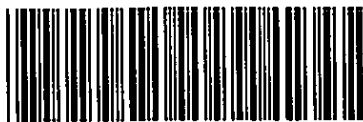


Company Number: 07391603

WEDNESDAY



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21/09/2011
COMPANIES HOUSE

172

Certified a true and correct copy
of the original document

Signed *Muckle LLP*

Muckle LLP

Newcastle upon Tyne

Date *20/9/11*

The Companies Act 2006
Company Limited by Shares
Written Resolution
of
Partridge Trading Limited
(Company)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution (**Resolution**) is passed as a special resolution

Special Resolution

That regulations contained in the printed document attached to this resolution be and the same are hereby approved and adopted as the articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association thereof

Agreement

The undersigned, who were entitled to vote on the above resolution on 12 September 2011 (**Circulation Date**), hereby irrevocably agree to the Resolution

Date

Member

Signature

Nicholas Martin Oliver

David Reay

Gary Newbold

The North East Growth 500 Plus LP

Anne Holliday

Notes

- 1 If you agree to the Resolution, 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 Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF
- **Post** returning the signed copy by post to Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF

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 after the Circulation Date, sufficient agreement has been received for the Resolution to be passed, they will lapse If you agree to the Resolution, please ensure that your agreement reaches us before or on this date

Company Number: 07391603

Certified a true and correct copy
of the original document
Signed *Muckle LLP*...

The Companies Act 2006

Company Limited by Shares

Written Resolution

of

Partridge Trading Limited

(Company)

Muckle LLP
Newcastle upon Tyne
Date 20/9/11

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Company No. 04687105

Certified a true and correct copy
of the original document

Signed *Muckle LLP*

Muckle LLP

Newcastle upon Tyne

Date

20/9/11

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

**NEW
ARTICLES OF ASSOCIATION**

(adopted by special resolution passed on *13 September* 2011)

of

PARTRIDGE TRADING LIMITED

CONTENTS

Clause		Page
1	MODEL ARTICLES	1
2.	INTERPRETATION	1
3	AUTHORITY TO ALLOT	9
4	RIGHTS ATTACHED TO SHARES	9
5.	REALISATION	16
6	VARIATION OF RIGHTS	21
7	GENERAL	21
8	PERMITTED TRANSFERS	22
9	VOLUNTARY TRANSFERS	24
10	CHANGE OF CONTROL	26
11	COMPULSORY TRANSFERS	28
12	VALUATION OF SHARES	31
13	COMPLIANCE	31
14	ISSUE OF SHARES	32
15	GENERAL MEETINGS	33
16	REMOVAL OF DIRECTORS	34
17.	INVESTOR DIRECTORS AND OBSERVERS	34
18	ALTERNATE DIRECTORS	35
19.	PROCEEDINGS OF DIRECTORS	35
20	CONFLICTS OF INTEREST	35
21.	INDEMNITY AND INSURANCE	36

PRELIMINARY

1 MODEL ARTICLES

1 1 The regulations contained in the Model Articles, save in so far as they are expressly excluded or varied by these Articles, the regulations numbered 25 to 27 (inclusive) and 52 to 62 (inclusive) in the Model Articles of Association for Public Companies set out in schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) and the regulations contained in these Articles shall together constitute the articles of association of the Company. No other regulations set out in any schedule to, or contained in any order, regulation or other subordinate legislation made under, any statute concerning companies shall apply as regulations or articles of the Company.

1 2 The regulations of the Model Articles numbered 21 and 30 do not apply to the Company

2 INTERPRETATION

2 1 In these Articles unless the context otherwise requires each of the following words and expressions shall have the following meanings

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

“acting in concert” shall have the meaning set out in the City Code on Takeovers and Mergers for the time being,

“Auditors” means the auditors to the Company for the time being,

“Board” means the board of directors of the Company for the time being or, as the context may require, any duly authorised committee,

“Business Day” means any day except Saturday, Sunday or any Bank Holiday in England or Wales,

“Conflict” means a situation where a director has, or could have, a direct or indirect interest or duty that conflicts, or may possibly conflict, with the interests of the Company or with any duty he owes to the Company,

“connected with” shall be determined in accordance with the provisions of section 1122 of the Corporation Tax Act 2010,

“Controlling Interest” an interest (within the meaning of section 820 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the

	Company,
"Critical Illness"	means a medical condition which renders a person wholly or substantially incapable (in the reasonable opinion of the directors) of performing his duties as a director or employee (as the case may be) of the Company either permanently or for the foreseeable future,
"Deemed Transfer Notice"	has the meaning given in Article 11.2 ,
"Deferred Shares"	means the deferred shares of £1.00 each in the capital of the Company having the rights set out in Article 5 ;
"Employee Trust"	means any trust established by the Company for the benefit of employees or any of the beneficiaries referred to in section 1166 of the Act and which has been approved by an Investor Majority,
"Equity Shares"	means the Ordinary Shares and the Preferred Ordinary Shares,
"Family Member"	means the wife or husband (or widow or widower), civil partner or surviving civil partner, child or grandchild (including any step or adopted child or grandchild) of a member of the Company,
"Family Trust"	means, in relation to a member of the Company, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members,
"Financial Year"	means an accounting period of 12 months (save for the first) in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act,
"FW Capital"	FW Capital Limited (registered in England and Wales with company number 7078439) acting for and on behalf of the Fund,
"Fund"	means the North East Growth 500 Plus LP (a limited partnership registered in England and Wales under number LP13802),

"Group"	means the Company and its subsidiary undertakings from time to time and references to "member of the Group" or to "Group Member" shall be construed accordingly,
"Holder"	means, in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share,
"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 Agreements"	means the investment agreements between the Company (1), the Investors (2), FW Capital (3) and Nicholas Martin Oliver, David George Reay and Gary William Newbold dated 23 December 2010 and 13 September 2011,
"Investor Director"	means a director appointed pursuant to Article 17.1 ,
"Investor Group"	means in relation to each Investor <ul style="list-style-type: none"> (a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a "Relevant Person"); or (b) any partnership (or all or any of the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser (and, for the avoidance of doubt, "partnership" shall include a limited partnership), or (c) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser, or (d) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person, or (e) any nominee or trustee of any Relevant Person, or (f) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for

the whole or a substantial part of the functions, assets and liabilities of a Relevant Person,

"Investor Majority"

means the Holder(s) of more than 50% of the Preferred Ordinary Shares from time to time,

"Investors"

means the Fund and Anne Holliday and shall include any Holder to whom any Investor has transferred Shares in accordance with these Articles (each of them being an "Investor");

"Issue Price"

means, in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium;

"Listing"

means the admission by the Financial Services Authority in its capacity as the UK Listing Authority of any part of the share capital of the Company to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any part of the share capital of the Company to trading on the Alternative Investment Market of London Stock Exchange plc or the admission by any Recognised Investment Exchange of any part of the share capital of the Company, and, in each case, such admission becoming effective,

"Listing Shares"

means the issued equity share capital of the Company (excluding any equity share capital to be subscribed and issued on such Listing other than new shares to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of shares),

"Loan Agreements"

means the Loan Agreements between the Company and each of the Investors dated 23 December and 12 and 13 September 2011,

"Listing Value"

means, in the event of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the financial advisers to the Company or, if none, the broker appointed by the Board to advise in connection with the Listing,

"Management"

means Nicholas Martin Oliver and/or David George Reay and/or Gary William Newbold or any of them,

"Model Articles"	means the model articles of association for private companies limited by shares set out in schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229),
"NEF Group"	means North East Finance (Holdco) Limited (registered in England and Wales with company number 7000577) together with its parent undertakings and subsidiary undertakings from time to time, and "member of the NEF Group" shall be construed accordingly,
"Net Profits"	means the net consolidated profit of the Group on ordinary activities calculated on the historical cost accounting basis and in accordance with the accounting practices, policies and bases of the Company, consistently applied, which are generally accepted in the United Kingdom and as shown in the audited consolidated profit and loss account of the Company for the relevant Preferred Dividend Financial Year (or, if the calculation is being made for the purpose of Article 4.3 , for the relevant period) <ul style="list-style-type: none"> (a) before provision for, or deducting the amount of, any dividends payable on any shares or any other distribution; (b) before provision for the transfer of any sum to reserve or writing off goodwill, (c) after exceptional items, and (d) before deducting corporation tax (and any other tax levied upon or measured by reference to profits or gains) on such profits (including deferred tax),
"Ordinary Majority"	means the holders of not less than one half of the total number of Ordinary Shares for the relevant time being in issue,
"Ordinary Shares"	means the ordinary shares of £1 00 each in the capital of the Company having the rights set out in Article 4 ,
"Preferred Dividend"	means the dividend payable to the Holders of the Preferred Ordinary Shares,
"Preferred Financial Year"	Dividend each Financial Year of the Company commencing with the Financial Year ending in 2014,

- "Preferred Ordinary Shares"** means the preferred ordinary shares of £1 00 each in the capital of the Company having the rights set out in **Article 4**;
- "Realisation"** means a Sale or Listing,
- "Realisation Value"** means the value of the Equity Shares comprised within the fully diluted share capital of the Company (which shall include shares deriving from issued Equity Shares since their date of issue, including shares deriving therefrom following any capital reorganisation effected prior to the Realisation) calculated as follows and on the basis that the relevant Realisation has been effected in accordance with its terms
- (a) in the event of a Listing, the Listing Value,
 - (b) in the event of a Sale,
 - (i) if the Equity Shares are to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable in full on completion of the Sale, the total amount of such cash sum,
 - (ii) if a written offer has been made for a cash consideration or, if the Sale is pursuant to any other public cash offer or public offer accompanied by a cash alternative, the total cash consideration or cash alternative price for all the shares of the Company for which the offer is made,
 - (iii) if the Sale is by private treaty or public offer and the consideration is the issue of securities (not accompanied by a cash alternative)
 - (aa) if the securities will rank *pari passu* with a class of securities already admitted to the Official List or any other Recognised Investment Exchange (in the case of a sale by private treaty) the value attributed to such consideration in the related sale agreement setting out the terms of such sale or, (in

the case of a Sale following a public offer or failing any such attribution in the sale agreement) by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the period of 5 business days ending 3 days prior to the day on which the Sale is completed, or

- (bb) if the securities are not of such a class, the value of the relevant consideration as agreed between an Investor Majority and an Ordinary Majority or, in the absence of such agreement prior to the Realisation, such value as is reported on by the Valuers, in a report obtained for the purpose in accordance with **Article 5.7** and addressed to the holders of the Equity Shares,
- (iv) to the extent that the Sale includes an element of non-contingent and clearly quantified deferred consideration, its value shall be the present value of such deferred consideration discounted for delay determined by the Valuers in a report obtained for the purpose in accordance with **Article 5.7** and addressed to the holders of the Equity Shares, and
- (v) if and to the extent that (i) to (iv) above are not applicable, the value of the relevant consideration as agreed between an Investor Majority and an Ordinary Majority or, in the absence of such agreement prior to the Realisation, such value as it is reported on by the Valuers, in a report obtained for the purpose in accordance with **Article 5.7** and addressed to the holders of the Equity

Shares,

provided always that

- (i) in the case of a Sale of less than all the Equity Shares the aggregate price shall be calculated by multiplying the price per share payable for the shares being sold by the number of Equity Shares comprised in the Company's fully diluted share capital, and
- (ii) there shall be deducted from the value calculated as aforesaid any amount paid to the Holders of the Preferred Ordinary Shares pursuant to Article 5.1(c)

"Recognised Exchange" **Investment** has the meaning ascribed to such phrase by section 285 of the Financial Services and Markets Act 2000,

"Sale" means the transfer (other than a transfer permitted under Articles 8.2, 8.3, 8.4(a) or 8.4(b)) of any interest in the shares of the Company to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest, and

"Shares" means the Ordinary Shares and Preferred Ordinary Shares.

"Valuers" means the Auditors unless the Auditors give notice to the Company that they decline an instruction to report on the matter in question when the Valuers shall be a firm of chartered accountants as selected by the Board with the consent of an Investor Majority and an Ordinary Majority or, in default of such agreement, within 14 days after the first name being proposed by the Directors, an Investor Majority or an Ordinary Majority (as may be relevant), as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party

22 Words and expressions defined in or having a meaning provided by the Act (but excluding any statutory modification not in force on the date of adoption of these Articles) shall, unless the context otherwise requires, have the same meanings when used in these Articles

SHARE RIGHTS

3. AUTHORITY TO ALLOT

- (a) The Directors have a general and unconditional authority, pursuant to and in accordance with section 551 of the Act, to exercise all powers of the Company to allot Shares in the Company or to grant rights to subscribe for or to convert any security into Shares in the Company for a period expiring on the fifth anniversary of the date of adoption of this Article unless previously renewed, varied or revoked by the Company. The maximum nominal value of Shares which may be allotted pursuant to the authority conferred by this Article is £105,899
- (b) By the authority conferred by **Article 3(a)**, or by any renewal of the authority, the Directors may allot Shares, or grant rights to subscribe for or to convert any security into Shares, after the authorisation has expired if the Shares are allotted, or the rights granted, in pursuance of an offer or agreement made by the Company before the authorisation expired

4 RIGHTS ATTACHED TO SHARES

The rights attached to the Shares are as follows

4.1 Dividends

The profits of the Company available by law for distribution in respect of any Financial Year shall be applied in the following manner and order of priority.

- (a) Firstly, in respect of each Preferred Dividend Financial Year the Company shall, without resolution of the Board or the Company in general meeting and before application of any profits to reserve or any other purpose, pay to the members holding Preferred Ordinary Shares a cumulative preferential net cash dividend which is equal to 10% (10 per centum) of Net Profits for the relevant Preferred Dividend Financial Year increasing by 2.5% (two point five per centum) each Preferred Dividend Financial Year up to a maximum of 25% (twenty five per centum) per annum. Each Preferred Dividend shall be paid four months after the end of the relevant Preferred Dividend Financial Year of the Company or 14 days after the date on which the audited accounts of the Company for the relevant Preferred Dividend Financial Year are signed by the directors, whichever is earlier. The Preferred Dividend shall accrue daily on the basis of a 365 day year
- (b) Thereafter dividends shall be paid in accordance with **Article 4.1(f)**
- (c) For so long as there are Preferred Ordinary Shares in issue, the Company shall require the Auditors at the Company's expense to prepare a statement of the Net Profits for each Preferred Dividend Financial Year of the Company within 4 months of the end of the relevant Preferred Dividend Financial Year
- (d) If the Company fails to pay all or any part of a Preferred Dividend on the date for payment specified in **Article 4.1** or **Article 4.4(d)** (as the case may be), interest on the overdue payment shall accrue from that date until payment at

the rate of 6.5 per cent per annum above the base rate of Barclays Bank plc for the time being, compounded on 31st December, 31st March, 30th June and 30th September in each year

- (e) Where the Company is precluded by the Act or otherwise from paying in full any Preferred Dividend on the date for payment specified in this **Article 4.1** or in **Article 4.3(d)** (as the case may be), then in respect of any such dividend which would otherwise be payable pursuant to these Articles on that date:
 - (i) the Company shall pay, on that date, to the Holders entitled to such dividend on account of that dividend the maximum sum (if any) which can then, consistently with the Act, be paid by the Company, and
 - (ii) as soon as the Company is no longer precluded from doing so, the Company shall pay any balance of that dividend for the time being remaining outstanding, or (if less) the maximum amount of such dividend which can, consistently with the Act, properly be paid by the Company at that time, until all arrears and accruals of such dividend have been paid in full
- (f) Subject to the payment in full of the Preferred Dividend (plus any arrears and accrued interest in respect of the Preferred Dividend in each Preferred Dividend Financial Year and any amount falling due pursuant to **Article 4.4(d)**) any remaining profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of members of the Company in general meeting be distributed amongst the Holders of the Preferred Ordinary Shares and the Ordinary Shares then in issue *pari passu* according to the number of such Shares held by them respectively as if they constituted one class of share. No such further dividend shall be declared or paid by the Company which is in excess of 5% of the Net Profits for the Financial Year in question without the prior written consent of an Investor Majority
- (g) The Company shall procure the distribution to the Company in respect of each Preferred Dividend Financial Year, whether by way of dividend, reduction of capital, liquidation of subsidiaries or otherwise, of sufficient of the profits of its subsidiaries to enable the Company to pay the Preferred Dividend

4.2 Capital

On a return of capital on liquidation, the surplus assets of the Company remaining after the payment of its liabilities shall be applied, and on any other return of capital (whether as a result of a capital reduction or otherwise) the amount being returned shall be applied, as follows

- (a) first, in paying to each member holding Preferred Ordinary Shares
 - (i) all unpaid arrears and accruals of the Preferred Dividend and any further dividend on the Preferred Ordinary Shares held by him calculated down to and including the date the return of capital is

made (such arrears and accruals being payable irrespective of whether the relevant dividend has become due and payable in accordance with these Articles), and

- (ii) an amount equal to 3 (three) times the Issue Price of all the Preferred Ordinary Shares held by him (and any waiver of this entitlement in relation to a particular return of capital shall not constitute a waiver of the entitlement in relation to any subsequent return of capital),
- (b) secondly, in paying to each Holder of Ordinary Shares, first, any dividends thereon which have been declared but are unpaid and, secondly, an amount equal to the Issue Price of each Ordinary Share held by him, and
- (c) thereafter, in distributing the balance of such assets amongst the Holders of the Ordinary Shares and the Preferred Ordinary Shares (*pari passu* as if they constituted one class of share) in proportion to the number of Ordinary Shares and Preferred Ordinary shares held by them respectively

For the purpose of this **Article 4.2**, the Preferred Dividend shall be deemed to accrue on a daily basis (assuming 365 days in a year) throughout the Preferred Dividend Financial Year to which they relate and (for the purpose of calculating the Preferred Dividend so far accrued in respect of the current Preferred Dividend Financial Year) "Net Profits" shall be calculated by reference to the unaudited consolidated management accounts of the Company for the period from the start of the then current Preferred Dividend Financial Year to the latest practicable date prior to the date of the return of capital

4.3 Anti-Dilution

- (a) For the purposes of this **Article 4.3**, the following words and expressions shall have the following meanings

"Adjustment Event" means

- (a) any allotment or issue of Shares by way of capitalisation of profits or reserves (including share premium account and any capital redemption reserve fund) to Holders of Shares (other than an allotment or issue of New Shares pursuant to this **Article 4.3**), or
- (b) any subdivision or consolidation of any Shares, or
- (c) completion of any agreement, offer or invitation to acquire any Shares or rights thereto made by the Company to Holders of Shares, or

(d) any payment of a special dividend (whether in cash or in specie),

"Exercising Investor" means in respect of each Further Issue each Holder of Preferred Ordinary Shares which exercises its rights to acquire further Preferred Ordinary Shares pursuant to **Article 4.3 (b)**,

"Further Issue" means an issue of Further Securities to which **Article 4.3 (b)** applies,

"Further Securities" means any Equity Shares (other than New Shares issued pursuant to this **Article 4.3**) or other securities convertible into or carrying the right to subscribe for such Equity Shares issued by the Company after the date of the adoption of these Articles,

"New Shares" means those Shares issued pursuant to this **Article 4.3**,

"Stated Issue Price" means the price per Preferred Ordinary Shares paid by a Holder of Preferred Ordinary Shares pursuant to the Investment Agreements or such different amount as is determined in accordance with **Article 4.3(e)**

- (b) In the event that Further Securities are proposed to be issued by the Company at a price per Further Security which equates to less than the Stated Issue Price per Further Security then the Company shall, unless and to the extent that the Holders of Preferred Ordinary Shares shall have specifically waived their rights hereunder, offer (such offer, unless waived, to remain open for acceptance for not less than 28 days) to each Holder of Preferred Ordinary Shares the right to receive such number of new Preferred Ordinary Shares (the "New Shares") by applying the following formula and rounding the product, A, down to the nearest whole share), subject to adjustment as certified in accordance with **Article 4.3(e)**

$A = ((W \text{ divided by } X) \text{ multiplied by } Y) \text{ minus } Z$

or

(if the Holder of Preferred Ordinary Shares is required to subscribe in cash for any New Shares in accordance with **Article 4.3.c.1**)

$A = ((W \text{ multiplied by } Y) \text{ minus } (X \text{ multiplied by } Z)) \text{ divided by } (X \text{ minus } (V \text{ multiplied by } Y))$

Where

A = The number of New Shares,

V =	The nominal value of each New Share,
W =	The total amount subscribed in cash by each Exercising Investor for Preferred Ordinary Shares pursuant to the Investment Agreements,
X =	The price (if any) at which each Further Security is to be issued pursuant to the Further Issue,
Y =	The greater of (i) one, and (ii) the number of votes conferred on each Further Security (or, if greater, on the shares into or for which each Further Security is convertible or exchangeable),
Z =	The aggregate number of Preferred Ordinary Shares held by each Exercising Investor

(c) The New Shares shall not be issued at a discount and shall

4.3.c.1 be Paid up by the capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful and the Holders of 50% of the Preferred Ordinary Shares agree in writing otherwise, in which event the Exercising Investors under **Article 4.3 (b)** shall subscribe for the New Shares in cash at par, and

4.3.c.2 subject to the payment of any cash payable pursuant to **Article 4.3.c.1**, be issued, credited fully Paid up in cash ranking par passu in all respects with the existing Preferred Ordinary Shares, within five Business Days of the expiry of the offer being made by the Company to the Holders of Preferred Ordinary Shares pursuant to **Article 4.3 (b)**

(d) In the event of any dispute between the Company and any Exercising Investor as to the effect of **Articles 4.3 (b) or 4.3(c)**, the matter shall be referred (at the cost of the Company) to the Valuers for certification of the number of New Shares to be issued. The Valuers' certification of such matter shall in the absence of fraud or manifest error be final and binding on the Company and the Exercising Investors

(e) If there is an Adjustment Event at any time following the date of the adoption of these Articles, the number and (where the nominal value of the existing issued Preferred Ordinary Shares shall have been changed), the nominal value of Preferred Ordinary Shares to be offered by the Company pursuant to **Article 4.3 (b)**, on any subsequent Further Issue will be adjusted in such manner as the Valuers shall certify (such certificate to be final and binding on the Company and the Exercising Investors in the absence of fraud or manifest error) to be necessary in order to reflect fairly the result of the Adjustment Event and in order that, after such adjustment the total number of Preferred Ordinary Shares to be so offered, will result in the per share subscription price for all Preferred Ordinary Shares subscribed for by the Preferred Ordinary Shares pursuant to the Investment Agreements and

subsequently pursuant to **Article 4.3 (b)** being equal to the price at which each Further Security is to be issued pursuant to the Further Issue

- (f) The costs of the Valuers' certification pursuant to **Articles 4.3 (d) and Article 4.3 (e)** shall be borne by the Company unless where such certification is requested or required pursuant to **Article 4.3 (e)** and that pursuant to such certification there is no adjustment to the number and/or the nominal value of Preferred Ordinary Shares to be offered by the Company the costs of the Independent Expert's certification pursuant to **Article 4.3 (e)** shall be borne by the Exercising Investor. The Company shall forthwith following finalisation of each such certificate deliver a copy of the same to each Exercising Investor

4.4 **Conversion**

- (a) The members holding Preferred Ordinary Shares may at any time convert all the Preferred Ordinary Shares into the same number of fully paid Ordinary Shares by notice in writing given to the Company signed by the Holders of not less than 50 per cent of the Preferred Ordinary Shares. The conversion shall take effect immediately upon the date of delivery of that notice to the Company (unless the notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when those conditions have been fulfilled) and the Company and members shall do all acts necessary to procure that conversion. For the avoidance of doubt, such Preferred Ordinary Shares shall be converted into Ordinary Shares of the same nominal value
- (b) In this **Article 4.3**, the “**conversion date**” means the date and time on which Preferred Ordinary Shares are to be converted into Ordinary Shares in accordance with this **Article 4.3**
- (c) Each member holding Preferred Ordinary Shares shall deliver the certificate(s) for those shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the conversion date whereupon the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares arising on conversion
- (d) The Preferred Ordinary Shares shall rank for an apportioned part of the Preferred Dividend attributable to the Preferred Dividend Financial Year of the Company in which the conversion date falls, calculated on a daily basis down to and including the conversion date. The Company shall accordingly deliver to each Holder of Preferred Ordinary Shares on the conversion date, in cleared funds, an amount equal to the aggregate of
 - (i) all arrears and accruals of the Preferred Dividend (plus any accrued interest in respect of the Preferred Dividend) attributable to the Preferred Dividend Financial Years ending on or before the conversion date, whether declared and payable under these Articles or not; and

(ii) the Preferred Dividend from the date of the commencement of the then current Preferred Dividend Financial Year of the Company down to and including the conversion date, whether declared or payable under these Articles or not "Net Profits" for this purpose shall be calculated by reference to the unaudited consolidated management accounts of the Company for the period from the start of the then current Preferred Dividend Financial Year to the latest practicable date prior to the conversion date

(e) The Ordinary Shares arising on conversion shall rank *pari passu* in all respects with the other Ordinary Shares in the capital of the Company, except where these Articles express to the contrary, and shall entitle the Holders of them to all dividends and other distributions declared, made or paid by reference to a record date on or after the conversion date on the Ordinary Shares.

4 5 Voting

(a) Subject to Article 4 5 (b), the Holders of the Ordinary Shares and the Preferred Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and any Holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, have one vote each for every Share of which he is the Holder

(b) If

4 5 b 1 and for so long as there is subsisting any material default or material breach by the Company of either of the Investment Agreements or any of the Loan Agreements, or

4 5 b 2 there is in the reasonable opinion of an Investor Majority a threatened, proposed or pending material default or material breach of either of the Investment Agreements or any of the Loan Agreements, or

4 5 b 3 if the Company fails to pay any Preferred Dividend where it is lawfully able to do so

then, if the Holders of an Investor Majority have given at least 28 days notice to the Company) the Ordinary Shares shall carry no voting rights PROVIDED that in article 4 5 b 1, if the material default or breach is capable of remedy, and in article 4 5 b 2 the threatened, proposed or pending material default or breach could be remedied before it occurs, the Company shall have 10 Business Days in which to remedy such material default or breach or threatened, proposed or pending material default or breach

(c) For the avoidance of doubt, the provisions in this Article 4 5 shall, where such a notice has been given to the Company in accordance with Article 4 5 (b), enable the Holders of at least 50% of the Preferred Ordinary Shares

4 5.c 1 to pass written resolutions of the Company, and

4 5.c 2 to consent to the holding of a general meeting of the Company on short notice pursuant to section 307(4) of the Act

4 6 Leaver

If a person gives a Deemed Transfer Notice pursuant to **Article 11** as a result of a Transfer Event described in **Article 11.1** occurring, then such person shall from the date of such Deemed Transfer Notice cease to have any of the rights described in

(a) **Article 4.1** (dividends), and

(b) **Article 4 5** (voting)

5 REALISATION

5 1 Immediately prior to a Realisation

(a) the Company shall deliver to each Holder of Preferred Ordinary Shares, in cleared funds, an amount equal to the aggregate of

(i) all arrears and accruals of the Preferred Dividend (plus any accrued interest in respect of the Preferred Dividend) attributable to the Preferred Dividend Financial Years ending on or before the date of the Realisation, whether declared and payable under these Articles or not,

(ii) the Preferred Dividend from the date of the commencement of the then current Preferred Dividend Financial Year of the Company down to and including the date of the Realisation, whether declared or payable under these Articles or not. "Net Profits" for this purpose shall be calculated by reference to the unaudited consolidated management accounts of the Company for the period from the start of the then current Preferred Dividend Financial Year to the latest practicable date prior to the date of the Realisation, and

(iii) an amount equal to 3 (three) times the Issue Price of all the Preferred Ordinary Shares issued to him pursuant to the Investment Agreements

(b) to the extent that the Company fails to deliver as set out at **Article 5.1 (a)** then, in the event of a Sale, the selling Holders of Shares shall procure that an amount equal to the amount that the Company has failed to deliver shall be paid into the joint account referred to at **Article 5.3** and shall be distributed to the Holders of Preferred Shares in priority to any other payments due on such Sale to the Holders of Shares according to this **Article 5** or, in the event of a Listing, the Shareholders shall procure compliance with the provisions of **Article 5.4**

(c) Following payment of the amounts set out under **Articles 4.1 (a) and/or (b)**, and provided that all amounts due under the Loan Agreements have been paid or repaid in full, such number of Ordinary Shares and Preferred Ordinary Shares shall be converted into Deferred Shares (pro rata between

the holders of the relevant class and without the need of any further authority from the shareholders or Investor Majority approval) as determined in accordance with **Article 5.1(d)**, on the assumption that such Realisation will proceed immediately thereafter at the anticipated Realisation Value,

(d) the shares to be converted under **Article 5.1(c)** shall be converted so as to result in the following percentages of Realisation Value being allocated to the parties detailed below as follows -

(i) in the event that the Investors have not subscribed for shares pursuant to the later of the Investment Agreements.

(a) to the holders of the Ordinary Shares held by Management 35% and to the holders of the Preferred Ordinary Shares 65%, until the holders of the Preferred Ordinary Shares shall have received £1,892,500 of Realisation Value,

(b) thereafter, to the holders of the Ordinary Shares held by Management 50% and to the holders of the Preferred Ordinary Shares 50%, until the holders of the Preferred Ordinary Shares shall have received a further £1,454,545 of Realisation Value,

(c) thereafter, to the holders of the Ordinary Shares held by Management 70% and to the holders of the Preferred Ordinary Shares 30%, until the holders of the Preferred Ordinary Shares shall have received a further £1,371,429 of Realisation Value,

(d) thereafter, to the holders of the Ordinary Shares held by Management 75% and to the holders of the Preferred Ordinary Shares 25%, until the holders of the Preferred Ordinary Shares shall have received a further £666,667 of Realisation Value, and

(e) thereafter to the holders of the Ordinary Shares held by the Management 80% and to the holders of the Preferred Ordinary Shares 20%

(ii) in the event that the Investors have subscribed for all of the shares detailed in and pursuant to the later of the Investment Agreements and at the date of the Realisation the Ordinary Shares held by Management comprise 35% of the Company's issued Equity Shares

(f) to the holders of the Ordinary Shares held by Management 35% and to the holders of the Preferred Ordinary Shares 65%, until the holders of the Preferred Ordinary Shares shall have received £471,786 of Realisation Value,

(g) thereafter, to the holders of the Ordinary Shares held by Management 37% and to the holders of the Preferred Ordinary Shares 63%, until the holders of the Preferred Ordinary Shares shall have received a further £1,832,727 of Realisation Value,

- (h) thereafter, to the holders of the Ordinary Shares held by Management 39% and to the holders of the Preferred Ordinary Shares 61%, until the holders of the Preferred Ordinary Shares shall have received a further £2,788,572 of Realisation Value,
 - (i) thereafter, to the holders of the Ordinary Shares held by Management 47% and to the holders of the Preferred Ordinary Shares 53%, until the holders of the Preferred Ordinary Shares shall have received a further £1,413,334 of Realisation Value, and
 - (j) thereafter to the holders of the Ordinary Shares held by the Management 80% and to the holders of the Preferred Ordinary Shares 20%
- (iii) in the event that the Investors have subscribed for all of the shares detailed in and pursuant to the later of the Investment Agreements and at the date of the Realisation the Ordinary Shares held by Management comprise 20 1% of the Company's issued Equity Shares
- (k) to the holders of the Ordinary Shares held by Management 20 1% and to the holders of the Preferred Ordinary Shares 79 9%, until the holders of the Preferred Ordinary Shares shall have received £579,934 of Realisation Value,
 - (l) thereafter, to the holders of the Ordinary Shares held by Management 22 1% and to the holders of the Preferred Ordinary Shares 77 9%, until the holders of the Preferred Ordinary Shares shall have received a further £2,266,182 of Realisation Value,
 - (m) thereafter, to the holders of the Ordinary Shares held by Management 24 1% and to the holders of the Preferred Ordinary Shares 75 9%, until the holders of the Preferred Ordinary Shares shall have received a further £3,469,715 of Realisation Value,
 - (n) thereafter, to the holders of the Ordinary Shares held by Management 32 1% and to the holders of the Preferred Ordinary Shares 67 9%, until the holders of the Preferred Ordinary Shares shall have received a further £1,810,667 of Realisation Value, and
 - (o) thereafter to the holders of the Ordinary Shares held by the Management 65 1% and to the holders of the Preferred Ordinary Shares 34.9%.
- (iv) in the event that the Investors have subscribed for all of the shares detailed in and pursuant to the later of the Investment Agreements and

at the date of the Realisation the Ordinary Shares held by Management comprise less than 35% but more than 20 1% of the Company's issued Equity Shares, the provisions of sub-articles (k) to (o) above will be adjusted in such manner as the Valuers shall certify (such certificate to be final and binding on the Company and the shareholders in the absence of fraud or manifest error) to be necessary in order to reflect fairly the respective positions of the shareholders at the date of the Realisation versus the principles reflected in such sub-articles (k) to (o)

(e) in relation to any conversion

5 1 e 1 in relation to any shares to be converted into Deferred Shares, such shares shall be apportioned (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the holders of the shares to be converted in the proportion (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) in which they hold such shares as shown on the register of members immediately prior to the Realisation,

5.1 e 2 the certificate of the Valuers as to the number of shares to be converted into Deferred Shares and the apportionment of such shares among the holders thereof shall (save in the case of a manifest error) be conclusive and binding on the Company and its members,

(f) each Holder holding shares which are to be converted shall deliver the certificates for those shares (or an indemnity in lieu thereof in terms satisfactory to the Board) to the Company on the date of Realisation whereupon the Company shall issue to the persons entitled thereto certificates for the balance of the relevant shares and (subject to the terms thereof) Deferred Shares arising on conversion

5 2 The rights attached to the Deferred Shares arising on conversion under this article are as follows

- (a) the Deferred Shares shall not confer on the holders of them any right to receive payment of any dividend,
- (b) the Deferred Shares shall not confer on the holders of them any right to receive notice of, or to attend and vote at, any general meeting of the Company,
- (c) on a return of assets on a winding up or otherwise the Deferred Shares shall entitle the holders thereof only to payment of 1 penny for each Deferred Share held after the repayment of the capital paid up on each Equity Share and the payment of £5,000,000 on each Equity Share, and

- (d) the Company shall have irrevocable authority at any time to appoint any person to execute on behalf of the holders of all or any of the Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such person(s) as the Company may determine as custodian thereof and/or to purchase the same itself (in accordance with the provisions of the Companies Acts), in any such case for not more than 1 penny for each Deferred Share held by any Member, without further obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate for the Deferred Shares
- 5 3 On a Sale, the proceeds from the Sale (as the case may be) ("**Proceeds**") shall (unless otherwise agreed by all Members) be paid by all Members into a joint account at such branch of such UK clearing bank as may be nominated by an Investor Majority immediately prior to the Sale and such Proceeds shall be allocated between the Members following the application of **Article 5.1(d)** of the relevant classes as if such Shares constituted a single class)
- 5 4 Immediately prior to and conditionally upon a Listing the Members shall enter into such reorganisation of the share capital of the Company as they may agree or, in default, as an Investor Majority may reasonably specify to ensure that the Listing Value is allocated between the Members in the same proportions as the preceding provisions of **Article 5.1 (a) or 5.1(b) and 5.1(d)** would provide on a Sale at that Listing Value
- 5 5 In the event of a Sale occurring where the whole or any part of the Proceeds are to be received by the Members in a form other than cash, the Members shall enter into such arrangements in relation to such Proceeds as they may agree to ensure that such non-cash consideration is allocated amongst the holders of Equity Shares so as to achieve the same commercial effect as would be the case pursuant to **Article 5.1(d)** if such consideration had actually been received in cash (and as between such holders of Equity Shares, such non-cash consideration shall be apportioned between the different classes of Equity Shares in the same proportions as those proportions in which they are entitled to receive the overall Proceeds, unless the Members holding Equity Shares should reach any agreement to the contrary).
- 5 6 For the purposes of this **Article 5** where any agreement is required to be reached as between the Members, then the agreement of the Holders of over 50% (by reference to nominal value) of any one class of Shares for the time being in issue shall be binding on all of the holders of Shares in such class.
- 5 7 In the event that the application of any provision of this **Article 5** cannot be agreed between the Members, any such matters in dispute shall be referred by the Board to the Valuers whose costs shall be borne by the Members in such proportions as the Valuers may determine having regard to the conduct of the Members and the merits of their arguments in relation to the matter(s) in dispute (or in the absence of such determination, shall be borne by the Members pro rata to their respective holdings of Equity Shares) and whose decision shall be final and binding on all Members (save in the case of manifest error)

6 VARIATION OF RIGHTS

- 6 1 Without prejudice to **Article 4.3 and 6.2**, whenever the share capital of the Company is divided into different classes of share, 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) either (i) with the consent in writing of the Holders of more than three-fourths of the issued shares of that class, or (ii) with the sanction of a special resolution passed at a separate general meeting of the Holders of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply.
- 6 2 The rights under article 5.1(d) attaching to the Ordinary Shares held by Management shall be deemed to a separate class right of Management and may only be varied or abrogated either:
- ii) with the consent in writing of holders of three fourths of the Ordinary Shares held by Management; or
 - iii) with the sanction of a special resolution passed at a general meeting of the Management. To every each separate general meeting all the provisions of these Articles to general meetings of the Company (and to the proceedings of such general meetings) shall apply PROVIDED THAT in no event shall the provisions of article 4 5 apply to override, disapply or allow the disapplication of this special class right

TRANSFER OF SHARES

7 GENERAL

- 7 1 No transfer of any share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these Articles. The Board shall not be entitled to refuse to register any transfer of a share made in accordance with these Articles unless (i) the shares concerned are subject to the company's lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles. Regulation 26(5) of the Model Articles shall be varied accordingly.
- 7 2 For the purposes of these Articles, the following shall be deemed (but without limitation) to be a transfer by a Holder of shares in the Company
- (a) any direction (by way of renunciation or otherwise) by a Holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself, and
 - (b) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant

Holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing

8 PERMITTED TRANSFERS

8.1 Notwithstanding the provisions of any other Article, the transfers set out in this **Article 8** shall be permitted without restriction and the provisions of **Article 9** (Voluntary Transfers) and **10** (Change of Control) shall have no application to a transfer made in accordance with this **Article 8**

8.2 Permitted transfers by Investors

- (a) Any Investor, being a body corporate, shall be entitled to transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a “**Group Company**”) but if a Group Company whilst it is a Holder shall cease to be a Group Company in relation to such Investor it shall, within 15 Business Days of so ceasing, transfer the shares held by it to the Investor or any Group Company of the Investor
- (b) A Group Company to whom shares are transferred by an Investor in accordance with **Article 8.2(a)** may transfer shares to another Group Company of the same Investor.
- (c) Any Investor shall be entitled to transfer all or any of its shares to:
 - (i) any Institutional Investor or group of Institutional Investors as part of any transaction involving the sale or other disposal of all, or a substantial proportion, of its investments,
 - (ii) any member of its Investor Group,
 - (iii) any financial institution having the same or similar objects to the North East Finance (Holdco) Limited, and/or
 - (iv) any member of the NEF Group

8.3 Permitted transfers by Individuals

- (a) Subject to **Articles 8.3(b) to 8.3(e)** inclusive, any Holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be -
 - (i) a Family Member of his, or
 - (ii) trustees to be held under a Family Trust in relation to that individual or his Family Members
- (b) Subject to **Article 8.3(d)**, no Shares shall be transferred under **Article 8.3(a)** by any person who previously acquired those Shares by way of transfer under **Article 8.3(a)** save to another individual who is a Family Member of the original Holder of such Shares

- (c) No transfer of Shares shall be made by a Holder who is not an Investor under **Article 8.3(a)** if the proposed transfer will result in 50 per cent or more of the shares originally held by that Holder being held by that Holder's Family Trusts and Family Members
- (d) Where Shares are held by trustees under a Family Trust -
 - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved in writing by an Investor Majority,
 - (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 8.3(a)** if he had remained the Holder of them, and
 - (iii) if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Article 8.2(d)(ii)**), the trustees shall be required to immediately serve a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 9**
- (e) If -
 - (i) any person has acquired Shares as a Family Member of a Holder by way of one or more permitted transfers, and
 - (ii) that person ceases to be a Family Member of that Holder

that person shall forthwith transfer all the Shares then held by that person back to that Holder, for such consideration as they agree, within 21 days of the cessation
- (f) If the personal representatives of a deceased Holder are permitted under these Articles to become registered as the Holders of any of the deceased Holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under **Article 8.3** to any person to whom the deceased Holder could have transferred such Shares under this **Article 8.3** if he had remained the Holder of them. No other transfer of such Shares by personal representatives shall be permitted under this **Article 8.3**

8.4 Permitted Transfers by all Shareholders

- (a) Any Holder may at any time transfer any shares in accordance with the provisions of the Act to the Company
- (b) Any Holder may at any time transfer all or any of his shares to any other person with the prior written consent of the Board and an Investor Majority
- (c) Any shares may be transferred pursuant to **Article 9** (Voluntary Transfers) and **10** (Change of Control)

9 **VOLUNTARY TRANSFERS**

9 1 Except as permitted under **Article 8** any Holder who wishes to transfer shares (the “**Vendor**”) shall give notice in writing (the “**Transfer Notice**”) to the Company of his wish specifying

- (a) the number and class(es) of shares (the “**Sale Shares**”) which he wishes to transfer;
- (b) the name of any third party to whom he proposes to sell or transfer the Sale Shares,
- (c) the price per share at which he wishes to transfer the Sale Shares (the “**Transfer Price**”); and
- (d) whether or not the Transfer Notice is conditional upon all, and not part only, of the Sale Shares being sold pursuant to the offer referred to in **Article 9.4** (a “**Total Transfer Condition**”) and, in the absence of such stipulation, it shall be deemed not to be so conditional

9 2 No Transfer Notice or Deemed Transfer Notice shall be withdrawn unless the Vendor is obliged to procure the making of an offer under **Article 10** and is unable so to procure In that event the Vendor shall be entitled to withdraw such Transfer Notice, without liability to any person, prior to completion of any transfer

9 3 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares at the Transfer Price

9 4

- (a) The Company shall forthwith upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price give notice in writing to each of the Holders of Shares (other than the Vendor) offering the Sale Shares for sale at the Transfer Price to those Holders in proportion to the number of Shares then held by them respectively Every such notice shall specify (a) the total number of Sale Shares; (b) the Transfer Price; (c) the number of Sale Shares offered to the Holder (its “**Proportionate Entitlement**”), (d) whether or not the Transfer Notice contained a Total Transfer Condition, and (e) a period of 20 Business Days (or 10 Business Days if the Vendor is an Investor) within which the offer must be accepted or shall lapse The notice shall be accompanied by a form of application for use by the Holder in applying for its Proportionate Entitlement and for any shares in excess of such entitlement which it wishes to purchase
- (b) Within 3 days of the expiry of the offers to be made pursuant to **Article 9.4(a)** (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in **Article 9.4(a)**), the Board shall allocate the Sale Shares in the following manner
 - (i) to each Holder who has agreed to purchase shares, its Proportionate Entitlement or such lesser number of Sale Shares for which it applied,

- (ii) if any Holder has applied for less than its Proportionate Entitlement, the excess shall be allocated to the Holders who have applied for any part of such excess in proportion to the number of Shares then held by them respectively (but without allocating to any Holder a greater number of Sale Shares than the maximum number applied for by it) and any remaining excess shall be apportioned by applying this **Article 9.4(b)(ii)** without taking account of any Holder whose application has already been satisfied in full

and the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Vendor and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days (or 5 Business Days if the Vendor is an Investor) after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

- 9.5 If any of the Sale Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the shares forming part of each and every fractional entitlement shall be aggregated and offered to or allocated amongst the Holders, or some of them, as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit
- 9.6 Subject to **Article 9.7**, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance and in relation to existing members then immediately following completion of the transfer, the Sale Shares shall be converted into the class of Share held by such member prior to the transfer. If he makes default in so doing, the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be authorised by the Board to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the Holder or Holders of the shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company whereupon he shall be paid the purchase money.
- 9.7 If the Vendor included a Total Transfer Condition in the Transfer Notice and the total number of shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 10 Business Days (or 5 Business Days if the Vendor is an Investor), to those persons to whom Sale Shares have been allocated to apply for further Sale Shares which, in the event of competition, shall be allocated in accordance with **Article 9.4(b)(ii)**. If the Transfer Notice included a Total Transfer Condition, completion of the sale of the Sale Shares in accordance with **Article 9.6** shall be conditional upon applications having been made for all of the Sale Shares

9 8 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 9** the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares (which have not been sold) to any person or persons at any price not less than the Transfer Price PROVIDED THAT:

- (a) if the Vendor included a Total Transfer Condition in the Transfer Notice, the Vendor shall not be entitled, save with the written consent of all the other shareholders of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;
- (b) any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer, and
- (c) for the avoidance of doubt, the Board shall refuse registration of the transfer if such transfer obliges the Vendor to procure the making of an offer in accordance with **Article 10.1**, until such time as such offer has been made and, if accepted, completed

10 CHANGE OF CONTROL

- 10 1 (a) Subject to **Article 10.1(b)**, if any transfer of shares by a Vendor would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Vendor shall procure the making, by the proposed transferee of the Vendor's shares, of a Come Along Offer to all of the other Holders of Shares of the Company Every Holder, on receipt of a Come Along Offer, shall be bound within 20 Business Days of the date of such offer (or 10 Business Days if the Vendor is an Investor) (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Come Along Offer has been made and completed, the Board shall not sanction the making of or register the transfer or proposed transfer which triggered the requirement to procure the Come Along Offer
- (b) The provisions of **Article 10.1(a)** and **10.2(a)** shall not apply to any transfer of shares
 - (i) pursuant to **Article 8** (other than **Article 8.4(c)**), or
 - (ii) to any person who was a Holder of Shares at the date of the adoption of these Articles
- (c) "**Come Along Offer**" means an unconditional offer, open for acceptance for not less than 20 Business Days (or 10 Business Days if the Vendor is an Investor), to purchase all or any Shares held by the recipients of a Come Along Offer free from all liens, charges and encumbrances at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty

reserve tax and commission) paid or to be paid by the transferee referred to in **Article 10.1(a)** (or any person with whom such transferee is connected or with whom such transferee is acting in concert) for Shares (inclusive of the shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and ending on the proposed date of completion of such transfer of shares

- (d) In the event of disagreement, the calculation of the relevant Come Along Offer price shall 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 nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any such party) whose decision shall (in the absence of fraud or manifest error) be conclusive and binding on the Company and upon all its members for the purposes of these Articles.

10 2 (a) If pursuant to an offer for the Company (the "**Offer**")

10 2 a 1 at any time following the date of the adoption of these Articles until the date that is 4 years from 23 December 2010

- (a) prior to the Investors subscribing for all of the shares detailed in and pursuant to the later of the Investment Agreements, the Holders of at least 64% of the issued Equity Shares (which must include each Investor), or

- (b) after the Investors have subscribed for all of the shares detailed in and pursuant to the later of the Investment Agreements, the Holders of at least 72% of the issued Equity Shares (which must include each Investor), or

10 2 a 2 in the period commencing 4 years after 23 December 2010, the Fund

(in this **Article 10.2**, in either case the "**Vendors**")

wish to transfer their shares in the Company to any person (the "**Purchaser**"), then the Vendors shall also have the option to require all of the other Holders of Shares to transfer all their shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the "**Drag Along Notice**") to that effect to all such other Holders (the "**Called Shareholders**") specifying that the Called Shareholders are required to transfer their shares pursuant to this **Article 10.2** free from all liens, charges and encumbrances and the price (the "**Proposed Price**") at which such shares are proposed to be transferred

- (b) If any Called Shareholder shall make default in transferring his shares pursuant to this **Article 10.2**, the provisions of **Article 9.6** (references therein to the Vendor, Sale Shares, Allocation Notice and Member Applicant being read as references to the Called Shareholder making such default, the shares in respect of which such default is made, the Drag Along Notice and the

Purchaser respectively) shall apply to the transfer of the shares of such Called Shareholder, with the necessary changes, save that the Transfer Price shall be the price offered for such shares as set out in this **Article 10.2** and the provisions of **Article 9.7** shall not apply

11 COMPULSORY TRANSFERS

11.1 In this **Article 11**, a “**Transfer Event**” means, in relation to any member

(a) a member who is an individual (other than Anne Holliday or her permitted transferees pursuant to these Articles):

(i) becoming bankrupt; or

(ii) dying;

and an Investor Majority notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,

(b) a member (other than Anne Holliday or her permitted transferees pursuant to these Articles) making any arrangement or composition with his creditors generally and an Investor Majority notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,

(c) a member which is a body corporate:

(i) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets, or

(ii) having an administrator appointed in relation to it; or

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

(iv) having any equivalent action taken in any jurisdiction,

and an Investor Majority notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,

(d) a member (other than Anne Holliday or her permitted transferees pursuant to these Articles) who is or was previously a director or employee of a member of the Group ceasing to hold such office or employment and as a consequence no longer being a director or employee of any member of the Group and an Investor Majority notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,

- (e) a member attempting to deal with or dispose of any Share or any interest in a Share otherwise than in accordance with these Articles and an Investor Majority notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,
- (f) failure by a member to make a transfer of shares required by **Article 8.2(a)** or **8.3(e)** and An Investor Majority notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member, or
- (g) failure by a person to serve a Transfer Notice when required to do so by **Article 8.3(d)(iii)** and an Investor Majority notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member

11 2 Upon the happening of any Transfer Event, the member in question (or his personal representatives or trustee in bankruptcy where applicable) and any other member who has acquired Shares from him under a permitted transfer pursuant to **Article 8.3** (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them or, in the case of any transferee of shares who is not the immediate subject of the Transfer Event, in respect of those Shares received directly or indirectly from the member who is the immediate subject of the Transfer Event (a "**Deemed Transfer Notice**") A Deemed Transfer Notice shall supersede and be deemed to cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have already been validly transferred pursuant to that Transfer Notice

Notwithstanding any other provision of these Articles, if an Investor Majority so notifies the Board in relation to any Shares, any member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of 3 months after the date of the relevant Deemed Transfer Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the Holder of those Shares

11 3 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with **Article 9** as if they were Sale Shares in respect of which a Transfer Notice had been given save that

- (a) a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event,
- (b) subject to **Article 11.4**, the Transfer Price shall be a price per Sale Share agreed between the Vendor, the Board and an Investor Majority or, in default of agreement within 21 days after the date of the Transfer Event, the Fair Value,
- (c) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable,

- (d) the Vendor may retain any Sale Shares for which purchasers are not found or, after the lapse of the offer referred to in **Article 9.4(a)** and with the prior written approval of an Investor Majority, sell all or any of those Sale Shares to any person (including any member) at any price per Sale Share which is not less than the Transfer Price, and
 - (e) the Sale Shares sold in accordance with this **Article 11.3** shall be sold together with all rights attaching thereto as at the date of the Transfer Event
- 11 4 The Transfer Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within **Article 11.1(d)** shall
 - (a) in the case of a Good Leaver (as defined in **Article 11.5**) be their Fair Value, and
 - (b) in the case of a Bad Leaver (as defined in **Article 11.5**), be the lesser of their Fair Value and their Issue Price
- 11 5 In **Article 11.4**
 - (a) “**Good Leaver**” refers to a person who ceases to be a director or employee of any member of the Group and as a consequence is no longer a director or employee of any member of the Group and is not a Bad Leaver;
 - (b) “**Bad Leaver**” refers to any person who ceases to be a director or employee of any member of the Group (other than as a result of his death, because he is suffering from a Critical Illness or because he has reached the normal retirement age set by the Group (provided that age is objectively justifiable in accordance with the Employment Equality (Age) Regulations 2006) by dismissal for gross misconduct at any time and as a consequence is no longer a director or employee of any member of the Group unless otherwise agreed in writing by the Board and an Investor Majority
- 11 6 For the purpose of **Article 11.1(d)**, the date upon which a member ceases to hold office or employment as described therein shall be
 - (a) where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination),
 - (b) where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice,
 - (c) save as provided in **Article 11.6(a)**, where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance,

- (d) where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event, and
- (e) where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Articles 11.6(a) to 11.6(d)** above, the date on which the action or event giving rise to the termination occurs

11.7 **“Fair Value”** for the purposes of these Articles means as agreed between the Board (with the approval of an Investor Majority) and the Vendor or, in the absence of agreement within 21 days of the Transfer Event, by the Auditors in accordance with **Article 12**

11.8 Regulations 27 and 28 in the Model Articles shall take effect subject to the express provisions of these Articles

12 VALUATION OF SHARES

12.1 In the event that the Auditors are required to determine the price at which shares are to be transferred pursuant to these Articles, such price shall be the amount the Auditors shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 12** is required), certify in writing to be the price which, in their opinion, represents a fair value for such shares as between a willing vendor and a willing purchaser as at the date the Transfer Notice or Deemed Transfer Notice is given. In making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these Articles (and shall assume that the entire issued share capital of the Company is being sold and comprises only of Ordinary Shares)

12.2 In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be conclusive and binding on the Company and upon all of its Holders for the purposes of these Articles

12.3 The costs of the Auditors shall be borne by the Company unless, in the case of a determination required pursuant to the provisions of **Article 11**, the amount determined by the Auditors is less than that suggested by the Board in which event the costs of the Auditors shall be borne by the Vendor

13 COMPLIANCE

13.1 For the purpose of (i) ensuring that a transfer of shares is duly authorised under these Articles or (ii) ensuring that no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these Articles or (iii) determining whether an offer is required to be or ought to have been made under **Article 10**, the Board may require any member or the personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all

persons respectively having interests in the shares from time to time registered in the Holder's name

- 13 2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction whether such Transfer Notice is required to be or ought to have been given, or whether any offer is required to be or ought to have been made under **Article 10**
- (a) where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the Holder of the relevant shares in respect of such shares, or
 - (b) where the purpose of the enquiry by the Board was to establish whether a Come Along Offer is required to be or ought to have been made under **Article 10**, then any shares the transfer or proposed transfer of which the Board indicates prompted its request for information or evidence shall cease to entitle the relevant Holder or Holders to voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) or to any further shares issued in right of such shares or in pursuance of an offer made to the relevant Holders

GENERAL

14 ISSUE OF SHARES

- 14 1 All new Equity Shares shall, before they are issued whether for cash or otherwise, be offered for subscription to the registered Holders of the Equity Shares (which for these purposes shall be treated as one class of share) in proportion, as nearly as may be, to their respective holdings of Equity Shares
- 14 2 The offer referred to in **Article 14.1** shall be made by notice specifying the number and class of shares offered, the proportionate entitlement of the relevant member, the price per share and the period (not being less than 14 days) (the "**First Offer Period**") within which the offer, if not accepted will be deemed to be declined
- 14 3 After the expiry of the First Offer Period, the Board shall offer any shares which have been declined or are deemed to have been declined to the persons who have within that period accepted all the shares offered to them. Such further offer (the "**Second Offer**") shall be on the same terms as the first offer (save that it shall not be necessary to specify each Holder's proportionate entitlement to the shares offered) and shall invite each Holder to whom the offer is made to state in writing within a period (the "**Second Offer Period**") of not less than 14 days whether he is willing to take any, and if so what maximum, number of the shares so offered
- 14 4 At the expiration of the Second Offer Period, the Board shall allot the shares so offered to or amongst the persons who have notified their willingness to take such shares and immediately after such allotment, the shares so offered shall be converted into the class of shares held by such persons prior to the allotment. In the event of competition amongst two or more Holders to whom the Second Offer was made, each Holder to whom the Second Offer was made shall be allocated the number of

shares which bears the same proportion to the total number of shares offered pursuant to the Second Offer as his total holding of Equity Shares bears to the total number of Equity Shares held by all Holders to whom the Second Offer was made and any further shares not allocated on this basis shall be allocated to any remaining Holders who have expressed a willingness to purchase those further shares in proportion as nearly as may be to the number of Equity Shares held by such remaining Holders respectively (provided always that no Holder shall be allocated more shares than he stated he was willing to take pursuant to the Second Offer) The Board shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas Shareholders and Shareholders unable by law or regulation to receive or accept any offer pursuant to this **Article 14**

- 14 5 Any shares not accepted by the foregoing procedure shall be at the disposal of the Board who may allot, grant options over, or otherwise dispose of them to such persons at such time and generally on such terms and conditions as they determine provided that no shares shall be issued at a discount and provided further that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the members
- 14.6 Sections 561 and 562 of the Act shall not apply to the Company
- 14 7 No shares shall be allotted on terms that the right to take up the shares may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a share may direct that such share may be allotted or issued to any other person.
- 14 8 Shares issued to a member by reference to his holding of a class of the Equity Shares shall on issue be designated a share of such class unless the Board with the prior approval of the Investor Majority decide otherwise
- 14 9 In regulation 22(1) of the Model Articles the words "**ordinary resolution**" shall be omitted and the words "**special resolution**" shall be substituted for them
- 14 10 Notwithstanding any other provision of these Articles, the Board shall be bound to offer to each Investor such a proportion of any Equity Shares which the Board determine to issue as the aggregate nominal value of Equity Shares for the time being held by such Investor bears to the total issued Equity Shares immediately before the issue of the shares Any shares issued to an Investor pursuant to such offer shall be issued upon no less favourable terms and conditions than those issued to any other person and so that such shares shall at the request of the Investor be registered in the name or names of any one or more members of its group of companies from time to time

15 **GENERAL MEETINGS**

- 15 1 No business shall be transacted at any general meeting unless a quorum of Holders is present at the time when the meeting proceeds to business and for its duration Three persons, being Holders and both of the Investors present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting If a meeting is adjourned under regulation 41 of the Model Articles because a quorum is not present, and at the adjourned meeting a quorum is not

present within half an hour from the time appointed for that adjourned meeting, the Holders then present shall form a quorum, whatever their number

15 2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any Holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 44 of the Model Articles shall be modified accordingly

15 3 The words "or the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed" shall be inserted after the words "as the chairman of the meeting may determine)," in regulation 47(1)(a) of the Model Articles

16 REMOVAL OF DIRECTORS

The office of any Director shall be vacated if

16 1 (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company and he does not remain an employee of any other Group Member, or

16 2 (other than in the case of an Investor Director) all the other Directors request his resignation in writing,

and the provisions of regulation 18 of the Model Articles shall be extended accordingly

17 INVESTOR DIRECTORS AND OBSERVERS

17 1 Each of the Investors may from time to time appoint any person to be a director with the title of investor director (the "**Investor Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove an Investor Director nominated by them from office.

17 2 Any appointment or removal of an Investor Director shall be in writing served on the Company signed by the relevant Investor and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative

17 3. Notice of meetings of the Board shall be served on the Fund's Investor Director who is absent from the United Kingdom at the registered office of FW Capital and on the Investor Director appointed by the other Investor at the address of such Investor set out in the Investment Agreements or as otherwise notified pursuant to the Investment Agreements

17 4 Upon written request by any Investor the Company shall procure that their Investor Director is forthwith appointed as a director of any other member of the Group, to any committee of the Board or the board of any member of the Group.

17 5 Each of the Investors has the right to nominate an observer to attend all meetings of the Board and the Company ("**an Observer**") Observers shall have the right to

attend but not speak (unless invited to do so by the Chairman of such meeting) or vote at such meetings

18 ALTERNATE DIRECTORS

- 18 1 An Investor Director may appoint a person who is not a director to be his alternate director and there shall be no requirement for the directors to approve the appointment of such a person. Regulation 25(1) in the Model Articles of Association for Public Companies shall be varied accordingly

19 PROCEEDINGS OF DIRECTORS

- 19 1 The quorum for meetings of the Board shall be three directors two of whom must be the Investor Directors (if appointed) and regulation 11(2) of the Model Articles shall be varied accordingly

- 19 2 If the numbers of votes for and against a proposal are equal, the Fund's Investor Director (if any) has a casting vote But this does not apply if, in accordance with these Articles, the Fund's Investor Director is not to be counted as participating in the decision-making process for quorum or voting purposes Regulation 13 of the Model Articles shall not apply

- 19 3 For so long as there is subsisting any default (which, if capable of remedy has not been remedied by the Company within 10 Business Days of the default beginning) by the Company under the terms of either of the Investment Agreements or any of the Loan Agreements then (if an Investor Majority has given at least 28 days notice to the Company) the Investor Directors shall be deemed to have such number of votes at any meeting of the Board as shall be one more than all the other Directors attending and voting at that meeting.

- 19 4 Except with the prior written consent of the Fund's Investor Director (or, in the event that there is no Investor Director appointed by the Fund, the prior written consent of an Investor Majority) where this **Article 19.3** is applied in relation to a Director other than an Investor Director, a Director shall not vote on any resolution concerning a matter (other than a permitted cause referred to in regulation 14(4) of the Model Articles) in which he has, directly or indirectly, any kind of interest or duty whatsoever Regulation 14 of the Model Articles shall be modified accordingly Where this **Article 19.3** is applied in relation to a Director other than an Investor Director, references in regulations 14(6) and 14(7) of the Model Articles to the "chairman" shall be construed as a reference to an "Investor Director" for so long as one is appointed

20 CONFLICTS OF INTEREST

- 20 1 The consent of an Investor Majority shall be required before the Company or any Group Member shall, through its directors, authorise for the purposes of section 175 of the Act or otherwise any director (other than an Investor Director) to have a Conflict

- 20 2 Subject to **Article 20.1**, the directors may for the purpose of section 175 of the Act authorise any Conflict and revoke or vary any authorisation so given The directors

may give any such authorisation subject to such terms as they shall consider appropriate and reasonable in the circumstances

20 3 Each Investor Director has the Company's authority to enter into, and remain in, any Conflict which arises as a result of

- (a) the Investor Director being a director, shareholder, employee, member, trustee, partner, representative or other officer of, or consultant to, or otherwise commercially involved with any member of the Investor Group from time to time,
- (b) the Investor Director being appointed by any member of the Investor Group from time to time as a director of any other company; or
- (c) any member of the Investor Group having an interest from time to time in another company or person which is a competitor of the Company or whose interests conflict with those of the Company

and each Investor Director shall not be accountable to the Company for any benefit he directly or indirectly derives from the Conflict or from his involvement with any member of the Investor Group or any other person referred to in this **Article 20.4**

20 4 If an Investor Director obtains information relating to a Conflict which is authorised pursuant to **Article 20.4**, which information is confidential to a third party, the Investor Director shall not be obliged to disclose that information to the Company or to use it for the Company's benefit if to do so would amount to a breach of that confidence or breach of any duty owed by him to any other person

20.5 Subject to **Article 19.3** and to compliance with all his/her other duties as a director of the Company, an Investor Director shall be entitled for the purpose of section 173 of the Companies Act 2006 to have regard to and promote the interests of the Investor Group when discharging his/her functions

21 **INDEMNITY AND INSURANCE**

21 1 In regulation 52(1) of the Model Articles, the words "shall be indemnified" shall be substituted for the words "may be indemnified"

21 2 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

21 3 In this **Article 21**

- (a) a "**relevant officer**" means any director or former director, secretary or former secretary, manager or former manager of the Company or an associated company,
- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

21 4 Regulation 53 of the Model Articles shall not apply to the Company