twelve months following his Leaving Date, give a Mandatory Transfer Notice or Notices in respect of all or any of his or their Relevant Shares,

14 1 2 if he or any Relevant Member in relation to him shall have been required to give a Mandatory Transfer Notice pursuant to Article 14 1 1 above or if when he became a Leaver he held no shares in the Company in respect of which such a Transfer Notice could have been required, he shall, if he subsequently becomes registered or unconditionally entitled to be registered as the holder of shares in the Company pursuant to a right or opportunity made available to him prior to his becoming a Leaver, be deemed (unless otherwise agreed by all the Directors with Investor Consent) to have served a Mandatory Transfer Notice in respect of all such shares, upon becoming so registered or entitled

14 2 The Company may from time to time agree in writing, with Investor Consent, to exclude any one or more particular individuals and/or any of his or their Relevant Members from the provisions of Article 14 1, whether generally or in respect of a designated proportion of his or their Relevant Shares

14 3 If a Family Trust ceases for any reason to be a Family Trust any shares held by such trust shall be transferred (either directly or upon trust) to the Original Member or Approved Beneficiary whose Family Trust it is or to Privileged Relation(s) of that Original Member or Approved Beneficiary within twenty one days of that event failing which the trustees shall be deemed to have given a Mandatory Transfer Notice (in respect of all such shares held by the trustees) at such time thereafter as the Directors of the Company (with Investor Consent) or any Special Director shall notify it in writing

14 4 If any person holding shares as a bare nominee as contemplated by Article 13 3 ceases to be such a nominee and shall fail within twenty-one days of such event to transfer all the shares concerned to the original beneficial owner then such person shall be deemed to have given a Mandatory Transfer Notice in respect of such shares at such time thereafter as the Directors of the Company (with Investor Consent) or any Special Director shall notify to him in writing

14 5 A person entitled to shares in consequence of the death, bankruptcy, receivership or liquidation of a member shall be bound at any time within twelve months of becoming so entitled, if and when called upon in writing by the Directors or a Special Director so to do, to give a Mandatory Transfer Notice in respect of all shares then registered in the name of the deceased or insolvent member unless such person is, or shall (within twenty-eight days of becoming so entitled) transfer such shares to, a person to whom shares may be transferred pursuant to Article 13 The Model Articles shall be modified accordingly

14 6 If the Directors become aware that any shares are held by or for a Competitor they may with Investor Consent (and will if so required in writing by an Investor Majority) require, by written notice, the holder of the shares concerned to give a Mandatory Transfer Notice in respect of all or any of those shares either immediately or within such period as shall be specified in that notice

14 7 For the purpose of ensuring that a transfer of shares is in accordance with the provisions of these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Directors may (and shall if required by a Special Director) from time to time require any member or past member (including any one or more of joint holders of shares) or the legal personal representatives or the trustee in bankruptcy of any member or any person named as a transferee in any instrument of transfer lodged for registration, to furnish

to the Company such information and evidence as the Directors (including any Special Director) may reasonably think fit regarding any matter which they may reasonably deem relevant to such purpose

14 8 If any information or evidence requested under Article 14 7 is not provided to the reasonable satisfaction of the Directors (including any Special Director) within fourteen days after such a request, the Directors may (and will if required by any Special Director) refuse to register the transfer in question or (in case no transfer is in question) require by notice in writing that a Mandatory Transfer Notice is given in respect of the shares concerned. If such information or evidence discloses that in the reasonable opinion of the Directors a Transfer Notice ought to have been given in respect of any shares the Directors may (and will if required by any Special Director) by notice in writing require that a Mandatory Transfer Notice is given pursuant to these Articles in respect of the shares concerned.

14 9 Where under the provisions of these Articles a Mandatory Transfer Notice is required to be given in respect of any shares but it is not given within a period of fourteen days of demand therefor being made or within any other period specified it shall, be deemed to have been given on the fourteenth day after such demand is made or at the end of the relevant specified period, as appropriate.

15 TAG ALONG AND DRAG ALONG

15 1 Subject to Article 15 5, no sale or transfer of any shares ("**the Specified Shares**") shall be made which would result if made and registered (when taken together with all other proposed contemporaneous sales or transfers of shares in the Company) in a person or persons obtaining a Controlling Interest in the Company unless (i) the proposed transferee or transferees or his or their nominees has or have made a Qualifying Offer, as provided below, to purchase all of the issued share capital of the Company (including those to be issued on exercise of Subscription Rights) and (ii) all the Investor Loan Stock then in issue shall be redeemed by the Company or purchased by the Purchaser for its Specified Price referred to below on or before completion of the purchase of the Specified Shares.

15 2 If any Qualifying Offer which is proposed to be made under Article 15 1 is approved in writing for the purposes of this Article 15 2 and is accepted in respect of all their shares by the holders of at least fifty per cent (50%) in nominal value of the issued 'A' Ordinary Shares (even if including the purchaser or any persons connected with it or acting in concert with it) ("**the accepting Shareholders**") then the holders of the other Equity Shares (including those who become such holders through exercise of Subscription Rights) shall be deemed hereby (both in that capacity and also if relevant in their capacity as the holders of any Investor Loan Stock) to appoint such person as shall be appointed for this purpose by an Investor Majority as their attorney for the purposes of receiving and accepting and executing any documents on their part required under the terms of the offer (including any further powers of attorney to enable the purchaser of their shares to vote them pending registration of their transfer) and Article 16 11 shall apply mutatis mutandis for these purposes.

15 3 A Qualifying Offer for the purposes of the Article shall be in writing and

15 3 1 be unconditional or subject to a condition that if its conditions are not satisfied or waived by Investor Consent the proposed sale or transfer of the Specified Shares will not proceed,

15 3 2 be open for acceptance for at least twenty-one days from its date, which shall be specified therein,

15 3 3 be made at the Specified Price, as defined below, and

15 3 4 except where Article 15 2 applies, include a commensurate cash alternative for any part of the Specified Price that would otherwise not have been payable in cash.

15 4 For the purpose of this Article the expression "**the Specified Price**"

- 15 4 1 means in the case of any shares, and subject as provided below, a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for the Specified Shares subject to such adjustment as shall be necessary to give effect to the provisions of Article 4 2,
- 15 4 2 shall include an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as in addition to the price paid or payable for the Specified Shares,
- 15 4 3 shall, in the case of any Investor Shares not be less than the amount paid up on them (plus an amount equal to all dividends and other monies accrued but not paid by the Company thereon), and
- 15 4 4 means, in the case of any Investor Loan Stock to be purchased or redeemed, its Redemption Value
- 15 5 Articles 15 1 and 15 2 shall not apply to any sale or transfer of shares under any of Articles 13 3 to 13 8 inclusive
- 15 6 Article 16 shall not apply to any transfer of shares made under Article 15 2 in circumstances where the holders (or their attorney(s) appointed in accordance with Article 15 2) of all the Equity Shares accept such offer
- 15 7 In the event of disagreement as to the calculation of the Specified Price or the amount of any cash alternative therefor for the purposes of this Article such disagreement shall, if not resolved within 14 days of it arising, be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nominations, appointed by the President for the time being of the Institute of Chartered Accounts in England and Wales on application by any such party) whose decision shall be final and binding (in the absence of manifest error) and the costs of such umpire shall be borne as he shall direct or, in default of such a direction, equally by the parties to the disagreement
- 16 **THIRD PARTY TRANSFERS**
- 16 1 Subject to Articles 12, 13 and 15, no shares or any interest therein shall be transferred or disposed of whether by way of sale or otherwise except in accordance with the following provisions of this Article 16
- 16 2 Every holder of shares or person entitled to be registered in respect of a share or shares of the Company who intends to transfer or dispose of any share or shares registered in his name and/or to which he is so entitled or any interest therein ("**the Proposed Transferor**") shall give notice in writing to the Directors of such intention ("**a Transfer Notice**")
- 16 3 A Transfer Notice shall specify the number and class of shares which the Proposed Transferor intends to transfer and where a Transfer Notice is given or deemed given in respect of shares of more than one class a separate Transfer Notice shall be deemed to have been given in respect of each such class of share
- 16 4 A Voluntary Transfer Notice may provide as a condition ("**a Total Transfer Condition**") that unless all the shares specified or deemed comprised therein are sold to persons found by the Company pursuant to this Article none shall be sold, and except as hereinafter provided, a Transfer Notice once given or deemed to be given shall not be revocable without the written consent of the Board including the Special Director (if any) in office at the time
- 16 5 A Transfer Notice shall constitute the Company the agent of the Proposed Transferor to sell all the shares specified or deemed comprised therein ("**the Offered Shares**") in accordance with the provisions of this Article

- 16 6 Upon the expiry of seven days after determination of the Transfer Value of the Offered Shares as provided below and, provided the Proposed Transferor shall not have withdrawn the Transfer Notice as permitted in Article 16 18, the Directors shall forthwith by notice in writing inform
- 16 6 1 each of the members (other than the Proposed Transferor), and
- 16 6 2 where the Offered Shares are ordinary shares or other shares originally subscribed by an Employees Trust ("**Employee Shares**"), such employees or proposed employees of any Group Company and/or the trustees of such Employees Trust or Trusts as the Directors shall agree with Investor Consent and/or as shall be required by the Special Director,
- of the number of and the price (being the Transfer Value) of the Offered Shares and invite each member or (where appropriate) other persons referred to in Article 16 6 2 ("**Priority Offerees**") to whom such notice is given to apply in writing to the Company within twenty-one days of the date of despatch of the notice (which shall be specified therein) for such maximum number of the Offered Shares (being all or any thereof) as he shall specify in such application
- 16 7 The Directors shall, within seven days after the end of the twenty-one-day period referred to in Article 16 6, notify the Proposed Transferor of the number of Offered Shares (if any) for which they have found a purchaser or purchasers pursuant to Article 16 6 and, if the Directors have found such a purchaser or purchasers in respect of some only of the Offered Shares and the Transfer Notice properly contained a Total Transfer Condition, the Proposed Transferor shall be entitled to withdraw the Transfer Notice (in whole but not in part) within five days of such notification
- 16 8 During the three months following the end of the period of seven days referred to in Article 16 7 the Proposed Transferor (whether or not the Transfer Notice has been withdrawn under that paragraph) may (subject to Article 12) transfer to any person or persons at any price per share (not being less than the Transfer Value thereof determined aforesaid) any share not allocated in accordance with the provisions of this Article, except that if he has withdrawn the Transfer Notice under Article 16 7, he may not sell some only of the Offered Shares except with Investor Consent
- 16 9 If within the period of twenty-one days referred to in Article 16 6 applications are found for all or (except where the Transfer Notice is withdrawn under Article 16 7) any of the Offered Shares, the Directors shall allocate the Offered Shares (or so many of them as shall be applied for as aforesaid)
- 16 9 1 where the Offered Shares are Employee Shares, first to and amongst the applicant Priority Offerees in such proportions as the Directors shall agree with Investor Consent or to such persons who are or who are eligible to be Priority Offerees as shall otherwise be required by the Special Director and, secondly (if any such Offered Shares remain after such applications/transfers have been satisfied and effected in full), to and amongst the remaining applicants as provided in Articles 16 9 2 to 16 9 4,
- 16 9 2 except to the extent Article 16 9 1 applies, first or, as the case may be, next, to and amongst the applicants who are registered in respect of shares of the same class as the Offered Shares treating Equity Shares as one and the same class for this purpose (and to the extent there is competition between such applicants, pro rata according to the number of shares of such class of which they are registered as holders),
- 16 9 3 next (if any of the Offered Shares shall remain after the applicants under Articles 16 9 1 and 16 9 2 have been satisfied in full) to and amongst the remaining applicants who are registered holders of equity share capital of the Company (but not including any Equity Shares) and, to the extent there is competition between such remaining applicants, pro rata to the number of such shares of which they are respectively registered as holders, and
- 16 9 4 lastly (if any of the Offered Shares shall remain after all applicants under Articles 16 9 1 and 16 9 2 and 16 9 3 have been satisfied in full) to and amongst the remaining applicants (and, to the extent there is competition between such remaining applicants, pro

rata according to the number of the shares of the Company of whatever class in respect of which they are registered as holders)

PROVIDED THAT no applicant shall be obliged to take more than the maximum number of Offered Shares applied for by him as aforesaid and that all requisite adjustments shall be made in the event that any applicant allocated Offered Shares shall fail to complete the purchase of the same when required in accordance with this Article

- 16 10 The Directors shall forthwith give notice in writing of the allocations of Offered Shares made pursuant to Article 16 9 (an "**Allocation Notice**") to the Proposed Transferor and to the persons to whom Offered Shares have been allocated and (provided that the aggregate number of shares so allocated coincides with the number of shares notified to the Proposed Transferor pursuant to Article 16 7) the Proposed Transferor shall thereupon be bound to transfer the shares allocated upon payment of the Transfer Value thereof. An Allocation Notice shall state the names and address of the purchasers and the number of shares agreed to be purchased by them respectively and the purchases shall be completed at such place and such time as shall be specified by the Directors in such Notice being not less than seven days nor more than twenty-eight days after the date of such Notice
- 16 11 If the Proposed Transferor having become bound as aforesaid makes default in accepting payment of the purchase price for any Offered Share or, as the case may be, in transferring the same, the Directors or any Investor Director may receive such purchase money and may nominate some person to execute an instrument of transfer of such share in the name and on behalf of the Proposed Transferor and thereafter when such instrument has been duly stamped the Directors shall cause the name of the transferee to be entered in the Register of Members as the holder of such share and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor. The receipt of the Directors or any Investor Director for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after his name has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person
- 16.12 Subject to Article 16 13, where a Voluntary Transfer Notice is given by an Investor the Transfer Value shall be such price per share as the Proposed Transferor shall specify in such Transfer Notice or, if no such price is specified, the Transfer Value agreed or determined under Article 16 16
- 16 13 Where a Transfer Notice is given pursuant to acceptance of an offer made under Article 15, the Transfer Value shall be the Specified Price of the Offered Shares concerned
- 16 14 Where a Mandatory Transfer Notice is given pursuant to Article 14 1 (or when it could have been so required) by a Bad Leaver or by a Relevant Member in relation to a Bad Leaver, the Transfer Value shall save as set out in Article 16 15 below not exceed the amount paid up (inclusive of share premium) on the Offered Shares or, if lower, their Fair Value, unless otherwise agreed by Investor Consent
- 16 15 Where a Mandatory Transfer Notice is given pursuant to Article 14 1 (or when it could have been so required) by a Bad Leaver or by a Relevant Member in relation to a Bad Leaver in circumstances where such Bad Leaver has been required to resign due to a dispute with a chief executive officer of the Company appointed after the date of adoption of these Articles the Transfer Value shall be the Fair Value of the Offered Shares
- 16 16 When a Mandatory Transfer Notice is given under Article 14 1 (or when it could have been so required) by a Good Leaver or a Relevant Member of a Good Leaver, the Transfer Value of the Offered Shares shall be the amount (inclusive of share premium) paid up on the Offered Shares or, if higher, their Fair Value
- 16 17 Subject to Articles 16 12, 16 13, 16 14 and 16 15, the Transfer Value per share of any shares to be transferred pursuant to the provisions of these Articles shall be such sum as may be agreed between the Proposed Transferor and the Directors (with Investor Consent or the written consent of any Investor Director then in office) within twenty-eight days of the service or deemed service

upon the Company of a Transfer Notice in which the Offered Shares are comprised or, in default of such agreement, such sum as the Determining Accountant shall report in writing as being in his opinion the fair value thereof on the Relevant Date (as defined below) ("**the Fair Value**") on the following basis

- 16 17 1 assuming a sale as between a willing vendor and a willing purchaser of the whole of the issued shares of the Company in the open market,
- 16 17 2 by attributing to each class of shares such proportion of the sum calculated above as the Determining Accountant shall consider appropriate, and
- 16 17 3 by determining the Transfer Value per share of the Offered Shares by dividing the total value determined as aforesaid of the issued shares of the same class as (and including) the Offered Shares by the number of shares of such class then in issue

16 18 For the purposes of Article 16 16

16 18 1 the Determining Accountant shall be a chartered accountant appointed by agreement between the parties within seven days following the expiration of the period of twenty-eight days referred to in Article 16 16 or, failing such agreement, such valuer as is appointed (on the application of the Proposed Transferor or the Directors) by the President for the time being of the Institute of Chartered Accountants in England and Wales,

16 18 2 the "**Relevant Date**" shall mean

- (a) in the case of a Voluntary Transfer Notice, the date on which it was given, or
- (b) the Leaving Date of the relevant Leaver, where a Mandatory Transfer Notice is given by a Leaver, or a Relevant Member of a Leaver pursuant to Article 14 1 or when it could have been so required, and
- (c) in the case of any other Mandatory Transfer Notice, the date on which it was given or (if earlier) first required to be given under these Articles, and

16 18 3 the Determining Accountant shall be deemed to be acting as an expert and not as arbitrator and his report shall be in writing and addressed and produced to the Proposed Transferor and the Company and shall be final and binding, in the absence of manifest error therein. The Directors shall procure that any Report required hereunder is obtained with due expedition and (save as provided in Article 16 18) the cost of obtaining such Report shall be borne by the Company

16 19 In the case of a Voluntary Transfer Notice where the Transfer Value is required to be determined by the Determining Accountant under Article 16 16, the Proposed Transferor shall have the right (at any time before the expiry of seven days after issue of the report by the Determining Accountant as to the Transfer Value of the Offered Shares and even if the Determining Accountant has not been appointed at the time) to withdraw the Transfer Notice by giving notice of such withdrawal to the Directors in writing and in such event he shall be responsible for the costs and expenses of the Determining Accountant referred to in Article 16 17 insofar as incurred prior to the date the Transfer Notice was withdrawn

16 20 Upon receipt of a written application from any member holding shares in the Company, and subject to payment by him of the costs thereby incurred, the Directors shall request the Auditors to state the sum which in their opinion is the Fair Value of the share or shares being the subject of such application and such statement shall be certified in writing by the Auditors (acting as experts and not as arbitrators). Any member holding shares in the capital of the Company shall be entitled at any time to make an application to the Directors in pursuance of this Article and such application shall not be deemed to constitute a notice of his intention to transfer shares within the meaning of these Articles

17 GENERAL MEETINGS

17.1 Calling Meetings

- 17.1.1 The directors may call general meetings and may be required to call a meeting by the Shareholders pursuant to the provisions of the Act
- 17.1.2 General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the Shareholders having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the Shares giving that right
- 17.1.3 The notice shall specify the time and date and place of the meeting and the general nature of the business to be transacted and shall include a statement of rights in accordance with section 325 of the Act
- 17.1.4 Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Shareholders, to directors and the auditors and (provided the Company has been notified of their entitlement) to all persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder
- 17.1.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

17.2 Quorum

No business other than the appointment of a chairman of the meeting is to be transacted unless a quorum is present. The quorum shall be two persons entitled to vote upon the business of the meeting (who may be present in person, by proxy or by a duly authorised representative), provided always that

- 17.2.1 no quorum shall be present unless at least one holder of 'A' Ordinary Shares is present at the meeting (whether in person, by proxy or by a duly authorised representative), and
- 17.2.2 where the Company has a single Shareholder, the quorum shall be one person entitled to vote at the meeting (being a Shareholder, a proxy or duly authorised representative)

17.3 Poll Votes

The following sub-paragraph (e) shall be added to the end of regulation 44(2) of the Model Articles

"(e) a person or persons representing Shares conferring a right to vote on the resolution, being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Shares conferring that right "

17.4 Proxies

- 17.4.1 A proxy notice (and any evidence of the authority of the person executing it on the appointors behalf) may
 - (a) in the case of a proxy notice (and any evidence) in hard copy form, be deposited at the registered office or the address specified in the notice of meeting or in any instrument of proxy relating to the meeting sent out by the Company, at any time before the holding of the meeting (or adjourned meeting), or
 - (b) in the case of a proxy notice (and any evidence) sent by electronic means, be received at any address provided for the purpose of receiving communications sent by electronic means and specified in the notice of meeting, in any

instrument of proxy relating to the meeting sent out by the Company or in any communication by electronic means sent out by the Company inviting the appointor to appoint a proxy relating to the meeting, at any time before the holding of the meeting (or adjourned meeting)

- 17 4 2 Termination of the authority of a person to act as proxy must be notified to the Company in writing

17 5 Votes of Shareholders

17 5 1 In the case of joint holders of Shares only the vote of the senior holder who votes (and any proxies appointed by him) may be counted by the Company and seniority shall be determined by the order in which the names of the joint holders appear in the register of members. A Shareholder in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy

17 5 2 No Shareholder shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that share have been paid

17 6 Chairing General Meetings

Regulation 39 of the Model Articles shall be modified by the substitution of the words "Chairman of the Board" in place of the word "chairman" each time it appears in regulation 39(1) and the first line of regulation 39(2)

18 APPOINTMENT AND REMOVAL OF DIRECTORS

18 1 Subject to the Act and unless and until the Company by special resolution shall otherwise determine, there shall be no maximum number of Directors and there shall be a minimum of two Directors

18 2 Subject to the class rights of the Investor Shares, the holders for the time being of a Majority of the issued equity share capital of the Company may at any time and from time to time by written notice given to the Company at its registered office for the time being or to any Investor Director (such notice to take effect on delivery) appoint any person as a director and/or secretary of the Company and/or remove any person as a director and/or secretary of the Company, howsoever appointed

18 3 The office of a Director shall be vacated if

18 3 1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director, or

18 3 2 he becomes bankrupt or insolvent or makes any arrangement or composition with his creditors, or

18 3 3 he is, or may be, suffering from mental disorder and either

(a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

(b) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or

- 18 3 4 (not being precluded from so doing by the terms of any contract with the Company) he resigns the office of Director by notice in writing to the Company, or
- 18 3 5 in accordance with these Articles, he is removed from office by a resolution duly passed pursuant to Section 168 of the Act or by Extraordinary Resolution or under Article 18 2 (but without prejudice to any right he may have to damages by reason of such removal), or
- 18 3 6 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office is vacated, or
- 18 3 7 he is removed from office pursuant to Article 19

19 INVESTOR DIRECTORS AND SPECIAL REPRESENTATIVES

- 19 1 Before a Flotation the holders of a Majority of the 'A' Ordinary Shares shall be entitled to appoint up to two persons as Directors of the Company one of whom shall be the Special Director and also to appoint the chairman of the Board (who will not be an Investor Director unless expressly stated in the notice appointing him) and to remove from office any person so appointed (and subject to removal) to appoint another person in his place
- 19 2 During a Default Period the Investors or any Special Director may by notice to the Company declare that upon receipt of such notice the Special Director shall have that number of votes in relation to resolutions of the Board which exceed by one the number of votes in aggregate of the other Directors (including the casting vote of the chairman, if any)
- 19 3 Any Investor Director appointed pursuant to this Article shall not be required to hold any share qualification
- 19 4 Any appointment or removal of a director under this Article shall be by instrument in writing signed by the relevant appointor(s) given to any officer of the Company (not being the director the subject of the notice) or to the Company at its registered office and shall take effect on and from the date on which such instrument is so given Any officer receiving such a notice shall promptly supply a copy of it to the Company
- 19 5 A director appointed under this Article may appoint any person as an alternate pursuant to Article 21 without the approval of a resolution of the Directors
- 19 6 An Investor Director shall be entitled to be a member of any committee of the Board and also to be appointed to the boards of such of the other members of the Group as he shall require
- 19 7 For so long as the right to appoint an Investor Director under this Article subsists, upon a poll being taken in connection with a resolution of the Company in General Meeting to remove an Investor Director or to restrict or delete this Article, the members entitled to appoint the same shall be entitled to exercise such total number of votes in respect of their holdings of 'A' Ordinary Shares as shall equal twice the total number of votes cast on such resolution by all other shareholders of the Company
- 19 8 For so long as the right to appoint an Investor Director under this Article subsists the holders of the 'A' Ordinary Shares entitled to make such appointment may in the same manner as provided in this Article nominate an observer to fulfil the role of such Investor Director in lieu of such Investor Director
- 19 9 An observer shall be entitled to all the rights (other than to vote at meetings of the Board) of an Investor Director and (if appointed in lieu of a Special Director, when he shall be termed "a Special Representative") the Special Director he is appointed instead of but shall not by virtue of such nomination become a director or alternate director of the Company A Special Representative appointed in lieu of a Special Director shall be automatically deemed to have been removed from office if his appointors appoint a Special Director

- 19 10 If no Special Director or Special Representative is in office his powers under Articles 12 to 16 inclusive may be exercised and enjoyed by an Investor Majority

20 **DIRECTORS MEETINGS**

- 20 1 Subject to Article 20 2, the quorum necessary for the transaction of business of the Directors shall be two, at least one of whom shall (if he is in office or unless he otherwise agrees in writing) be a Special Director or his alternate
- 20 2 If not less than seven days prior notice of any proposed meeting of Directors has been given in writing to each Director or his alternate (unless absent from the United Kingdom and he has failed to leave an address at which he may be contacted by visible communication) setting out in reasonable detail the matters proposed to be considered thereat and at such proposed meeting no Special Director is present as required by the foregoing, any two Directors present in person or by alternate shall constitute a quorum
- 20 3 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that (unless otherwise agreed by all the Directors at the time as regards the meeting concerned) all meetings of the Directors shall be held within the United Kingdom. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Save in the case of an emergency and unless all the Directors (or their duly appointed alternates) shall agree to the holding of a meeting by shorter notice, at least seven days' notice of every meeting of Directors shall be given either in writing or by teleconference or other similar means of visible communication to each Director, unless absent from the United Kingdom and he has failed to leave an address at which he may be contacted by teleconference or other similar visible communication
- 20 4 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting whether in person or by means of such type of communication device, to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum
- 20 5 At any meeting of the Directors each Director (or his alternate Director if the Director himself is not present) present at the meeting shall be entitled to one vote. In the case of an equality of votes at any meeting the Chairman of such meeting shall not be entitled to a second or casting vote. The Model Articles shall be modified accordingly
- 20 6 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors, but so that the expression "**Director**" in this Article shall not include an alternate Director
- 20 7 Subject to the provisions of Section 182-187 of the Act and Article 28 a Director (including an alternate Director) may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. A Director shall also be capable of voting in respect of such contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company or of the arrangement of the terms thereof and may be counted in the quorum at any meeting at which any such matter is considered

21 **ALTERNATE DIRECTORS**

- 21 1 Each Director shall have the power at any time to appoint as an alternate Director either another Director or (except in the case of an Investor Director) any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld), and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the Directors

agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company

- 21 2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor
- 21 3 An alternate Director shall (subject to his giving to the Company an address at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors and of any committee of the Directors of which his appointor is a member and to attend and to vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all General Meetings
- 21 4 The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting
- 21 5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition, to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present

22 BORROWING POWERS OF DIRECTORS

- 22 1 Subject as otherwise provided in these Articles, the Directors may exercise all the powers of the Company to borrow money, whether in excess of the nominal amount of the share capital of the Company for the time being issued or not, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of these Articles and of the Act, to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party
- 22 2 Before a Flotation, except with Investor Consent
- 22 2 1 the Directors shall restrict the borrowings of the Company and exercise all rights exercisable by the Company in relation to other members of the Group (other than borrowings between the Company and/or any wholly owned subsidiaries thereof) so as to secure (so far as by such exercise they can secure) that, no money shall be borrowed if the principal amount of such borrowings by the Group exceeds £50,000 or such greater amount as shall be approved from time to time by Investor Consent,
- 22 2 2 the Company shall not and shall procure that no other member of the Group shall create issue or enter into or allow to subsist or arise any mortgage or charge or other encumbrance whatsoever over any of its assets or undertaking or give any other form of security except
- (a) as security for the Investor Loan Stock, or
 - (b) pursuant to the terms of the Facility Documents referred to in the Subscription Agreement, or
 - (c) the encumbrances clearly disclosed in the Disclosure Letter to the Subscription Agreement as already being in force at the time of its Completion, or

- (d) liens arising in the ordinary course of business securing monies not yet due for payment and fully provided for, and

22 2 3 the Company shall not and shall procure that no other member of the Group shall vary or agree to any material variation in the extent or terms of its borrowings and similar facilities or the extent or terms of any security given in respect thereof or open or vary the mandate applicable to any bank account

22 3 In this Article the expression "borrowings" shall exclude normal trade credit but shall include any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent, incurred in respect of (i) money borrowed or raised, (ii) any bond, note, loan stock, debenture or similar instrument, (iii) acceptance or documentary credit facilities, (iv) foreign exchange options, (v) rental payments under leases and hire purchase agreements and instalments under conditional sale agreements (in all cases whether in respect of land, machinery, equipment or otherwise) entered into primarily as a method of raising finance or of financing the acquisition or use of the asset concerned, (vi) guarantees, indemnities, bonds, standby letters of credit or other instruments issued in connection with the performance of contracts and or in respect of the indebtedness of any other person (vii) invoice discounting factoring or similar facilities and (viii) the amount paid up on any share capital of any subsidiary of the Company (other than equity share capital) not for the time being owned by the Company or any subsidiary thereof

22 4 No debt incurred or security given in respect of monies borrowed or to be taken into account as monies borrowed in excess of the aforesaid limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to see or inquire whether such limit is observed

23 NOTICES

23 1 Every Director of the Company and every alternate Director shall, upon supplying the Company with an address for the giving of notices therefor, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director or alternate Director shall not invalidate the proceedings at the general meeting convened by such notice

23 2 A notice may be given (i) by the Company to any member or Director either personally or by sending it by first class post (airmail if abroad) or Royal Mail Special Delivery post or by facsimile or other means of visible communication to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him or (ii) to the Company for the purpose of these Articles by like method at its registered office for the time being

23 3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of forty-eight hours after the letter containing the same is posted Where a notice is sent by facsimile or other means of visible communication, service of the notice shall be deemed to be effected forthwith

23 4 Notwithstanding anything else provided in these Articles, any Director who has not given an address for service to the Company shall not be entitled to notices hereunder

24 INDEMNITY

Subject to the provisions of, and so far as may be consistent with, the Act, every director and officer (other than an auditor) of the Company and of any associated company (as defined in the Act) of the Company shall be indemnified out of the funds of the Company against all liabilities attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company of the Company other than any liability as is referred to in section 234(2)(3) and (6) of the Act

25 INSURANCE

25 1 Without prejudice to Article 24 the Board shall have the power to purchase and maintain insurance for or for the benefit of any person who is or was at any time

25 1 1 a director or other officer (including an auditor) of any Relevant Company (as defined in article 25 2 below) or

25 1 2 a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or employees' share scheme in which employees of any Relevant Company are interested,

including (without limitation) insurance against any liability within article 24 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme

25 2 For these purposes "Relevant Company" shall mean the Company or any other undertaking which is or was at some time

25 2 1 the parent undertaking of the Company, or

25 2 2 a subsidiary undertaking of the Company or of such parent undertaking, or

25 2 3 otherwise associated with the Company or any such parent or subsidiary undertaking or the predecessors in business of the Company or of any such parent or subsidiary undertaking or associate

26 FUNDING OF DIRECTOR'S EXPENDITURE ON DEFENDING PROCEEDINGS

Subject to the provisions of, and so far as may be consistent with, the Act, and the Board shall have the power to

26 1 provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under any of the provisions mentioned in section 205(5) of the Act, or

26 2 do anything to enable a director to avoid incurring expenditure of the kind referred to in article 26 1,

provided that any loan or other thing done under article 26 shall be made or done on terms which result in the loan falling to be repaid, or any liability of the Company under any transaction connected with the thing in question falling to be discharged, in the circumstances set out in section 337A(4)(a) (b) and (c) of the 1985 Act, not later than the date referred to in the relevant part of that section, as interpreted pursuant to section 337A(5) and (6) of the 1985 Act

27 FINANCING RESTRICTIONS

Notwithstanding any other provisions of these Articles, no payment shall be declared or made by the Company by way of dividend or other distribution, purchase, redemption, reduction or return of shares or capital or by addition to or repayment of any dividend reserve if and to the extent that such payment is prohibited or restricted by any Financing Restriction. No dividends or other distributions payable in respect of the shares of the Company, whether pursuant to the provisions to these Articles or otherwise, shall constitute a debt enforceable against the Company unless permitted to be paid in accordance with any Financing Restriction

28 CONFLICTS OF INTEREST

28 1 To the fullest extent permitted by law and subject to the other provisions of these Articles (including, without limitation, Article 28 5) a director shall be authorised pursuant to section 180(4)(a) of the Act in respect of the following matters which might otherwise result in a director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a

direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (his "**Duty to Avoid Conflicts**") -

28 1 1 holding office as a director of any other Group Company,

28 1 2 holding any other office, employment or engagement with any Group Company,

28 1 3 participating in any scheme, transaction or arrangement for the benefit of the employees or former employees of any Group Company (including any pension fund or retirement, death or disability scheme or any bonus or employee benefit scheme), or

28 1 4 holding, or otherwise being interested, directly or indirectly, actually or potentially, in any shares or debentures or other securities or interests (or any rights to acquire or options over or any other rights in respect of any shares or debentures) in any Group Company

28 2 To the fullest extent permitted by law and subject to the other provisions of these Articles (including, without limitation, Article 28 5), an Investor Director shall be authorised pursuant to section 180(4)(a) of the Act in respect of the following matters (as they may relate to an Investor Director for the duration of his appointment as an Investor Director) which might otherwise result in an Investor Director infringing his Duty to Avoid Conflicts -

28 2 1 holding office as a director of an Investor, an Affiliate of an Investor, a member of an Investor Group, or any other Group Company,

28 2 2 holding any other office, employment or engagement with an Investor, an Affiliate of an Investor, a member of an Investor Group, any Group Company or any Portfolio Company,

28 2 3 holding, or otherwise being interested, directly or indirectly, actually or potentially (including for the avoidance of doubt in relation to any carried interest or similar arrangement or through the direct or indirect participation in any co-investment scheme), in any shares or debentures or other securities or interests (or any rights to acquire or options over or any other rights in respect of any shares or debentures or other securities or interests) in an Investor, an Affiliate of an Investor, a member of an Investor Group, any Group Company or any Portfolio Company,

28 2 4 being, and acting as a representative of the Investors (or any of them) for the purposes of monitoring and evaluating their investment in the Company and the Group which may include (without limitation) -

(a) attending and voting at meetings of the directors (or any committee thereof) of any Group Company at which any relevant matter will or may be discussed and receiving board papers relating thereto,

(b) receiving confidential information and other documents and information relating to the Group, using and applying such information in performing his duties as a director, officer or employee of, or consultant to, an Investor or an Affiliate of any Investor, a member of an Investor Group, any other Group Company or any Portfolio Company and disclosing information to third parties in accordance with these Articles or the Subscription Agreement, and

(c) giving or withholding consent or giving any direction or approval under these Articles or the Subscription Agreement,

28 2 5 following the occurrence of a material default, taking any action including (without limitation) taking any action in relation to, for the purposes of, or as a result of -

(a) creating, constituting, increasing, reducing, allotting or issuing any share or loan capital or other interests,

- (b) redesignating, sub-dividing, converting, capitalising or otherwise varying any share or loan capital or other interests,
 - (c) any restructuring, reconstruction, insolvency, administration, receivership or other arrangement relating to the structuring of the Group and its share or loan capital, other interests, assets and liabilities, or
 - (d) any exercise by the Investor Majority or the Investor Director(s) of any rights under these Articles or the Subscription Agreement
- 28 3 To the fullest extent permitted by law and subject to the other provisions of these Articles (including, without limitation, Article 28 5) the directors may authorise for the purposes of section 175(4)(b) of the Act any matter proposed to them which would otherwise result in a director infringing his Duty to Avoid Conflicts
- 28 4 To the fullest extent permissible by law and subject to the other provisions of these Articles (including, without limitation, Article 28 5) the Company may authorise (specifically or generally) any matter proposed to it which would, if not so authorised, involve a breach of a director's Duty to Avoid Conflicts and such authorisation shall be effected by ordinary resolution
- 28 5 Any authorisation of a matter under Articles 28 1 to 28 4 -
 - 28 5 1 in relation to Articles 28 1 and 28 4 and (save in respect of an Investor Director (only)) Article 28 3, shall only be effective -
 - (a) if prior Investor Consent has been obtained, and
 - (b) on such terms and for such duration and subject to such terms, limits and conditions (if any) as may be set out in such Investor Consent as the same may be varied by or revoked by Investor Consent (notice of which is to be given to the Board and the director in question)
 - 28 5 2 in relation to Article 28 3 only, shall only be effective -
 - (a) if such authorisation which relates to an Investor Director (only), on such terms and for such duration and subject to such limits or conditions (if any), as the Board may decide as the same may be varied by or revoked by the Board (by notice to the Investor Director in question),
 - (b) if the matter has been proposed to the directors by its being submitted in writing for consideration at a meeting of the directors or for the authorisation of the directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve,
 - (c) if, notwithstanding the provisions of Article 20 1 as to quorum, the following requirements are met as to quorum at the meeting of directors (or part of the meeting of directors) at which the matter is considered -
 - (i) where the matter does not relate to an Investor Director, the quorum shall be two provided that any such quorum shall include an Investor Director and shall not include any director interested in the matter, and
 - (ii) where the matter relates to an Investor Director (only), the quorum shall be two and shall not include the Investor Director in question or any other interested director and, if appointed (and unless also interested in the matter) must include the other Investor Director and, if such other Investor Director is also interested in the matter or no other Investor Director has been appointed must include the Chairman, if appointed and unless he is also interested

- (d) if the matter has been authorised by the directors without the director in question or any other interested director voting, or would have been authorised if their votes had not been counted, and

28 5 3 subject to any terms, limits or conditions imposed by the Board or set out in a related Investor Consent, such an authorisation shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised

28 6 Any terms imposed on any authorisation under this Article 28 may include (without limitation) -

28 6 1 whether the director may vote (or be counted in the quorum) at a meeting of the Board or any committee of the Board in relation to any resolution relating to the relevant matter,

28 6 2 whether the director is to be given any documents or other information in relation to the relevant matter,

28 6 3 whether the director is to be excluded from discussions in relation to the relevant matter at a meeting of the Board or any committee or sub-committee of the Board or otherwise (including whether arrangements should be made for an appropriate professional adviser to review such documents or other information to determine whether and the extent to which the director should review such documents or other information), and

28 6 4 such other steps as may be considered desirable for the purposes of managing such matters,

provided that where such an authorisation (and the related Investor Consent or Board Minutes) is silent on such items, the director shall be taken into account for the purposes of a quorum for any subsequent meeting (or part of a meeting) at which such matter is considered, may vote and have his vote counted in relation to such matter and receive notice of such meetings and documents and other information relating to such a matter (provided in each case that the matter has been authorised under this Article 28)

28 7 Each director shall comply with any obligations imposed on him pursuant to any such authorisation (whether by the Board or as set out in the relevant Investor Consent)

28 8 Subject to a matter being authorised under this Article 28 and to any terms, limits and conditions applying to such authorisation, a director shall not be required to disclose any confidential information (including without limitation any information obtained by an Investor Director as a result of any office, engagement, interest, action or other matter referred to in Article 28 2) obtained in relation to the relevant matter (other than through his position as a director of the Company) to the Company or to use or apply it in performing his duties as a director if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or as a result of that matter

28 9 A director does not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act if he acts in accordance with such terms, limits and conditions (if any) as may apply to any such authorisation under this Article 28

28 10 Subject to such matter being authorised under this Article 28 (and subject to any terms, limits or conditions applying to such authorisation) a director shall not save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit

28 11 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with or interests in the Company or any Group Company or Portfolio Company or concerning any interests or other matters relating to such appointments, offices, employments or interests, such matters may be divided and considered in relation to each such director separately and (provided he is not for another reason precluded from voting or forming part of the quorum) each of the directors concerned shall be entitled to vote and be counted in the

quorum in respect of each resolution except that concerning his own appointment, office, employment or interest or other matter relating thereto

28 12 For the purposes of Articles 28 1 to 28 11 -

28 12 1 any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties,

28 12 2 an interest of a person connected with a director shall be treated as an interest of the director,

28 12 3 section 252 of the Act shall determine whether a person is connected with a director, and

28 12 4 an interest of the appointor of an alternate director shall be treated as an interest of the alternate director (together with any interest which the alternative director has otherwise)

SCHEDULE

(Definitions)

1 In these Articles (including this Schedule) unless the context otherwise requires

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| "A' Ordinary Shares" | means 'A' Ordinary Shares of £1 each in the capital of the Company |
| "Accounts" | means audited accounts of the Company or (as the case may be) audited consolidated accounts of the Group |
| "Act" | means the Companies Act 2006 |
| "Adoption Date" | means the date of the passing of the resolution adopting these Articles |
| "Affiliate" | <p>means, in relation to an Investor (including, without limitation, an Investor which is a unit trust, investment trust, limited partnership, limited liability partnership or general partnership (each a "Partnership")) -</p> <p>(a) any company, Partnership or other person which is advised by or the assets of which are managed (whether, in each case, directly or indirectly or solely or jointly with others) from time to time by, that Investor or any member of that Investor's Group,</p> <p>(b) any company, Partnership or other person including, without limitation, of which that Investor, or that Investor's general partner, trustee, nominee, manager, adviser or sub-adviser, is a general partner, trustee, nominee, manager, adviser or sub-adviser, and</p> <p>(c) any company, Partnership or other person which is advised by or the assets of which are managed (whether, in each case, directly or indirectly or solely or jointly with others) from time to time by, that Investor's general partner, trustee, nominee, manager, adviser or sub-adviser or any member of that Investor's Group</p> |
| "Approved Beneficiary" | means any person who, in relation to a Family Trust, is approved as such from time to time by the Board with Investor Consent or is otherwise stated by the Subscription Agreement to be an Approved Beneficiary |
| "associated company" | means, in relation to a company, a subsidiary or holding company for the time being of such company or a subsidiary for the time being of such a holding |

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| | company |
| "Auditors" | means the auditors from time to time of the Company |
| "Bad Leaver" | means any Leaver who is not a Good Leaver |
| "the Board" | means the board of directors from time to time of the Company or any duly constituted and authorised committee thereof |
| "business day" | means a day (not being a Saturday or Sunday) on which banks generally are open for business in London |
| "Commencement Date" | means in respect of any Leaver the Adoption Date or if later the date on which he first became a Relevant Executive, |
| "Competitor" | means any person who, in the reasonable opinion of the Board (including any Investor Director) or an Investor Majority, carries on or is interested, directly or indirectly, in any business which competes, directly or indirectly, with any business carried on by the Group or who is connected with or an associated company of such a person |
| "Control" | has the meaning given in section 840 ICTA |
| "Default Period" | means any period in which, except with Investor Consent or Special Director Consent <ul style="list-style-type: none"> (a) the Company or any member of the Group (other than a dormant subsidiary) is in liquidation or receivership or administration or otherwise insolvent within the meaning of Section 123 of the Insolvency Act 1986 (or the equivalent in any jurisdiction outside England and Wales) or the Directors of the Company admit the Company or such member of the Group is insolvent, or (b) an event of default (by whatever name called) is outstanding for the purposes of the Investor Loan Stock or any other borrowings or financial facilities of the Group exceeding £50,000 in aggregate and has not been remedied or any other event has occurred or circumstances subsist which (with the giving of notice, passing of time or otherwise) would be such an event of default, or (c) any of the special rights or privileges attaching to any Investor Shares in these Articles and/or the terms of any Investor Consent or Special Director Consent shall have been breached (other than a breach with immaterial consequences or caused by the Special Director or any holder(s) of Investor Shares) and (if remediable) not |

remedied within fourteen days of the breach to the satisfaction of the Special Director or an Investor Majority, or

- (d) the Company (except where the action of the Company is taken by or on the instructions of any holder(s) of the Investor Shares or the Special Director) other Principal Parties party to the Subscription Agreement or any of them are in material breach of any of its or their obligations assumed under or pursuant to the Subscription Agreement and (if remediable) shall have failed within fourteen days of the breach to remedy the same to the satisfaction of the Special Director

"Employees Trust"

means any trust established by the Company or another member of the Group (with any consent required under Article 6) to acquire and hold shares in the capital of the Company for the benefit of employees and/or former employees of the Group and/or their dependants

"Equity Shares"

means 'A' Ordinary Shares and any other class of shares created and issued by the Company from time to time and references to "Equity Share Capital" shall be construed accordingly

"Fair Value"

means the fair value of any shares in the Company determined as provided in Article 16 16

"Family Trust"

means in relation to any Original Member or Approved Beneficiary a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on intestacy) under which

- (a) no immediate beneficial interest in the shares in question is for the time being vested in any person other than the Original Member or Approved Beneficiary or Privileged Relations of his, and
- (b) no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the Original Member or Approved Beneficiary or Privileged Relations of his

and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of any exercise of a power or discretion conferred thereby on any person or

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| | persons |
| "Financial Year" | means a financial year or other period in respect of which the Company prepares its Accounts in accordance with the relevant provisions of the Act |
| "Financing Restriction" | means any provision of any loan or similar agreement entered into between the Company and any bank or similar financial institution with the express prior written approval of an Investor Majority and which prohibits or restricts the repurchase or redemption of any shares in the Company of payment of dividends thereon without the consent of that bank or institution |
| "Flotation" | means the effective admission of any part of the equity share capital of the Company to the Official List of the UK Listing Authority and trading on The London Stock Exchange or the grant of effective permission by The London Stock Exchange for dealings to take place in the same on the Alternative Investment Market or the commencement of dealings in the same on any other recognised investment exchange (as defined in Part XVIII of the Financial Services and Markets Act 2000 (whichever is the earlier) |
| "Good Leaver" | <p>means a Leaver who</p> <ul style="list-style-type: none"> (a) becomes a Leaver because <ul style="list-style-type: none"> (i) he or she dies, or (ii) he or she is admitted to hospital in pursuance of an application of admission under the Mental Health Act 1983 or is subject to an order is made by a Court having jurisdiction in matters concerning mental disorders, or (iii) he or she suffers permanent disability or other incapability entitling the relevant member of the Group to terminate his or her contract of employment or other appointment, or (iv) he or she is incapacitated due to illness entitling the relevant member of the Group to terminate his or her contract of employment or other appointment, or (v) he or she retires on reaching the normal retirement age as set out under his or her contract of employment or other appointment, or (vi) he or she is unfairly dismissed, but not where such dismissal is unfair only by reason of procedural unfairness, or (b) does not fall within any of the foregoing |

categories but nevertheless the Board, with Investor Consent, designates him as a Good Leaver for the purposes of these Articles

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| "Group" | means the Company and its subsidiaries and subsidiary undertakings from time to time |
| "Group Company" | means any of the companies in the Group |
| "ICTA" | means the Income and Corporation Taxes Act 1988 |
| "Interest Rate" | means a rate (as well after as before judgment or liquidation) of three per cent (3%) per annum over the base rate for the time being of Barclays Bank PLC |
| "Investor" | means any person being an allottee of Investor Shares and/or any person who becomes an Investor pursuant to Article 13.6 and who in any such case from time to time holds shares in the Company |
| "Investor Consent" | means the written consent of an Investor Majority |
| "Investor Directors" | means the Special Director and any other director appointed pursuant to Article 19 and references to an Investor Director shall be construed accordingly |
| "Investor Group" | means, in relation to any corporate Investor, that Investor and its associated companies from time to time |
| "Investor Loan Stock" | means the Loan Stock of the Company held by an Investor and any further such loan stock created with Investor Consent |
| "Investor Majority" | means the holders of a Majority in nominal value of each class of Investor Shares |
| "Investor Shares" | means the Equity Shares which with Investor Consent are designated as Investor Shares by Special Resolution |
| "Leaver" | means any person who ceases or (as the case may be) will cease (through having given or been given notice) to be a Relevant Executive in circumstances where he does not or (as the case may be) will not continue immediately thereafter to be a Relevant Executive in any capacity |
| "Leaving Date" | means the date on which the Leaver or Bad Leaver concerned became a Leaver or Bad Leaver |
| "Loan Stock" | means the £1,500,000 B loan stock of the Company created by an instrument executed on completion of the Subscription Agreement |
| "Majority" | means, as regards members of a class or classes of shares, a majority by reference to the number of shares of such class or classes held and not by reference to the number of members holding shares |

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| | of such class or classes |
| "Mandatory Transfer" | means any transfer of shares required pursuant to Article 14 or which is given by any person at a time when he could be required under Article 14 to make such a transfer |
| "Mandatory Transfer Notice" | means a Transfer Notice given or deemed to be given pursuant to Article 14 or given by a person at a time when he could be required under Article 14 to give such a Transfer Notice |
| "Model Articles" | means the Model Articles for Private Companies limited by Shares in Schedule 1 to the Companies (Model Articles) Regulations 2008 (S1 2008/3229) |
| "Original Member" | means an Original Member as defined in Article 13 4 |
| "Permitted Family Transfer" | means a Permitted Family Transfer as defined in Article 13 4 and references to a "Permitted Family Transferee" shall be construed accordingly |
| "Permitted Investor Transferee" | means in relation to any Investor <ul style="list-style-type: none"> (a) any member for the time being of its Investor Group, (b) any body corporate controlled by that Investor or another member of its Investor Group or which immediately following the transfer of Investor Shares concerned will be such a body corporate, (c) any investment fund or trust or partnership controlled or managed or advised (in an investment adviser capacity) or promoted by that Investor or another member of its Investor Group or any investment manager or advisor thereof, (d) any trustee or manager or beneficiary or shareholder or partner or unitholder or other participant in or of that Investor or any investment fund or trust or partnership referred to in paragraph (c) above, (e) any directors or employees to that Investor or a member of its Investor Group or any trust or carried interest or similar partnership in which they or any of them participate, or (f) any investment trust or fund or partnership or other private equity investor to whom the Investor, if it is an original party to the Subscription Agreement, shall transfer shares by way of syndication of its investment, in whole or in part, with the consent of an Investor Majority, or (g) a nominee or custodian for any of the |

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| | foregoing |
| "Permitted Option" | means any Subscription Right granted after the Adoption Date with Investor Consent |
| "Permitted Transfer" | a transfer of shares permitted by Articles 11 to 16 (inclusive) |
| "Portfolio Company" | means - <ul style="list-style-type: none"> (a) the Company, (b) any Group Company, (c) any body corporate promoted by the Company, and (d) any body corporate or other entity in which the Company, an Investor, a member of an Investor's Group or an Affiliate is otherwise interested |
| "Privileged Relation" | means in relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants in direct line of such member and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant |
| "Redemption Value" | means as regards any Investor Loan Stock, its Redemption Value as defined in Article 15 4 |
| "Related Shares" | means in relation to any shares, any shares issued in respect of such shares by way of capitalisation or bonus issue or acquired in exercise of any right or option granted or arising by virtue of them |
| "Relevant Executive" | means a director or employee of, or a consultant to, the Company or any member of the Group |
| "Relevant Member" | means in relation to a Relevant Executive or Leaver or Bad Leaver <ul style="list-style-type: none"> (a) any member holding shares as a direct or indirect result of a Permitted Family Transfer by such Relevant Executive or Leaver or Bad Leaver (or his personal representatives) or who or which is a Privileged Relation or Family Trust of such Relevant Executive or Leaver or Bad Leaver holding shares as a result (directly or indirectly) of their subscription by them (or another Privileged Relation or Family Trust of his) at the request or direction of the Relevant Executive or Leaver or Bad Leaver, or (b) in respect of Barbara Scandrett only, Geoffrey |

Scandrett or any person to whom Geoffrey Scandrett transfers any shares held by him in the Company from time to time

"Relevant Shares"

means any shares in the Company for the time being held by a Relevant Member and/or in respect of which a Relevant Member is unconditionally entitled to be registered as the holder

"Sale"

means the sale or transfer (excluding any acquisition of shares by way of Permitted Investor Transfer) of Equity Shares constituting at least ninety per cent of the equity share capital of the Company to a single purchaser (or to one or more purchasers as part of a single transaction) or the acquisition (whether or not as part of a single transaction but excluding any acquisition of shares by way of Permitted Investor Transfer) of Equity Shares constituting such an interest by any person or group of persons who are connected persons of each other and who did not previously hold such an interest

"Senior Executive"

means a Relevant Executive in receipt of remuneration (including for this purpose all amounts paid by way of commission or bonus or under any profit-sharing bonus or incentive scheme or by way of pension contribution) in excess of £20,000 per annum or such increased amount as may from time to time have been approved by Special Director Consent

"Special Director" and "Special Representative"

means any Special Director or Special Representative appointed pursuant to Article 19

"Special Director Consent"

means the express written consent of the Special Director or Special Representative in office at the relevant time or, where there is no Special Director or Special Representative in office or the Special Director or Special Representative in office is unable to unwilling or unavailable to provide any consent for the purposes of these Articles, an Investor Consent

"Subscription Agreement"

means the Subscription Agreement entered into on or about the Adoption Date between, inter alios, the Company and certain of its members relating to the subscription of Equity Shares and Loan Stock, as from time to time amended supplemented or novated

"Subscription Rights"

means any rights (whether under options) warrants, on conversion of any indebtedness or otherwise) to call for the allotment or issue of shares in the Company

"Transfer Notice"

means a Voluntary Transfer Notice or a Mandatory Transfer Notice, as the case may be

"the Transfer Value"

means the value attributable to the shares comprised in any Transfer Notice determined as provided in Article 16

"Voluntary Transfer"

means any transfer of shares other than a Mandatory Transfer

"Voluntary Transfer Notice"

means a Transfer Notice other than a Mandatory Transfer Notice