

THE COMPANIES ACT 1985 - 2006

ARTICLES OF ASSOCIATION OF TAG ENERGY SOLUTIONS LIMITED

Company Limited by Shares

(Adopted by a written resolution passed on 24 September 2010 and amended following company name change by a special resolution passed on 10 October 2010)



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THE COMPANIES ACT 1985 - 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

TAG HOLDING COMPANY LIMITED

(Adopted by a written resolution passed on **24 . 9** 2010)

1 Introduction

1 1 The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by

- (a) The Companies (Tables A to F) Amendment Regulations 1985,
- (b) Schedule 1 to the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000/3373), and
- (c) The Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541), and
- (d) The Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826),

("Table A") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles

1 2 In Regulation 1 of Table A, the words "and in articles of association adopting the same" shall be inserted after the word "Regulations" in the last paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation

13 In these Articles

- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles,
- (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa, and
- (c) Regulations 8, 54, 62, 76, 77, 82, 85, 86, 94 to 98 (inclusive), 99, 111, 112, 115 and 118 of Table A shall not apply to the Company

2 Definitions

In these Articles the following words and expressions shall have the following meanings

2006 Act means the Companies Act 2006 (as amended from time to time),

A Ordinary Share Exit Percentage means the percentage of the issued share capital of the Company represented by the A Ordinary Shares at the relevant time (disregarding for this purpose only, any Deferred Shares) (as adjusted pursuant to Article 7),

A Ordinary Shares means the A Ordinary Shares of £0.01 each in the capital of the Company,

Acting in Concert has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

Asset Sale means the disposal by the Company of all or substantially all of its undertaking and assets,

Associate in relation to any person means

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined),
- (b) any Member of the same Group,
- (c) any Member of the same Fund Group,
- (d) any person who is associated with any shareholder of the Investor as described in (a) to (c) above,

B Ordinary Share Exit Percentage means the percentage of the issued share capital of the Company represented by the B Ordinary Shares at the relevant time (disregarding for this purpose only, any Deferred Shares),

B Ordinary Shareholders means the holders of the B Ordinary Shares,

B Ordinary Shares means the B Ordinary Shares of £0.01 each in the capital of the Company,

Bad Leaver means a person who ceases to be an Employee at any time and who is not a Good Leaver or an Ordinary Leaver,

Board means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles,

Borrowings means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of members of the Group for or in respect of

- (a) monies borrowed and debit balances at banks or other financial institutions,
- (b) monies borrowed from any Shareholder (including any monies borrowed under the Shareholder Loan Facility to the extent that they have not been capitalised),
- (c) any amount owing to Platina Partners LLP in respect of its fees payable by the Company pursuant to clause 10.6 of the Investment Agreement,
- (d) any amount owing to ETF Manager LLP in respect of its fees payable by the Company pursuant to clause 10.7 of the Investment Agreement,
- (e) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent),
- (f) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument,
- (g) any finance lease,
- (h) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis),
- (i) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition,
- (j) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply,

- (k) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing,
- (l) the amount of any provisions payable after 12 months of the relevant date,
- (m) the amount of any liability in respect of pensions,
- (n) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above

Business Day means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday),

C Ordinary Shareholders means the holders of the C Ordinary Shares,

C Ordinary Share Exit Percentage means the percentage of the issued share capital of the Company represented by the C Ordinary Shares at the relevant time (disregarding for this purpose only, any Deferred Shares) (as adjusted pursuant to Article 7),

C Ordinary Shares means the C Ordinary Shares of £0.01 each in the capital of the Company,

Company means TAG Holding Company Limited,

Connected Person has the meaning given in section 1122 of the Corporation Tax Act 2010,

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 Corporation Tax Act 2010,

D Ordinary Shareholders means the holders of the D Ordinary Shares,

D Ordinary Share Exit Percentage means the percentage of the issued share capital of the Company represented by the D Ordinary Shares at the relevant time (disregarding for this purpose only, any Deferred Shares) (as adjusted pursuant to Article 7),

D Ordinary Shares means the D Ordinary Shares of £0.01 each in the capital of the Company,

Date of Adoption means the date on which these Articles were adopted,

Deferred Shares means the deferred shares of £0.01 each in the capital of the Company,

Director(s) means a director or directors of the Company from time to time,

Effective Termination Date means the date on which the Employee's employment or consultancy terminates,

electronic address has the same meaning as in section 33 of the 2006 Act,

electronic form and **electronic** means have the same meaning as in section 1168 of the 2006 Act,

Employee means an individual who is employed by or who provides consultancy services to or is an officeholder or director of, the Company or any member of the Group,

Encumbrance means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law),

Equity Shareholder means the holders of the Equity Shares,

Equity Shares means the A Ordinary Shares and the B Ordinary Shares,

Exit means an IPO, a Share Sale or an Asset Sale,

Exit Date means the date of an Exit,

Financial Institution any Financial Services Authority registered financial investor (or a financial investor registered with the equivalent body or authority in the country of the relevant financial investor's principal place of business),

Financial Year and **Financial Period** means an accounting reference period (as defined by the 2006 Act) of the Company,

Fund Manager means a person whose principal business is to make, manage or advise upon investments in securities,

Good Leaver means a person who ceases to be an Employee at any time by reason of

- (a) death,
- (b) dismissal/termination for disability, injury or ill health sufficient to prevent him from carrying out his normal duties on a long term basis,
- (c) redundancy,
- (d) dismissal by the Company (or a member of the Group) other than (i) in circumstances in which he would be an Ordinary Leaver or (ii) in circumstances justifying summary dismissal/termination,
- (e) dismissal by the Company (or a Member of the Group) in circumstances which are determined to be wrongful by an employment tribunal or at a court of competent jurisdiction (from which there is no right to appeal) or termination of a non-executive officeholder other than in circumstances justifying summary termination,

- (f) his resignation in circumstances constituting constructive dismissal as determined to be constructive dismissal by an employment tribunal or at a court of competent jurisdiction (from which there is no right to appeal),
- (g) retirement at the normal retirement age (being no less than 65 years), or
- (h) the Board, with the prior written approval of the Investor, determining that he is a Good Leaver,

Group means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **Group Company** shall be construed accordingly,

hard copy form has the same meaning as in section 1168 of the 2006 Act,

Institutional Investor means a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing,

Investment Agreement means the investment and shareholders' agreement dated on or around the Date of Adoption between, inter alia, the Company, the Managers and the Investor,

Investor means TAG Investors Limited and its Permitted Transferees,

Investor Directors means such Directors of the Company nominated by the Investor under Article 22 1,

Investor Exit Value means the proceeds that the Investor would be entitled to upon an Exit by reference to its holding of Shares and Loan Notes including (for the purposes of calculating the Investor Exit Value) all amounts of principal and interest previously paid and, at an Exit, paid or accrued and outstanding in respect of each of its Loan Notes, the Shareholder Loan Facility and any amounts returned to the Investor by the Company whether by way of dividend, repurchase of shares or any other return of capital or repayment of debt but, for the avoidance of doubt, not including any monies received pursuant to clauses 10 6, 10 7, 18 2(a) and 19 1 of the Investment Agreement,

Investor Investment Amount means the aggregate amount subscribed by the Investor in respect of its Shares and Loan Notes and any principal amount lent to the Company under the Shareholder Loan Facility (subject to adjustment in accordance with Article 8) and any other monies invested, lent or otherwise expended by the Investor (whether or not all or part of such amounts have been repaid, recovered, waived or otherwise have ceased to be outstanding) in respect of or in connection with the Company,

IPO means the admission of all or any of the Shares or securities representing those shares (including without limitation American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock

Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),

IRR means the annualised discount rate that, when applied to the periodic cashflows to the Investor produces a net present value of zero, having adopted the convention of designating outflows from the Investor as negative and inflows to the Investor as positive. Outflows from the Investor will include all invested capital of, and loans made by, the Investor, inflows to the Investor will include interest on any shareholder loans, redemption or repayment of shareholder loans, return of capital, redemption of Loan Notes and dividends on equity,

Provided that, in order to avoid any uncertainty as to the calculation of IRR in view of the mechanism contained in Article 7, the following methodology shall be used to finally determine the value of IRR

- (a) IRR shall first be calculated using periodic cashflows to the Investor that would apply prior to any adjustment being made pursuant to Article 7 (the **Initial IRR**),
- (b) The adjustments to be made pursuant to Article 7 shall be calculated on the basis of the Initial IRR thereby yielding a different IRR to the Initial IRR (the **Secondary IRR**),
- (c) The adjustments to be made pursuant to Article 7 shall then be recalculated on the basis of the Secondary IRR thereby yielding a different IRR to the Secondary IRR (the **Tertiary IRR**), and
- (d) The process set out in paragraphs (a) to (c) above shall be repeated as many times as required until the value of IRR so calculated shall not vary as a result of additional recalculations by more than 0.001% and such value of IRR shall be finally determined and definitive value of IRR,

ITEPA means Income Tax (Earnings and Pensions) Act 2003,

Loan Notes means loan notes created pursuant to the Loan Note Instruments,

Loan Note Instruments means the loan note instruments executed by the Company dated on or about the Date of Adoption,

Managers means Alex Dawson, David Eason and Scott Eason,

a Member of the same Fund Group means if the person is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **Investment Fund**) or a nominee of that person

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),
- (b) any Investment Fund managed by that Fund Manager,

- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager, or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa,

a Member of the same Group means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking,

Multiple means M,

$$\text{where } M = \frac{\text{Investor Exit Value}}{\text{Investor Investment Amount}}$$

Provided that, in order to avoid any uncertainty as to the calculation of M in view of the mechanism contained in Article 7, the following methodology shall be used to finally determine the value of M

- (a) M shall first be calculated using the Investor Exit Value that would apply prior to any adjustment being made pursuant to Article 7 (the **Initial Investor Exit Value**),
- (b) The adjustments to be made pursuant to Article 7 shall be calculated on the basis of the Initial Investor Exit Value thereby yielding a different Investor Exit Value to the Initial Investor Exit Value (the **Secondary Investor Exit Value**),
- (c) M shall then be recalculated using the Secondary Investor Exit Value (the **Secondary Investor Exit Value**),
- (d) The adjustments to be made pursuant to Article 7 shall then be recalculated on the basis of the Secondary Investor Exit Value thereby yielding a different Investor Exit Value to the Secondary Investor Exit Value (the **Tertiary Investor Exit Value**),
- (e) M shall then be recalculated using the Tertiary Investor Exit Value (the **Tertiary Multiple**), and
- (f) The process set out in paragraphs (a) to (e) above shall be repeated as many times as required until the value of M so calculated shall not vary as a result of additional recalculations by more than 0.001% and such value of M shall be the finally determined and definitive value of M

Net Cash means, at any time, the aggregate amount of all cash in hand or at bank and all cash equivalents held by any member of the Group at that time but deducting the aggregate amount of all obligations of the members of the Group for or in respect of Borrowings (excluding any such obligations to any other member of the Group) at that time and so that no amount shall be included or excluded more than once,

Net Debt means, at any time, the aggregate amount of all obligations of the members of the Group for or in respect of Borrowings at that time but

- (a) excluding any such obligations to any other member of the Group,
- (b) deducting the aggregate amount of cash in hand or at bank and all cash equivalents held by any member of the Group at that time,

and so that no amount shall be included or excluded more than once,

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the Date of Adoption,

Ordinary Leaver means a person who ceases to be an Employee at any time by reason of the Company (or a member of the Group) terminating his contract of employment, term of office or consultancy or directorship, as the case may be, by serving notice (in accordance with the terms of that contract) in circumstances where

- (a) the Employee is in material breach, or has been in material breach, of his employment contract,
- (b) the Employee is terminated for reasons which, in the Board's reasonable opinion, amount to material poor performance or misconduct in circumstances where the Employee has been formally notified of such material poor performance or misconduct and has failed to rectify such material poor performance or misconduct within 3 months of being formally notified, or
- (c) the Employee has repeatedly breached his employment contract/appointment letter following a formal warning,

and, for the avoidance of doubt, any Employee who ceases to be an Employee at any time by any reason as set out in the relevant Employee's contract of employment as being a reason for summary dismissal, shall be deemed to be a Bad Leaver not an Ordinary Leaver,

Permitted Transfer means a transfer of Shares in accordance with Article 14,

Permitted Transferee means in relation to the Investor

- (a) to any Member of the same Group,
- (b) to any Member of the same Fund Group,
- (c) to any Financial Institution or Institutional Investor,
- (d) to any nominee of the Investor,
- (e) or to any shareholder of the Investor,

Proposed Purchaser means a proposed purchaser who is not a Connected Person or an Associate of the Investor and who at the relevant time has made a bona fide offer on arm's length terms for at least 50 per cent of the Equity Shares,

Ratchet Percentage has the meaning set out in Article 7 1,

Relevant Interest has the meaning set out in Article 25 5,

Shareholder means any holder of any Shares,

Shareholder Loan Facility means the shareholder loan agreement dated on or about the Date of Adoption between the Company and the Investor,

Shares means the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and Deferred Shares from time to time,

Share Sale means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring more than 50 per cent in nominal value of the total number of shares (excluding Deferred Shares),

Subsidiary, Subsidiary Undertaking and Parent Undertaking have the meanings set out in the 2006 Act,

3 Share capital and rights attaching to the Shares

- 3 1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares created and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue
- 3 2 Except as otherwise provided in these Articles, the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares

Deferred Shares

- 3 3 The Deferred Shares shall not confer on the holders thereof any right of participation in the profits of the Company
- 3 4 The holders of Deferred Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat
- 3 5 Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the Deferred Shares for an aggregate consideration of 1p

4 Capital

- 4 1 On a return of capital on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed among the holders of the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares as if they were all shares of the same class, provided that, after the distribution of the first £500,000,000 of such

balance, the holders of the Deferred Shares (if any) shall be entitled to receive an amount equal to the nominal value of such Deferred Shares (as the context requires)

- 4 2 For the purpose of Article 4 1 any payment to the holders of shares of a particular class shall be made in proportion to the numbers of shares of the relevant class held by each of them

5 Voting

- 5 1 The holders of the A Ordinary Shares who are present in person or by proxy or (being a corporation) is present by a representative or by proxy shall, together, hold such number of votes at a general meeting of the Company as represents seventy-five (75) per cent of the total number of votes of members whether on a show of hands or a poll at such general meeting
- 5 2 The holders of the B Ordinary Shares who are present in person or by proxy or (being a corporation) is present by a representative or by proxy shall, together, hold such number of votes at a general meeting of the Company as represents twenty five (25) per cent of the total number of votes of members whether on a show of hands or a poll at such general meeting
- 5 3 The holders of the C Ordinary Shares, D Ordinary Shares and Deferred Shares shall not be entitled to any votes

6 Investment Agreement Conversion

- 6 1 In the event that a Successful Claim (as such term is defined in clause 7 1 of the Investment Agreement) arises, such number of A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares (as appropriate) shall each convert into and be re-designated as such number of Deferred Shares as results in an increase of X per cent (for the avoidance of doubt, such increase is by reference to the entire issued share capital and not by reference to the A Ordinary Shares alone) in the percentage which the A Ordinary Shares represent of the entire issued ordinary share capital of the Company (and a corresponding decrease in the percentage which the B Ordinary Shares represent of the entire issued ordinary share capital of the Company) as follows

- (a) if the amount of the Potential Liability (as such term is defined in the Investment Agreement) is between £0 and £500,000

$$X = 0.000004 \times Y, \text{ and}$$

Y = the amount of the Potential Liability, and

- (b) if the amount of the Potential Liability is equal to or greater than £500,000, X shall be 2

- 6 2 For the avoidance of doubt, the amount of the Potential Liability for the purposes of Article 6 1 shall be zero in the event that no liability has arisen by the Potential Liability Longstop Date (as such term is defined in the Investment Agreement)

- 6 3 For the avoidance of doubt, the percentages which the C Ordinary Shares and D Ordinary Shares represent of the entire issued ordinary share capital of the Company shall not be altered by the operation of this Article 6

7 Exit Ratchet

7 1 At the Exit Date

- (a) the A Ordinary Share Exit Percentage shall be increased by the sum of
 - (i) a figure calculated in accordance with the provisions of Article 7 2 (**C Ratchet Percentage**), and
 - (ii) a figure calculated in accordance with the provisions of Article 7 3 (**D Ratchet Percentage**),
- (b) the C Ordinary Share Exit Percentage shall be decreased by the C Ratchet Percentage, and
- (c) the D Ordinary Share Exit Percentage shall be decreased by the D Ratchet Percentage

For the avoidance of doubt, such adjustments shall take effect by simple addition or subtraction by reference to the figures that represent the A Ordinary Share Exit Percentage, the C Ordinary Share Exit Percentage, D Ordinary Share Exit Percentage, the C Ratchet Percentage and the D Ratchet Percentage and not by increasing or reducing any percentages by another percentage

7 2 The C Ratchet Percentage shall be calculated as follows

- (a) in the event that an Exit Date occurs within 2 years from the Date of Adoption, the C Ratchet Percentage shall be determined in accordance with hurdle trigger 1 in the table set out below by calculating the applicable percentage by way of linear interpolation between the two percentages, set out in the table below, which relate to the two IRR values between which the IRR achieved by the Investor falls (and if the Investor Exit Value represents less than a 60% IRR, the C Ratchet Percentage shall be 8%), and
- (b) in the event that an Exit Date occurs after the date 2 years from the Date of Adoption the C Ratchet Percentage shall be determined in accordance with hurdle trigger 2 in the table set out below by calculating the applicable percentage by way of linear interpolation between the two percentages, set out in the table below, which relate to the two Multiple values between which the Multiple achieved by the Investor falls (and if the Investor Exit Value represents a Multiple of less than 2.5, the C Ratchet Percentage shall be 8%)

Hurdle trigger 1. IRR	≤ 60	61	64	67	70	73	76
Hurdle trigger 2. Multiple	≤2.5	2.6	2.7	2.8	2.9	3.0	3.1
C Ratchet Percentage	8.0%	6.8%	5.7%	4.8%	4.0%	3.3%	2.7%

Hurdle trigger 1: IRR	79	82	84	87	90	92	95
Hurdle trigger 2: Multiple	3.2	3.3	3.4	3.5	3.6	3.7	3.8
C Ratchet Percentage	2.2%	1.7%	1.3%	0.9%	0.5%	0.2%	0.0%

7.3 The D Ratchet Percentage shall be calculated as follows

- (a) in the event that an Exit Date occurs within 2 years from the Date of Adoption, the D Ratchet Percentage shall be determined in accordance with hurdle trigger 1 in the table set out below by calculating the applicable percentage by way of linear interpolation between the two percentages, set out in the table below, which relate to the two IRR values between which the IRR achieved by the Investor falls (and if the Investor Exit Value represents less than a 100% IRR, the D Ratchet Percentage shall be 18%), and
- (b) in the event that an Exit Date occurs after the date 2 years from the Date of Adoption the D Ratchet Percentage shall be determined in accordance with hurdle trigger 2 in the table set out below by calculating the applicable percentage by way of linear interpolation between the two percentages, set out in the table below, which relate to the two Multiple values between which the Multiple achieved by the achieved by the Investor falls (and if the Investor Exit Value represents a Multiple less than 4, the D Ratchet Percentage shall be 18%)

Hurdle trigger 1: IRR	≤ 100	102	105	107	110	112	114
Hurdle trigger 2: Multiple	4.0	4.1	4.2	4.3	4.4	4.5	4.6
D Ratchet Percentage	18.0%	16.5%	15.2%	14.0%	12.9%	11.9%	11.0%

Hurdle trigger 1: IRR	117	119	121	124	126	128	130
Hurdle trigger 2: Multiple	4.7	4.8	4.9	5.0	5.1	5.2	5.3
D Ratchet Percentage	10.2%	9.4%	8.7%	8.1%	7.5%	6.9%	6.4%

Hurdle trigger 1: IRR	132	135	137	139	141	143	145
Hurdle trigger 2: Multiple	5.4	5.5	5.6	5.7	5.8	5.9	6.0
D Ratchet Percentage	5.9%	5.4%	5.0%	4.6%	4.2%	3.8%	3.5%

Hurdle trigger 1: IRR	147	149	151	153	155	157	159
Hurdle trigger 2: Multiple	6.1	6.2	6.3	6.4	6.5	6.6	6.7
D Ratchet Percentage	3.2%	2.9%	2.6%	2.3%	2.0%	1.8%	1.5%

Hurdle trigger 1: IRR	161	163	165	166	168	170	172
Hurdle trigger 2: Multiple	6.8	6.9	7.0	7.1	7.2	7.3	7.4
D Ratchet Percentage	1.3%	1.1%	0.9%	0.7%	0.5%	0.3%	0.1%

Hurdle trigger 1: IRR	174	> 174
Hurdle trigger 2: Multiple	7.5	>7.5
D Ratchet Percentage	0.0%	0.0%

- 7.4 Any dispute as to the calculation of any value or percentage in Articles 7.1 to 7.3 may be referred by any Shareholder immediately for determination to an independent firm of chartered accountants who have suitable experience of calculating ratchet related calculations and whose identity shall be approved in writing by every Shareholder or, in default of agreement amongst all Shareholders within five Business Days of such referral shall be appointed on the application of any Shareholder by the incumbent president of the Institute of Chartered Accountants in England and Wales. The independent accountants will act as expert and not as arbitrator and their costs will be borne as directed by the independent accountants. In the absence of any such direction, such costs will be borne equally between Shareholders. The written certificate of the independent accountants will be conclusive and binding on the Company and the Shareholders (except in the case of fraud or manifest error).

Compulsory Transfer of C Ordinary Shares and D Ordinary Shares

7 5 If any holder of C Ordinary Shares and/or D Ordinary Shares (a **Ratchet Shareholder**) ceases (for any reason) to be an Employee prior to the Exit Date, the relevant Ratchet Shareholder may be required by written notice from the Board to such Ratchet Shareholder within six months of the Effective Termination Date, to transfer his C Ordinary Shares and/or D Ordinary Shares (**Ratchet Shares**) to the Investor (or such other person as the Investor may direct) within 15 Business Days of the date of such written notice. In such circumstances the price at which the transfer shall be affected shall be calculated in accordance with Articles 7 6 and 7 7.

7 6 The Shareholder shall be required to transfer a proportion of his Ratchet Shares at the lower of Market Value and the nominal value of the Ratchet Shares as follows:

- (i) 100% if the relevant Shareholder ceased to be an Employee within 1 year from the Date of Adoption or the date on which such Shareholder become an Employee (whichever is later),
- (ii) 75% if the relevant Shareholder ceased to be an Employee between 1 and 2 years from the Date of Adoption or the date on which such Shareholder become an Employee (whichever is later),
- (iii) 50% if the relevant Shareholder ceased to be an Employee between 2 and 3 years from the Date of Adoption or the date on which such Shareholder become an Employee (whichever is later),
- (iv) 25% if the relevant Shareholder ceased to be an Employee between 3 and 4 years from the Date of Adoption or the date on which such Shareholder become an Employee (whichever is later), and
- (v) 0% if the relevant Shareholder ceased to be an Employee after 4 years from the Date of Adoption or the date on which such Shareholder become an Employee (whichever is later),

and, for the avoidance of doubt, a Ratchet Shareholder who holds both C Ordinary Shares and D Ordinary Shares shall be required to transfer the same proportion of both C Ordinary Shares and D Ordinary Shares if he is required to transfer any Ratchet Shares pursuant to this Article 7 6.

7 7 Where a relevant Ratchet Shareholder is not required to transfer all of his Ratchet Shares at the value ascribed by Article 7 6, any such remaining Ratchet Shares shall be transferred at a price determined as follows:

- (i) the lower of Market Value and the nominal value of the Ratchet Shares where the relevant Ratchet Shareholder ceased to be an Employee in circumstances where he is a Bad Leaver,

- (ii) 50 per cent of the Ratchet Shares at the lower of Market Value and nominal value of the Ratchet Shares and 50 per cent of the Ratchet Shares at Market Value where the relevant Ratchet Shareholder ceased to be an Employee in circumstances where he is an Ordinary Leaver, or
- (iii) the Market Value where the relevant Ratchet Shareholder ceases to be an Employee in circumstances where he is a Good Leaver,

and, for the avoidance of doubt, a Ratchet Shareholder who holds both C Ordinary Shares and D Ordinary Shares shall be required to transfer the 50 per cent of both C Ordinary Shares and D Ordinary Shares at the lower of Market Value and nominal value of the Ratchet Shares and 50 per cent of both C Ordinary Shares and D Ordinary Shares at Market Value if he is required to transfer any Ratchet Shares as an Ordinary Leaver pursuant to Article 7 6(ii)

7 8 For the purposes of Articles 7 6 and 7 7, **Market Value** shall mean the value of the Ratchet Shares, on the Effective Termination Date, calculated as follows

- (a) if the Effective Termination Date is within two years following the Date of Adoption, "Market Value" will be,
 - (i) the price agreed between the relevant Ratchet Shareholder and the Investor Director(s),
 - (ii) if they fail to agree a price within 15 Business Days of the date of service of the written notice from the Board to the relevant Ratchet Shareholder (or within such other timetable as may be determined by the Investor Director(s), the price determined by the auditors of the Company at the Effective Termination Date to be the Market Value of such Ratchet Shares on the Effective Termination Date, according to the following principles,
 - (A) by first valuing the Company as a whole
 - (1) assuming, if the Company is then carrying on business as a going concern, that it will continue to do so,
 - (2) assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion,
 - (3) taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding, and
 - (4) taking account of any current bona fide offer for the Company received from an unconnected third party,
 - (B) having valued the Company as a whole, the auditors will determine the Market Value of the Ratchet Shares concerned

- (1) having regard for whether the Ratchet Shares concerned represent a majority or minority (subject to a maximum discount of 10% in respect of a minority interest),
 - (2) having regard to the rights and restrictions attached to the Ratchet Shares concerned in respect of income, capital and transfer, and
 - (3) having regard to any value attaching to such Ratchet Shares by reason of the ratchet provisions of these articles,
- (b) If the Effective Termination Date is after two years following the Date of Adoption, by reference to the value of the Company as at the Effective Termination Date which shall be calculated as follows $6 \times \text{EBIT}$ for the current Financial Year in which the Effective Termination Date occurs less Net Debt (or plus Net Cash, as appropriate) and
 - (i) having regard for whether the Ratchet Shares concerned represent a majority or minority (subject to a maximum discount of 10% in respect of a minority interest),
 - (ii) having regard to the rights and restrictions attached to the Ratchet Shares concerned in respect of income, capital and transfer, and
 - (iii) having regard to any value attaching to such Ratchet Shares by reason of the ratchet provisions of these articles

8 Shareholder Loan Facility Conversion Adjustment

- 8 1 In the event that the Company draws any amounts under the Shareholder Loan Facility, such number of A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares (as appropriate) shall each convert into and be re-designated as such number of Deferred Shares as results in an increase of Y per cent (for the avoidance of doubt, such increase is by reference to the entire issued share capital and not by reference to the A Ordinary Shares alone) in the percentage which the A Ordinary Shares represent of the entire issued ordinary share capital of the Company (and a corresponding decrease in the percentage which the B Ordinary Shares represent of the entire issued ordinary share capital of the Company where Y shall be calculated by reference to Article 8 2)
- 8 2 Y shall be calculated by way of linear interpolation between the two percentages set out in the table below which relate to the two amounts between which the actual total amount drawn at any time (whether or not all or part of such amount has been repaid, recovered, waived or have otherwise ceased to be outstanding) by the Company under the Shareholder Loan Facility falls In the event that any amounts have already been drawn under the Shareholder Loan Facility and adjustment(s) have already been made pursuant to Article 8 1, Y shall decrease by the cumulative amount of the adjustments made

Amount Drawn	£0	£100,000	£200,000	£300,000	£400,000	£500,000	£600,000	£700,000
Percentage	0%	0.48%	0.94%	1.38%	1.80%	2.21%	2.61%	2.99%

Amount Drawn	£800,000	£900,000	£1,000,000	£1,100,000	£1,200,000	£1,300,000	£1,400,000	£1,500,000
Percentage	3.36%	3.72%	4.07%	4.40%	4.73%	5.04%	5.34%	5.64%

Amount Drawn	£1,600,000	£1,700,000	£1,800,000	£1,900,000	£2,000,000	£2,100,000	£2,200,000	£2,300,000
Percentage	5.93%	6.21%	6.48%	6.74%	6.99%	7.24%	7.48%	7.72%

Amount Drawn	£2,400,000	£2,500,000	£3,500,000	£4,500,000	£5,500,000	£6,500,000	£7,500,000	£8,500,000
Percentage	7.95%	8.17%	9.17%	10.17%	11.17%	12.17%	13.17%	14.17%

- 8.3 For the avoidance of doubt, the percentages which the C Ordinary Shares and the D Ordinary Shares represent of the entire issued ordinary share capital of the Company shall not be altered by the operation of this Article 8

9 Exit Conversion

- 9.1 If an Exit takes place, immediately prior to such Exit but following any adjustments required by Articles 7
- (a) such number of A Ordinary Shares shall each convert into and be re-designated as Deferred Shares such that, immediately following the conversions referred to in this Article 9.1 (but prior to the Exit), the A Ordinary Shares shall represent a proportion of the issued ordinary share capital of the Company equal to the A Ordinary Share Exit Percentage at that time,
 - (b) such number of B Ordinary Shares shall each convert into and be re-designated as Deferred Shares such that, immediately following the conversions referred to in this Article 9.1 (but prior to the Exit), such B Ordinary Shares shall represent a proportion of the issued ordinary share capital of the Company equal to the B Ordinary Share Exit Percentage at that time,
 - (c) such number of C Ordinary Shares shall each convert into and be re-designated as Deferred Shares such that, immediately following the conversions referred to in this Article 9.1 (but prior to the Exit), such C Ordinary Shares shall represent a proportion of the issued ordinary share capital of the Company equal to the C Ordinary Share Exit Percentage at that time, and

- (d) such number of D Ordinary Shares shall each convert into and be re-designated as Deferred Shares such that, immediately following the conversions referred to in this Article 9 1 (but prior to the Exit), such D Ordinary Shares shall represent a proportion of the issued ordinary share capital of the Company equal to the D Ordinary Share Exit Percentage at that time

9 2 Any conversion pursuant to the rights granted by this Article 9 shall be made on the following terms

- (a) conversion shall take effect at no cost to the relevant holders, and
- (b) forthwith after conversion, the Company shall issue to the persons entitled thereto certificates for the Deferred Shares resulting from the conversions, and the certificates for the shares falling to be converted shall be deemed invalid for all purposes and the relevant holders shall be bound to deliver the same to the Company for cancellation

10 Variation of Rights

10 1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent in nominal value of the issued shares of that class

10 2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not constitute a variation of the rights of those existing classes of shares

11 Allotment of new shares or other securities: pre-emption

11 1 Subject to the remaining provisions of this Article 11, the Directors are generally and unconditionally authorised for the purpose of section 551 of the 2006 Act to exercise any power of the Company to

- (a) offer, allot or grant rights to subscribe for,
- (b) convert securities into, or
- (c) otherwise deal in, or dispose of,

any Shares or any other relevant securities in the Company to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that

- (i) this authority shall only apply insofar as the Company in general meeting has not waived or revoked it,
- (ii) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired)

- 11 2 In accordance with section 567(1) of the 2006 Act, sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act do not apply to an allotment of equity securities made by the Company
- 11 3 Subject to the provisions of section 551 of the 2006 Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment to that person must be approved in writing by the Investor
- 11 4 No Shares shall be allotted to any Employee, Director, prospective employee or director unless such person has entered into a joint section 431 ITEPA election with the Company

12 Lien

The Company shall have a first and paramount lien on every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable

13 Transfers of Shares – general

- 13 1 In Articles 13 to 17 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 13 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 13 3 Any transfer of a Share by way of sale which is required to be made pursuant to these Articles will be deemed to include a warranty that the transferor sells with full title guarantee
- 13 4 Unless express provision is made in these Articles to the contrary, no Shares shall be transferred without the consent of the Investor (in the case of any proposed transfers to family or for estate planning purposes, the Investor shall consider any such proposed transfer in good faith but shall not be under any obligation to consent to such proposed transfer)
- 13 5 In addition to the provisions of Regulation 24 of Table A, the Directors may refuse to register a transfer if
- (a) it is a transfer of a share to a bankrupt, a minor or a person of unsound mind,
 - (b) the transfer is to an Employee, Director or prospective employee or director and such person has not entered in a joint section 431 ITEPA election with the Company,
- and Regulation 24 of Table A shall be modified accordingly
- 13 6 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver

to the Company a deed agreeing to be bound by the terms of the Investment Agreement or any shareholders' agreement or similar document in force between some or all of the shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 13.6 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

14 Permitted Transfers

Subject to Articles 15 and 16, the Investor may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise and each such transfer shall be registered by the Directors

15 Drag-along

- 15.1 If persons controlling more than 50% of the issued Equity Shares (the **Selling Shareholders**) wish to transfer, in aggregate, such shares and rights that would result in a Proposed Purchaser controlling more than 50% of the issued Equity Shares (the **Offered Shares**), the Selling Shareholders shall have the option (the **Drag Along Option**) to require all the other holders of Shares (the **Called Shareholders**) to sell and transfer a pro rata holding of their Shares (by reference to the proportion of shares and rights proposed to be transferred to the Proposed Purchaser as against the total shares and rights held by the Selling Shareholders) to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article
- 15.2 In the event that more than 50% of the issued Equity Shares are controlled by a body corporate (**Topco**) and the holders of more than 50% of the entire issued equity share capital of Topco (the **Selling Holders**) wish to transfer, in aggregate, more than 50% of the entire issued equity share capital of Topco (the **Topco Offered Shares**), the Selling Holders shall have the option to require all the holders of Shares (save for Topco) to sell and transfer a proportion of their holding of Shares equal to the proportion of Shares that the Topco Offered Shares represent in Topco to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article
- 15.3 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Called Shareholders at any time before the transfer of the Offered Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer a proportion of their Shares (the **Called Shares**) under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer. The provisions of this Article 15 shall apply, mutatis mutandis, as though the Selling Holders were the Selling Shareholders
- 15.4 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Offered Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after

the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 15.5 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same price per Share as the consideration which the Selling Shareholders will receive from the Proposed Purchaser and shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Offered Shares in accordance with the provisions of these Articles and calculated on the basis that the conversions set out in Article 9.1 have occurred. In the case of Topco Offered Shares, the above calculation shall be done by reference to the percentage which the Topco Offered Shares represent in the capital of Topco and the Offered Shares shall be such percentage of Shares held by Topco.
- 15.6 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article and any such terms which a Called Shareholder is not required to agree to shall be negotiated in good faith between the Selling Shareholders and the Called Shareholder(s) in the event that the Called Shareholder(s) do not agree to such terms.
- 15.7 Within ten Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that ten Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 15.5 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 15.4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 15.5 in trust for the Called Shareholders and shall account to the Called Shareholders for any interest accrued on such amounts.
- 15.8 To the extent that the Proposed Purchaser has not, on the expiration of such ten Business Day period, put the Company in funds to pay the amounts due pursuant to Article 15.5, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 15 in respect of their Shares.
- 15.9 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that ten Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 15.5 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share

certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 15.5

- 15.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder

16 Tag Along

- 16.1 No transfer of any Shares shall be made by a proposing transferor or registered without the previous consent in writing of all the Shareholders if it would result in a person or persons (save to the extent that such person or persons fall within either (a) or (b) of the definition of Permitted Transferees) (and any person or persons acting in concert (within the meaning of the City Code on Takeovers and Mergers) with him or them) obtaining a Controlling Interest in the Company unless, before the transfer is made, the proposed transferee(s) (**Buyer**) make(s) a written offer (open for acceptance in the United Kingdom for a period of at least 30 days from its delivery) to all the Shareholders to purchase a pro rata proportion of their Shares (such proportion equal to the proportion that Shares to be transferred by the proposing transferor bears to the total holding of their Shares) (at the same time and on the same terms and conditions for each Member, calculated on the basis that the conversions set out in Article 9.1 have occurred, at a price per share not less than the price per share at which as he has purchased the remainder of the Shares). No Shareholder (including the said proposing transferor) shall complete any sale of Shares to the Buyer unless the Buyer completes the purchase of all the Shares agreed to be sold simultaneously
- 16.2 The provisions of this Article 16 may be waived in whole or in part in any particular case with the prior written consent of all the Equity Shareholders

17 General Meetings

In Regulation 37 of Table A there shall be substituted for the words "in accordance with the Act" the words "for a date not later than twenty-eight days after the date on which the directors become subject to the requirement under section 303 of the 2006 Act"

18 Proxies

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may

- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,
- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the Chairman or to the Secretary or to any Director, or
- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the Secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

19 Directors' Borrowing Powers

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party

20 Alternate Directors

Notwithstanding any provision of these Articles to the contrary, any person appointed as a director may appoint any person as he thinks fit to be his, her or its alternate Director and the appointment of an alternate Director shall not require approval by a resolution of the Directors, and in its application to the Company Regulation 65 of Table A shall be modified accordingly

21 Number of Directors

Unless and until the Company in general meeting shall otherwise determine the number of Directors shall be not less than two

22 Appointment of Directors

- 22 1 The Investor shall be entitled to nominate such number of natural persons as shall constitute a majority of Directors of the Company from time to time to act as Directors of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove any such Director from office The Investor shall be entitled to remove any of its nominated Directors so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place

- 22 2 The B Ordinary Shareholders (acting together) shall be entitled to nominate two persons to act as Directors of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove any such Director from office. The B Ordinary Shareholders (acting together) shall be entitled to remove any of its nominated Directors so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place. The Investor shall be entitled to remove any of the directors appointed pursuant to this Article 22 2 if such Director ceases to be an Employee (and for this purpose only, such person may not be an Employee solely by virtue of being a Director) by notice in writing to the Company served at its registered office.
- 22 3 An appointment or removal of a Director under Article 22 1 or Article 22 2 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors of the Company.
- 22 4 Each Investor Director shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking.
- 22 5 Each of the Investor and the B Ordinary Shareholders (acting together) shall be entitled to appoint one person to act as an observer to the Board. Any observer shall be entitled to attend and speak at all meetings of the Board and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting.
- 22 6 In its application to the Company, Regulation 78 of Table A shall be modified by the deletion of the words “ and may also determine the rotation in which any additional Directors are to retire”
- 22 7 In its application to the Company, Regulation 84 of Table A shall be modified by the deletion of the third and final sentences.

23 Disqualification of Directors

- 23 1 In addition to that provided in Regulation 81 of Table A, the office of a Director shall also be vacated if
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his, her or its office be vacated,
 - (b) in the case of Directors, other than an Investor Director, if a majority of his co-Directors serve notice on him in writing, removing him from office.

24 Proceedings of Directors

- 24 1 To be quorate, any meeting of the Board must include at least one Investor Director (save that where a Relevant Interest of an Investor Director is being authorised by other Directors in accordance with section 175(5)(a) of the 2006 Act, such Investor Director and any other interested Director shall not be included for the purpose of such authorisation but the meeting shall be quorate) and at least one Director appointed by the B Shareholders pursuant to Article 22 2. If such a quorum is not present

within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting and the Investor Directors. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

24.2 In its application to the Company Regulation 89 of Table A shall be modified

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

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

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

24.3 Any Director who participates in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at that meeting (whether in person or by alternate or by means of that type of communication device) to hear at all times that Director and that Director to hear at all times all other Directors present at the meeting (whether in person or by alternate or by means of that type of communication device) shall be deemed to be present at the meeting and shall be counted when reckoning a quorum. A meeting held by these means shall be deemed to take place where the largest group of participants in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.

24.4 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest (as defined in Article 25.5)), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.

24.5 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.

24.6 At any meeting of the Directors, provided that at least 2 Investor Directors are present and able to vote, each Investor Director present shall hold such number of votes such that the Investor Directors present shall together control the majority of votes at the meeting.

24.7 In the event that a resolution has not been passed by the Board because of an equality of votes, the matter or matters in dispute shall be determined by a majority of the Investor Directors.

- 24 8 If the chairman of the Board has not been appointed within three months of the Date of Adoption or within three months of the resignation of a chairman the Investor shall be entitled to appoint a chairman by notice in writing addressed to the Company

25 Directors' Interests

Specific interests of a Director

- 25 1 Subject to the provisions of the 2006 Act and provided (if these Articles so require) that he has declared to the Directors in writing and in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
 - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
 - (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company,
 - (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
 - (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
 - (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
 - (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
 - (h) any other interest authorised by ordinary resolution

Interests of an Investor Director

25 2 Subject to the provisions of the 2006 Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in

- (a) a Fund Manager,
- (b) any of the funds advised or managed by a Fund Manager from time to time, or
- (c) another body corporate or firm in which a Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies

Interests of which a Director is not aware

25 3 For the purposes of this Article 25, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

Accountability of any benefit and validity of a contract

25 4 In any situation permitted by this Article 25 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

Terms and conditions of Board authorisation

25 5 Any authority given in accordance with section 175(5)(a) of the 2006 Act in respect of a Director (**Interested Director**) who has proposed that the Directors authorise his interest (**Relevant Interest**) pursuant to that section may, for the avoidance of doubt

- (i) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or

- (iii) restricting the application of the provisions in Articles 25 7 and 25 8, so far as is permitted by law, in respect of such Interested Director,
- (ii) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time, and
- (iii) an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the 2006 Act and this Article 25

Terms and conditions of Board authorisation for an Investor Director

- 25 6 Notwithstanding the other provisions of this Article 25, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the 2006 Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 25 8

Director's duty of confidentiality to a person other than the Company

- 25 7 Subject to Article 25 8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 25), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
 - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director

25 8 *Additional steps to be taken by a Director to manage a conflict of interest*

Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation

- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
- (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be

reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

Requirement of a Director is to declare an interest

25 9 Subject to section 182 of the 2006 Act, a Director shall declare the nature and extent of any relevant interest in writing at a meeting of the Directors, or by general written notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the 2006 Act, except that no declaration of interest shall be required by a Director in relation to an interest

- (a) falling under Article 25 1(g),
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the 2006 Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles

Shareholder approval

25 10 Subject to section 239 of the 2006 Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 25

25 11 For the purposes of this Article 25

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (b) the provisions of section 252 of the 2006 Act shall determine whether a person is connected with a Director,
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

26 Execution of Documents

In its application to the Company, Regulation 101 of Table A shall be modified by the addition of the following sentence

"Any instrument expressed to be executed by the Company and signed by one director (in the presence of a witness who attests the signature), two Directors, or by one Director and the Secretary, by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Act or the 2006 Act) have effect as if executed under seal"

27 Dividends

In Regulation 103 of Table A the words from "If the share capital is divided" to the end of the third sentence of the Regulation shall be deleted

28 Notices

28 1 Subject to the requirements set out in the 2006 Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act or the 2006 Act, may be given, sent or supplied

(a) in hard copy form, or

(b) in electronic form,

or partly by one of these means and partly by another of these means

Notices shall be given and documents supplied in accordance with the procedures set out in the 2006 Act, except to the extent that a contrary provision is set out in this Article 28

Notices in hard copy form

28 2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas)

(a) to the Company or any other company at its registered office, or

(b) to the address notified to or by the Company for that purpose, or

(c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or

(d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors, or

(e) to any other address to which any provision of the Companies Acts (as defined in the 2006 Act) authorises the document or information to be sent or supplied, or

(f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company

28 3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective

(a) if delivered, at the time of delivery,

- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first

Notices in electronic form

Subject to the provisions of the 2006 Act, any notice or other document in electronic form given or supplied under these Articles may

- (i) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
- (ii) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form, or
- (iii) be sent by such other electronic means (as defined in section 1168 of the 2006 Act) and to such address(es) as the Company may specify
 - (A) on its website from time to time, or
 - (B) by notice (in hard copy or electronic form) to all members of the Company from time to time

28 4 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
- (c) if delivered in an electronic form, at the time of delivery, and
- (d) if sent by any other electronic means as referred to in Article 28 4(c), at the time such delivery is deemed to occur under the 2006 Act

28 5 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

General

In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the **Primary Holder**) Notice so given shall constitute notice to all the joint holders

Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the 2006 Act or otherwise)

Regulation 111, 112 and 115 of Table A shall be deleted

29 Indemnities and Insurance

29 1 Subject to the provisions of and so far as may be permitted by, the 2006 Act

- (a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the 2006 Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against
 - (i) any liability incurred by the director to the Company or any associated company, or
 - (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or
 - (iii) any liability incurred by the director
 - (A) in defending any criminal proceedings in which he is convicted,
 - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the 2006 Act) is given against him, or
 - (C) in connection with any application under sections 144(3) or 144(4) or 727 of the Act or sections 661(3) or 661(4) or 1157 of the 2006 Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the 2006 Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such

director without the restrictions in Articles 29 1(a)(i), 29 1(a)(iii)(B) and 29 1(a)(iii)(C) applying,

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

29 2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

30 Secretary

Subject to the provisions of the Act and/or the 2006 Act, the directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them