

3375967

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MAINLINE SAFETY LIMITED

(adopted by Special Resolution passed on  
2<sup>nd</sup> October 2000)



Company No: 3375967

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PRELIMINARY

1. Interpretation

- 1.1 The regulations contained in Table A, save insofar as they are excluded or varied hereby, and the regulations hereinafter contained shall constitute the regulations of the Company.
- 1.2 The regulations of Table A numbered 24, 40, 73 to 77 (inclusive), 80, 96, 101 and 118 shall not apply to the Company.
- 1.3 In the interpretation of these Articles, the headings shall not affect the construction thereof and, unless the context otherwise requires, the following words and expressions shall bear the following meanings:-

"the Acts" means the Companies Act 1985 and the Companies Act 1989 including any statutory modification or re-enactment thereof for the time being in force;

"A' Ordinary Shares" means the 'A' ordinary shares of £1 each in the capital of the Company;

"A' Ordinary Shareholders" means the holders for the time being of the 'A' Ordinary Shares;

"Audited Accounts " shall have the meaning given in Article 4.1;

"Appropriate Offer" shall mean an unconditional offer, open for acceptance for not less than 28 days, to purchase the Ordinary Shares, and 'A' Ordinary Shares held by the recipients of an Appropriate Offer at a price equal to the higher of:-

- (a) fair value for the Ordinary Shares and 'A' Ordinary Shares taken as one class determined by the Auditors pursuant to Article 21 below apportioned between each class in accordance with the percentage of the equity share capital attributable to each class assuming conversion of the 'A' Ordinary Shares and where appropriate, the Ordinary Shares in accordance with Article 9 and
- (b) par; and
- (c) the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any person or persons' referred to in Article 18.1 for the Ordinary Shares or the 'A' Ordinary Shares in the Company (inclusive of the shares giving rise to the obligation to make the Appropriate Offer) within the period of one year prior to and on the proposed date of completion of such transfer of shares plus such further amount equal to any other consideration (in cash or otherwise) received or receivable by the holders of such shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for such shares, multiplied by the number of Ordinary Shares and 'A' Ordinary Shares and apportioned between each class in the manner referred to in paragraph (a) above

PROVIDED THAT the price offered to purchase each 'A' Ordinary Share shall be increased by a sum equal to the amount of all arrears and accruals of the dividends on such shares grossed up at the rate of corporation tax then in force calculated down to the date of sale or transfer;

and also to purchase all of the Preference Shares held by the recipients of an Appropriate Offer at the Redemption Price.

"Asset Sale" the completion of any transaction whereby any person or group of persons purchases the whole or substantially the whole of the business and assets of the Group;

"Auditors" shall have the meaning given in Article 4.2;

"Board" means the board of directors of the Company from time to time or any duly authorised committee thereof;

"Change of Control" means the transfer (within the meaning of Article 18) of shares in the Company (excluding Preference Shares) as a result of which any person or persons connected with each other or persons acting in concert with each other would obtain Control (as defined in Article 1.4) over that number of shares in the Company which in aggregate confers more than 50 per cent of the voting rights normally exercisable at General Meetings of the Company ;

"Conversion Date" shall have the meaning given in Article 9.1;

"Deemed Transfer Notice" a Transfer Notice deemed to have been given pursuant to these Articles

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

"Equity Shares" the 'A' Ordinary Shares and the Ordinary Shares and any shares derived therefrom whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise for the time being in issue;

"Facility Letter" means a facility letter dated 17<sup>th</sup> June 1998 from MSIMF addressed to the Company and the Managers;

"Family Member" shall have the meaning given in Article 16.2

"Financial Year" means an accounting period in respect of which the Company prepares its accounts and financial statements in accordance with the relevant provisions of the Acts;

"FSA" Financial Services Act 1986 and every statutory modification or re-enactment thereof for the time being in force;

"Fund" any bank, investment trust or investment company (within the meaning of Chapter 21 of Section 10 of the rules governing admission of securities to listing issued by the Stock Exchange), unit trust, building society, industrial provident or friendly society, any other collective investment scheme (as defined by the Financial Services Act 1986), any business investor (as defined by the Financial Services (Glossary and Interpretation) Rules and Regulations 1990), partnership, limited partnership, pension fund or insurance company or any person who is an authorised person under the Financial Services Act 1986, any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing

"Group" means the Company and any company which is a subsidiary of the Company, a holding company (as defined in Section 736 of the Companies Act 1985) of the Company or a subsidiary of such holding company;

"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 thereof and any share premium thereon;

"Listing" means the date of admission of any of the Equity Shares of the Company to the Official List of the London Stock Exchange or the grant of permission to deal in the same in the Alternative Investment Market of the London Stock Exchange or any other recognised investment exchange (as that term is defined in the FSA);

"Listing Date" the date of admission by the Council of the Stock Exchange of all or any of the Equity Shares to the Official List (subject only to the posting of a notice under paragraph 7.1 of the Listing Rules of the London Stock Exchange) or the date on which permission is granted to deal in the same on any recognised investment exchange (as that term is defined in the FSA) or on the Alternative Investment Market;

"London Stock Exchange" means The London Stock Exchange Limited;

"the Managers" means Robert Dickens and Sarah Thompson two of the directors of the Company immediately prior to the date of adoption of these Articles;

"Manager's Ordinary Shares" in relation to any Manager shall mean all of the Ordinary Shares for the time being held or registered in the name of the said Manager and his Family Members;

"MSIMF" means Merseyside Special Investment Mezzanine Fund Limited of 5<sup>th</sup> Floor Cunard Building Pier Head Liverpool L3 1DS;

"MSIVF" means Merseyside Special Investment Venture Fund being a party to the Subscription Agreement;

"Net Profits" means in relation to any Financial Year of the Company the profit of the Company and its subsidiary undertakings as shown by the audited consolidated profit and loss account of the Company and its subsidiary undertakings in the Audited Accounts for the relevant Financial Year:-

- (a) before any provision is made for the payment of any dividend on any share in the capital of the Company or any of its subsidiary undertakings (and adding back to such profits the amount of any Participating Dividend and Ordinary Dividend paid pursuant to Articles 6.1 or any interim dividend declared and paid by the Company or any of its subsidiary undertakings in the Financial Year to which such audited consolidated profit and loss account relates) or before the payment of any other distribution or before the transfer of any sum to capital or revenue reserves;
- (b) before there has been deducted or credited any capital losses or gains or any extraordinary or exceptional profits or losses and before writing off any intangible assets or goodwill;
- (c) after there has been deducted or any provision or reserve shall have been made in respect of any corporation tax on profits or gains (or any other tax levied upon or measured by reference to profits or gains) as adjusted by paragraphs (a) and (b) above (or any other tax levied upon or measured by profits or gains); and
- (d) after taking account of profits or losses as are attributable to shares held:-

- (i) in any subsidiary undertaking of the Company the beneficial owners of which are not members of the Group;
  - (ii) by the Company or any subsidiary undertaking in any company which is not a subsidiary undertaking; and
- (e) after deducting the profits or adding back the losses (to the extent the same would otherwise be included in the Audited Accounts) of any member of the Group that became a member during the relevant Financial Year that are attributable to that portion of the Financial Year prior to the said member becoming a member of the Group; and
- (f) after adding back any amount in excess of the amount of any remuneration and bonus (if any) of the Directors of the Company for the period in question as set out in such persons' service contracts or contracts of service (or such higher amount as may be agreed by both MSIVF and MSIMF in writing) in aggregate charged in respect of their emoluments, but excluding any Special Director (as hereinafter defined) and their connected persons (as defined by Section 839 of the Income and Corporation Taxes Act 1988);

"Ordinary Shares" means the ordinary shares of £1 each in the capital of the Company;

"Ordinary Shareholders" means the holders for the time being of the Ordinary Shares;

"Ordinary Dividend" shall have the meaning given in Article 6.1.3;

"Participating Dividend" shall have the meaning given in Article 6.1.2;

"Permitted Transferee" shall mean any person to whom shares may be transferred by a member pursuant to Article 16;

"Preference Shares" means the cumulative redeemable preference shares of £1 each in the capital of the Company;

"Preference Shareholders" means the holders for the time being of the Preference Shares;

"Redemption Date" means any date or time when the Preference Shares are to be redeemed in accordance with these Articles;

"Redemption Price" means in respect of each Preference Shares the sum of £1.25;

"Sale" means the completion of an agreement for the purchase of all the Equity Shares (to the extent not already owned by the purchaser or persons acting in concert or connected with the purchaser) or the acceptance of an offer as a result of which the offeror becomes entitled or bound to acquire the remainder of such shares in accordance with the Acts;

"Sale Date" the date of completion of a Sale or an Asset Sale;

"Sale Shares" shall have the meaning given in Article 17.2;

"Special Director" shall have the meaning given in Article 11.1;

"Subscription Agreement" means a subscription and shareholders agreement dated 17<sup>th</sup> July 1998 between (1) the Company (2) the Managers (as therein defined) and (3) MSIVF

"Supplemental Facility Letter" means a facility letter of even date with the adoption of these Articles from MSIMF addressed to the Company and the Managers;

"Supplemental Subscription Agreement" means a subscription and shareholders agreement of even date with the date of adoption of these Articles between (1) the Company (2) the Managers (as therein defined) and (3) MSIVF

"Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No 1052);

"Transfer Notice" shall have the meaning given in Article 17.1;

"Transfer Price" shall have the meaning given in Article 17.1;

"Vendor" shall have the meaning given in Article 17.1;

- 1.4 For the purposes of these Articles "Control" shall mean the right by virtue of holding shares (other than Preference Shares) in, or the possession of voting power in or in relation to, the Company or any other body corporate to exercise or procure the exercise of the voting rights attached to the relevant shares.
- 1.5 A person "acting in concert" with another person shall have the meaning set out in the City Code on Takeovers and Mergers.
- 1.6 A reference to an Act, Statute or Regulation shall mean in any case any statutory modification, amendment, variation or re-enactment thereof for the time being in force.
- 1.7 In the context of determining whether one person is connected with another person this shall be determined in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988.
- 1.8 Words and expressions defined in or having a meaning provided by the Acts (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 meaning when used herein.

## GENERAL MEETINGS AND AUDITED ACCOUNTS

### 2. Quorum

- 2.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and for its duration. Two persons, one of whom shall be MSIVF (for as long as it holds 'A' Ordinary Shares) being members present in person or by proxies for a member or members or duly authorised representatives of corporations shall be a quorum at any general meeting. If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall form a quorum, and Regulation 41 of Table A shall be modified accordingly.
- 2.2 A poll may be demanded by the Chairman or by any shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 46 of Table A shall be modified accordingly.

### 3. Written Resolutions

With respect to any such resolution in writing as is referred to in Regulation 53 of Table A, in the case of a corporation which holds a share, the signature of any director or the secretary thereof shall be sufficient for the purposes of Regulation 53.

### 4. Accounts and Annual General Meetings

- 4.1 Every Financial Year of the Company shall commence on 1<sup>st</sup> July and end on 30<sup>th</sup> June in the following year PROVIDED THAT the first financial year after the date of amendment of these Articles shall end on 30<sup>th</sup> June 2001. The Board shall cause to be prepared, in accordance with the provisions of the Acts, a consolidated balance sheet of the Company and its subsidiary undertakings as at the end of each Financial Year and a consolidated profit and loss account of the Company and its subsidiary undertakings for each Financial Year (the "Audited Accounts").
- 4.2 An Annual General Meeting of the Company shall be held not later than the last business day of the month of August in each calendar year in respect of the Financial Year ended on the immediately preceding 30<sup>th</sup> June at such time and place as the Board shall determine, and the Board shall cause to be laid before each such Annual General Meeting the Audited Accounts for such Financial Year together with the respective reports thereon of the Board and of the auditors for the time being of the Company ("the Auditors") such reports complying with the provisions of the Acts.
- 4.3 At the same time as reporting on the Audited Accounts for any Financial Year of the Company the Auditors shall certify in writing to the Board in respect of the Financial Year ending 30<sup>th</sup> June 2001 and subsequent Financial Years:-
- 4.3.1 the amount of the Net Profits of the Company;



- 4.3.2 the amount of the Participating Dividend and Ordinary Dividend (if any) payable both in aggregate and in respect of each 'A' Ordinary Share and each Ordinary Share pursuant to Article 6.1.2 and 6.1.3 respectively;

In so certifying the Auditors shall be deemed to be acting as experts and not as arbitrators, and the amounts as so certified shall, in the absence of manifest error, be conclusive and binding on the Company and upon all of its members for the purposes of these Articles.

## SHARE CAPITAL AND RIGHTS

### 5. Share Capital

- 5.1 The authorised share capital of the Company at the date of the adoption of these Articles is £203,606 divided into:-

- (a) 10,000 Ordinary Shares of £1 each;
- (b) 185,000 Preference Shares of £1 each;
- (c) 8,606 'A' Ordinary Shares of £1 each;

- 5.2 The special rights and restrictions attached to and imposed on each class of share capital of the Company are as set out in Articles 6 to 10 (inclusive) below.

### 6. Income

- 6.1 The rights attaching to 'A' Ordinary Shares and Ordinary Shares in respect of income are as follows:-

- 6.1.1 No more than fifty per cent of the net profits available for distribution of the Company shall be paid as Participating Dividend and Ordinary Dividend (both as hereinafter defined) in any Financial Year

- 6.1.2 Subject to there being sufficient distributable profits in accordance with Article 6.1.1 the 'A' Ordinary Shares shall confer upon the holders thereof as a class respectively and pro rata between the holders thereof the right to receive a cumulative participating dividend (the "Participating Dividend") of an amount equal to

- 6.1.2.1 5% of the Net Profits of the Company for the relevant Financial Year ending 30 June 2001 and each subsequent Financial Year (or part thereof) until 1<sup>st</sup> July 2005; and

- 6.1.2.2 20% of the Net Profits of the Company for each Financial Year thereafter

or such other amount as is agreed in writing by the 'A' Ordinary Shareholders and the Ordinary Shareholders after due consultation with the Company (and in such event that sum shall be the sum accrued (if not paid) in respect of the Financial Year in question) PROVIDED THAT where the Participating Dividend is paid otherwise than in respect of a Financial Year the Net Profits shall mean the profit of the Company and its subsidiary undertakings as shown by the consolidated management accounts of the Company and its subsidiary undertakings for the period in respect of which the Participating Dividend is paid and, in the absence of such accounts for all or any part of such period, as estimated by the Auditors, in each case as adjusted in the manner provided in the definition of Net Profits and the amount of such Net Profits and the amount of the Participating Dividend (if any) in each case as to be determined in accordance with this proviso shall be certified in writing by the Auditors who shall be deemed to be acting as experts and not as arbitrators and the amounts so certified shall, in the absence of manifest error, be conclusive and binding on the Company and all its members for the purposes of these Articles.

- 6.1.3 Subject to there being sufficient distributable profits in accordance with Article 6.1.1, there shall be paid a participating cumulative dividend (the "Ordinary Dividend") to the holders of the Ordinary Shares as a class respectively and pro rata between them of an amount equal to the Participating Dividend paid to the holders of 'A' Ordinary Shares as a class calculated in accordance with Article 6.1.2
- 6.1.4 The Participating Dividend and the Ordinary Dividend shall accrue from day to day and shall be pro-rated in respect of any period of less than a Financial Year and shall be paid in cash within 90 days of the end of the relevant Financial Year or within 14 days of the Annual General Meeting at which the Audited Accounts in respect of the relevant Financial Year are approved, whichever is the earlier.
- 6.1.5 Without the consent or sanction of the Preference Shareholders given in accordance with Article 12, no further dividends shall be declared or paid on the Ordinary Shares or on the 'A' Ordinary Shares in respect of any Financial Year of the Company but subject thereto and to the payment of dividends in accordance with Article 6.1.1 above any further dividend declared by the Company in respect of that Financial Year shall be paid on the Ordinary Shares and 'A' Ordinary Shares pari passu as if they were all shares of the same class.

## 7. Capital

In the event of a winding up of the Company or other return of capital (but excluding the redemption of the Preference Shares in accordance with these Articles) the assets of the Company available for distribution to shareholders remaining after payment of all other debts and liabilities of the Company and of the costs charges and expenses of such winding up, shall be applied in the following manner and order of priority:-

- 7.1 First, in paying to the Preference Shareholders (in proportion to the numbers of Preference Shares held by them) the Redemption Price of such shares;
- 7.2 Secondly, in paying to the 'A' Ordinary Shareholders (in proportion to the numbers of 'A' Ordinary Shares held by them) all unpaid arrears and accruals of any Participating Dividend due in respect of the 'A' Ordinary Shares such arrears and accruals to be calculated down to and including the date of repayment to be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such unpaid arrears and accruals have become due and payable;
- 7.3 Thirdly, in paying to the 'A' Ordinary Shareholders (in proportion to the numbers of 'A' Ordinary Shares held by them) the Issue Price of such shares;
- 7.4 Fourthly, in paying to the Ordinary Shareholders (in proportion to the number of Ordinary Shares held by them) all unpaid arrears and accruals of any Ordinary Dividend in respect of the Ordinary Shares such arrears and accruals to be calculated down to and including the date of repayment to be payable irrespective of what profits (and of whether any profits have been made or earned by the Company) and irrespective of whether or not such unpaid arrears and accruals have become due and payable;
- 7.5 Fifthly, in paying to the Ordinary Shareholders (in proportion to the numbers of Ordinary Shares held by them) the Issue Price of such shares; and
- 7.6 Lastly, in distributing the balance amongst the holders of the 'A' Ordinary Shares and the Ordinary Shares pari passu as if they were all shares of the same class.

## 8. Redemption of Preference Shares

- 8.1 Subject to the provisions of the Acts and with the consent or sanction of the holders of the Preference Shares given in accordance with Article 12 the Company shall have the right to redeem all or any of the Preference Shares for the time being outstanding and fully paid up.
- 8.2 On the earlier of a Change of Control, a Listing, an Asset Sale or Sale the Preference Shares then in issue shall be redeemed in full at the Redemption Price.
- 8.3 To the extent not previously redeemed the Company shall on each of the dates set out below redeem the number of Preference Shares shown against such dates:

<b>Date</b>	<b>Number of Preference Shares</b>	<b>Redemption Sum(£)</b>
1 <sup>st</sup> July 2002	61,666	£77,083
1 <sup>st</sup> July 2003	61,667	£77,083

- 8.4 If by reason of the provisions of the Acts the Company is unable to redeem in full on the Redemption Date the Preference Shares falling for redemption on that date, the Company shall on the Redemption Date redeem as many of the Preference Shares as can consistently with the Acts be properly redeemed and the balance as soon thereafter as the Acts shall permit.
- 8.5 The Preference Shares to be redeemed in accordance with this Article 8 shall be selected as nearly as may be to ensure that the number of Preference Shares of each holder thereof is thereby reduced in the same proportion.
- 8.6 The Company shall give to the Preference Shareholders previous notice in writing of any impending Redemption Date which in the case of a redemption falling within Articles 8.1 and 8.3 above shall not be less than 14 days and in the case of a Listing shall not be less than 28 days nor more than 35 days before the expected date of Listing and in the case of an Asset Sale, a Sale or Change of Control as soon as the prospect of such an Asset Sale, Sale or Change of Control has come to the attention of the Company. For the avoidance of doubt, if redemption is to be occasioned by a proposed Asset Sale, Sale, Change of Control or Listing and the same shall not occur there shall be no redemption and/or conversion and the said notice shall be revoked.
- 8.7 Any notice of redemption shall specify the particular Preference Shares to be redeemed, the date fixed for redemption (or if not then known, the expected date for redemption) and the place at which the certificates for such shares are to be presented for redemption and upon such date each of the holders of the shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that the same may be cancelled or any indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate. Upon such delivery the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Register of Members of the Company in respect of such shares) the amount due to such member in respect of such redemption as set out in Article 8.8 below against the delivery of a proper receipt for the redemption moneys payable in respect thereof. If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant Redemption Date a fresh certificate for such Preference Shares shall be issued to the holder or holders delivering such certificate to the Company as soon as practicable thereafter and in any event within 14 days thereafter.
- 8.8 There shall be paid on the redemption of each Preference Share an amount equal to the Redemption Price thereof together with the amount of any premium paid up or credited as paid up thereon. The receipt of the registered holder for the time being of any Preference Shares so redeemed or in the case of joint registered holders the receipt of any of them for money payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

8.9 If any holder of Preference Shares whose shares are liable to be redeemed under this Article 8 shall fail or refuse to deliver up the certificate(s) for his shares the Company may retain the redemption moneys until delivery up of the certificate(s) or any indemnity in respect thereof of reasonable satisfaction to the Company and shall within seven days thereafter pay the redemption moneys to the shareholder in question. No holder of Preference Shares shall have any claim against the Company in respect of interest on moneys retained pursuant to this Article 8.9.

8.10 8.10.1 Where the Preference Shares are to be redeemed on a Listing each holder of Preference Shares may elect by notice in writing to be given to the Company not less than 14 days prior to the expected date of redemption to have all or some of his Preference Shares redeemed at the Redemption Price out of the proceeds of a new issue of Ordinary Shares to be subscribed for by him. An election in respect of some only of his Preference Shares shall be without prejudice to the obligation of the Company to redeem the balance pursuant to Article 8.2

8.10.2 The giving of such notice shall confer the right on the relevant holder of Preference Shares to subscribe on a Listing for such number of Ordinary Shares at a price per Ordinary Share equal to, in the case of an offer for sale, the underwritten price or, as the case may be, the striking price per Ordinary Share and in the case of a placing, at the placing price per Ordinary Share, as will have an aggregate subscription value equal to the Redemption Price of the Preference Shares to be redeemed pursuant to this Article 8.10.2. The Company shall apply the proceeds of such subscription in the redemption at the Redemption Price of the aforesaid Preference Shares.

## 9. Conversion

9.1 Immediately prior to a Listing or Sale (but conditionally upon such Listing being obtained or Sale taking place) (a "Conversion Date") the number of 'A' Ordinary Shares then in issue shall convert into the same number of fully paid Ordinary Shares.

9.2 Any conversion pursuant to this Article 9 shall be made on the following terms:-

9.2.1 conversion shall take effect immediately on a Conversion Date at no cost to the holders thereof and the shares to be converted shall be apportioned rateably (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the holders of shares of that class;

9.2.2 forthwith after the Conversion Date the registered holders of the 'A' Ordinary Shares to be converted shall be bound to deliver to the Company the certificates for such 'A' Ordinary Shares (or an indemnity in respect thereof reasonably satisfactory to the Company) and thereupon the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares resulting from the conversion and the certificates for the shares falling to be converted shall be deemed to be invalid for all purposes and the holder thereof shall be bound to deliver the same to the Company for cancellation;

- 9.2.3 the Ordinary Shares arising on conversion of any 'A' Ordinary Shares shall in all respects rank as one uniform class of shares with the Ordinary Shares in the capital of the Company then in issue; and
- 9.2.4 any conversion of 'A' Ordinary Shares shall be without prejudice to the right of the holders of those shares immediately before conversion to any unpaid arrears or accruals of the Participating Dividend whether or not the same shall have become due and payable as at conversion and such Participating Dividend shall continue to accrue until actual conversion of such 'A' Ordinary Shares unless failure to convert shall be due to the failure of the holder to deliver up the certificate(s) in respect of such 'A' Ordinary Shares or an indemnity in respect thereof.

#### 10. Sale of Share Capital of the Company

- 10.1 In the event of a Sale then notwithstanding anything to the contrary in the terms and conditions governing such Sale (unless all the selling members immediately prior to such Sale have agreed to the contrary for the purposes of this Article 10) the selling members immediately prior to such Sale shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling members in the following order of priority:-
  - 10.1.1 First, in paying to members selling Preference Shares (in proportion to the numbers of Preference Shares being sold by them) the Redemption Price;
  - 10.1.2 Secondly, in paying to members selling Ordinary Shares arising on conversion of 'A' Ordinary Shares pursuant to Article 9 (as a result of such Sale) in proportion to the number of such Ordinary Shares held by each such member an amount equal to the Issue Price of the 'A' Ordinary Shares represented by those Ordinary Shares, together with all arrears and accruals of Participating Dividend in respect of those shares determined in accordance with Article 6.1;
  - 10.1.3 Thirdly, in paying to the members selling Ordinary Shares, other than Ordinary Shares as referred to in Article 10.1.2 above, in proportion to the number of such Ordinary Shares held by each such member an amount equal to the Issue Price of such shares together with all arrears and accruals of Ordinary Dividend in respect of those shares determined in accordance with Article 6.1;
  - 10.1.4 Finally, in paying the balance to members selling Ordinary Shares (which for the avoidance of doubt shall include Ordinary Shares arising on conversion of 'A' Ordinary Shares pursuant to Article 9 as a result of such Sale) as if they were all shares of the same class

## SPECIAL DIRECTOR

### 11. Special Director

- 11.1 Each of MSIMF and MSIVF shall have the right from time to time to appoint one person to be a director of the Company (hereinafter referred to as a "Special Director"), and to remove from office any person so appointed and to appoint another person in his place. Any Special Director shall have the right to be appointed as a non-executive director of each subsidiary of the Company and to be appointed to any committee established by the Board or any committee thereof or any committee of the board of directors of any subsidiary.
- 11.2 On any resolution to remove a director appointed pursuant to this Article 11 or to amend or alter this Article 11 or to alter its effect, the shares held by the relevant appointors shall together carry at least one vote in excess of seventy-five per cent of the votes exercisable at the general meeting at which such resolution is to be proposed and such votes shall be apportioned amongst the relevant shareholders in the proportion in which they hold shares conferring the right to appoint a Special Director.
- 11.3 Any appointment or removal pursuant to Article 11.1 shall be in writing served on the Company and signed by the relevant shareholders. Such appointment or removal (which may consist of several documents) may be signed by or on behalf of any such shareholder, by its or their director or secretary or by its or their duly appointed attorney or duly authorised representative.

## VARIATION OF RIGHTS

### 12. Class Rights

- 12.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of the holders of more than three-fourths of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders that class, but not otherwise PROVIDED ALWAYS that the rights to dividend as set out in Article 6 shall only be altered by the Company in general meeting and with the sanction of the holders of not less than 75% of the holdings of the Equity Shares. To every such separate meeting of holders of a class of shares all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be two persons who together hold or represent by proxy at least one-third in nominal value of the issued shares of the class unless all the shares of any class are registered in the name of a single shareholder in which case the quorum shall be that person his proxy or his duly authorised representative (but so that if, at any adjourned meeting of such holders, the necessary quorum referred to above is not present those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that the holders of shares of the

class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

- 12.2 Without prejudice to the restrictions contained in these Articles as to the modification of rights attached to any class of shares in the Company, the rights conferred upon the holders of the Preference Shares shall be deemed to be varied by and the prior consent or sanction of the Preference Shareholders (obtained in accordance with the provisions of Article 12.1) shall be required for:-

12.2.1 the creation, allotment or issue of any shares of the Company or any other member of the Group or the grant of any right to require the allotment or issue of any such shares which as regards redemption, dividend and capital have rights ranking in priority to or *pari passu* with the Preference Shares;

12.2.2 any purchase of the share capital of the Company by the Company or any reduction in the share capital of the Company (other than the redemption of the Preference Shares in accordance with these Articles) or of any capital redemption reserve or share premium account or other non-distributable reserve;

12.2.3 the proposing of any resolution for a members' voluntary winding-up of the Company;

12.2.4 the proposing of any resolution to alter or abrogate the provisions of Article 29;

12.2.5 any early redemption of the Preference Shares pursuant to Article 8.1; or

12.2.6 the capitalisation of any profits of the Company otherwise available for distribution in accordance with the Acts.

- 12.3 12.3.1 Without prejudice to the restrictions contained in these Articles as to the modification of rights attached to any class of shares in the Company, the rights conferred upon the holders of the 'A' Ordinary Shares shall be deemed to be varied by the Company undertaking any of the matters referred to in Article 12.4 and the prior consent or sanction of the holders of the 'A' Ordinary Shares (obtained in accordance with the provisions of Article 12.1) shall be required for such matters.

12.3.2 The Company shall procure that no subsidiary shall undertake any of the matters referred to in Article 12.4 (and so that the reference in Article 12.4 to "the Company" shall be a reference to each subsidiary) without the prior consent or sanction of the holders of the 'A' Ordinary Shares (obtained in accordance with Article 12.1).

12.3.3 Either or both of the requirements of Articles 12.3.1 and 12.3.2 may be disapplied (or reapplied in respect of a previous disapplication) to any extent



by a notice signed by holders of three quarters in nominal value of the 'A' Ordinary Shares and served on the Company.

12.4 The matters referred to in Article 12.3 are as follows:-

- 12.4.1 the creation allotment or issue of any shares or securities by the Company or the grant of any right to require the allotment or issue of any such shares or securities (other than the creation allotment or issue of any shares or securities pursuant to the Facility Letter and save as may be necessary to effect the conversion of the 'A' Ordinary Shares to Ordinary Shares pursuant to these Articles and other than the issue of Ordinary Shares not exceeding 5% of the issued Equity Shares to key employees approved by the Special Directors for the time being or pursuant to an employee share scheme which has been approved by the holders of the 'A' Ordinary Shares);
- 12.4.2 the undertaking or entering into of any transaction which, if the Company were listed on the London Stock Exchange, would constitute a transaction classified as a "Super Class 1" transaction as defined from time to time for the purposes of the Listing Rules of the London Stock Exchange concerning acquisitions and realisations of assets by listed companies and their subsidiaries;
- 12.4.3 the increase, reduction, repayment, purchase or repurchase, subdivision, consolidation or other variation of the share capital of the Company (save for the redemption of the Preference Shares in accordance with these Articles) or the reduction of the amount, if any, standing to the credit of any non-distributable reserve including the share premium account or capital redemption reserve except for the specific purposes set out in these Articles or as permitted by Sections 130(2) and 170(4) of the Companies Act 1985;
- 12.4.4 the making of any material change in the nature of its business, or permitting the making of any change in the nature of the business of any subsidiary undertaking of the Company as at the date of adoption of these Articles or, in the case of a subsidiary undertaking acquired thereafter, as at the date of such acquisition, which change (in each case) would be material in the context of the Group as a whole.
- 12.4.5 the amendment of any provision of the Memorandum of Association or Articles of Association of the Company;
- 12.4.6 any change in the accounting reference date of the Company or any subsidiary undertaking;
- 12.4.7 the declaration, making or payment of any dividend or other distribution to the holders of the Ordinary Shares other than as permitted by Article 6.1.3;

- 12.4.8 the creation, extension or variation of any guarantees save as implied by law or otherwise in the ordinary course of the supply of goods and services by the Company;
- 12.4.9 the borrowing of any money in excess of £500,000 other than with the prior written consent of the Special Director (if any) or the creation, extension or variation of any mortgage or charge;
- 12.4.10 the giving of notice of any resolution to wind up the Company or the filing of any petition for the appointment of an administrator or liquidator or the making of an invitation to any person to appoint an administrative receiver;
- 12.4.11 the lending of money other than in the ordinary course of business or to a wholly owned subsidiary for use in the ordinary course of trading;
- 12.4.12 the acquisition or disposal of the whole or any part of any undertaking or the acquisition or disposal of any shares in the capital of any company where such agreement, commitment, establishment, acquisition or disposal is material in the context of the Group as a whole or the formation of any subsidiary undertaking (as defined in the Companies Act 1985);
- 12.4.13 the undertaking or entering into of any transaction of any nature whatsoever otherwise than by way of bargain at arms length and upon normal commercial terms or otherwise than in the normal course of business of the Group (including any transaction which, if the Company were listed on the London Stock Exchange, would constitute a "transaction with a related party" as defined from time to time for the purposes of the Listing Rules of the London Stock Exchange);
- 12.4.14 any change in the Company's accounting policies or principles and the basis of their application save as may be required from time to time to comply with changes in the law or with Statements of Standard Accounting Practice or Financial Reporting Standards or made with the prior approval of the Auditors or the Company;
- 12.4.15 any change in the Auditors;
- 12.4.16 the entry of any contract or agreement for the acquisition of freehold or leasehold real property;
- 12.4.17 the commencing of any material litigation; and
- 12.4.18 (a) the establishment of any new profit sharing, bonus or incentive scheme giving rise to payment of emoluments for any Financial Year in excess of amounts provided for in the budget for the relevant Financial Year;  
  
(b) the establishment of any share option scheme or shadow share option scheme;

- (c) the establishment of any pension or life insurance scheme so as to result in the payment of contributions or emoluments in excess of amounts provided for in the budget for the relevant Financial Year; or
- (d) the increase of the remuneration of any Director of the Company or the remuneration payable to any shareholder of the Company in any one year save in respect of any of the Special Directors as provided for in the Subscription Agreement.

13. Subscription Rights

13.1 Notwithstanding anything contained in these Articles and subject to any direction or authority contained in any resolution of the Company the Board is generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to allot relevant securities PROVIDED THAT the authority hereby granted to the Board:-

13.1.1 shall not permit the Board to allot relevant securities of an amount in excess of the unissued share capital of the Company immediately following the adoption of these Articles;

13.1.2 shall expire on the fifth anniversary of the date of the adoption of these Articles save that the Board may after the expiry of the said authority allot any relevant securities in pursuance of an offer or agreement made by the Company before the said authority expired.

13.2 Save in respect of any rights granted or to be granted over, or any allotment of, Ordinary Shares, Preference Shares, or 'A' Ordinary Shares pursuant to the Supplemental Subscription Agreement, the Facility Letter or the Supplemental Facility Letter all shares which the Company proposes to allot wholly for cash shall first be offered for subscription to the holders of Equity Shares in the proportion that the aggregate nominal value of such shares for the time being held respectively by each such holder bears to the total number of such shares in issue and such offer shall be made by notice in writing specifying the number of shares to which the holder is entitled and limiting a time (being not less than four weeks) within which the offer if not accepted will be deemed to be declined. Shareholders who accept the offer shall be entitled to indicate that they would accept, on the same terms, (specifying a maximum number) shares that have not been accepted by other shareholders ("Excess Shares") and any Excess Shares shall be allotted to shareholders who have indicated they would accept Excess Shares. Excess Shares shall be allotted pro rata to the aggregate number of Equity Shares held by shareholders accepting Excess Shares providing that no such shareholder shall be allotted more than the maximum number of Excess Shares that such shareholder has indicated he is willing to accept. After the expiration of such time or upon receipt by the Company of an acceptance or refusal of every offer so made, the Board shall be entitled to dispose of any shares so offered and which are not required to be allotted in accordance with the foregoing provisions in such manner as the Board may think most beneficial to the Company. If, owing to

the inequality in the number of new shares to be issued and the number of shares held by holders entitled to receive the offer of new shares, any difficulty shall arise in the apportionment of any such new shares amongst the holders such difficulties shall in the absence of direction by the Company be determined by the Board. The provisions of Section 89(1) and Sections 90(1) to (6) (inclusive) of the Companies Act 1985 shall not apply to the Company.

### LIEN

#### 14. Lien

- 14.1 The lien conferred by Regulation 8 of Table A shall attach also to fully paid up shares and to all shares registered in the name of any person indebted or under any liability to the Company whether he shall be the sole registered holder thereof or shall be one of two or more joint holders.

### TRANSFER OF SHARES

#### 15. General

- 15.1 Subject as hereinafter provided, no transfer of any share in the capital of the Company shall be made or registered without the previous sanction of the Board which may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share whether or not it is a fully paid share PROVIDED ALWAYS THAT the Board shall only sanction (and in the following circumstances will sanction) any transfer made in accordance with the provisions of these Articles (and in particular Article 17) unless the registration thereof would permit the registration of a transfer of shares on which the Company has a lien.
- 15.2 For the purpose of this Article the following (but without limitation) shall be deemed to be a transfer by a member of shares in the Company:-
- 15.2.1 any direction (by way of renunciation or otherwise) by a member entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
- 15.2.2 any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing.
- 15.3 Except as hereinafter provided no share in the Company or any beneficial interest therein shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
- 15.4 For the purpose of ensuring that any transfer of shares is authorised under these Articles of Association or that no circumstances have arisen whereby a Transfer Notice ought to have been or is required to be given hereunder or an Appropriate Offer is required to be or ought to have been made, the Board may, and shall if so

requested by MSIVF, require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or any other person as MSIVF reasonably believes to have any relevant information to furnish to the Company (and copy to MSIVF) such information and evidence as MSIVF or the Board shall reasonably deem appropriate for such purpose including (but not limited to) the names and addresses and interests of all persons respectively having interests (whether as trustee or beneficially otherwise) in shares in the capital of the Company from time to time.

- 15.5 Failing such evidence or information being furnished as provided by Article 15.4 above, or as a result of such evidence of information the Board or MSIVF are reasonably satisfied that a Transfer Notice is required to be or ought to have been given or that an Appropriate Offer is required to be or ought to have been made (as appropriate):-

15.5.1 a Transfer Notice shall be deemed to have been given by the holder of the relevant shares in respect of such shares; or

15.5.2 the shares held by or on behalf of the person or persons connected with each other or acting in concert (having the meaning set out in the City Code on Takeovers and Mergers) who has or have obtained Control over or increased Control beyond 50% or more of the total voting rights conferred by the issued shares in the Company shall cease to entitle the holder or holders thereof or any proxy to any voting rights otherwise attaching to such shares or to any further shares issued in right if such shares in pursuance of an offer made to the holders thereof to the extent that such person or persons aforesaid shall only be able to control that percentage of the voting rights attaching to the 'A' Ordinary Shares or Ordinary Shares that such person or persons were in a position to control prior to the obligation to procure the making of an Appropriate Offer arising.

16. Permitted Transfers

- 16.1 16.1.1 Any member being a body corporate registered in England and Wales 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 hereinafter referred to as a "Group Company") but if a Group Company whilst it is a member shall cease to be a Group Company in relation to the body first holding the relevant shares following their allotment or following a transfer made in accordance with these Articles 16 to 22 (inclusive) (otherwise than pursuant to this Article 16.1) it shall within 21 days of so ceasing transfer the shares held by it to such body or any Group Company of such body and failing such transfer the member shall be deemed to have given a Transfer Notice pursuant to Article 17.1.

16.1.2 Any share (and/or any interest therein) held by or on behalf of a Fund may be transferred:-

- (a) to (or to a nominee or trustee for) the holders of units in, or any partner in, or members of or investors in (as the case may be) such Fund and any share (and/or any interest therein) held by any nominee or trustee for such holders, partners, members or investors may be transferred to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors;
- (b) to a nominee or trustee for such Fund and any share (and/or any interest therein) held by a nominee or trustee for a Fund may be transferred to that Fund or to another nominee or trustee for such holders, partners, members or investors;
- (c) to (or to a nominee or trustee for) another Fund which is managed or advised by the same manager or adviser as the transferor (or as the Fund on behalf of whom any such share or interest is held by the transferor as nominee or trustee) or by a group undertaking of such manager or adviser.

16.2 Subject as herein provided any member who is an individual may transfer his shares or any beneficial interest therein for whatever consideration to his or her spouse or adult children or adult step children (a "Family Member") PROVIDED THAT:-

- (a) if and whenever the said shares cease to be held by a Family Member of the member who first held such shares other than as a result of a transfer pursuant to this Article 16.2 the holders of such shares shall be deemed to have given a Transfer Notice as referred to in, and pursuant to, Article 17.1;
- (b) a member acquiring shares pursuant to this Article 16.2 shall not have the like right to transfer all or any of such shares pursuant to this Article 16.2 unless the transfer is to the person from whom he, she or they took the shares in the first instance;
- (c) no change in beneficial ownership is thereby effected; and
- (d) upon any deemed Transfer Notice by or any Transfer Notice being given by, a holder of Ordinary Shares who has transferred his shares (or part thereof) to a Family Member such holder shall procure that the shares held by such Family Member hereunder shall be included in the shares to be transferred pursuant to the Transfer Notice or deemed Transfer Notice.

16.3 Any member may at any time transfer all or any of his shares to any other person with the prior written consent of all the other members of the Company for the time being.

16.4 Any share held by or on behalf of an investment trust company (as defined for the purposes of the Rules of the London Stock Exchange) whose shares are listed on the

London Stock Exchange may be transferred to another such investment trust company (hereinafter called the "transferee");-

16.4.1 whose shares are so listed; and

16.4.2 which is managed by the same management company as the transferor or by a holding company of such management company or any subsidiary company of such holding company;

PROVIDED ALWAYS THAT if the requirements of paragraphs 16.4.1 and 16.4.2 above cease to be satisfied in relation to the transferee, it shall within 21 days of so ceasing transfer the shares previously transferred to it pursuant to this Article 16.4 to the first mentioned investment trust company or such other company which in relation to the first mentioned investment trust company shall satisfy the requirements of paragraphs 16.4.1 and 16.4.2 above and failing any such transfer the transferee shall be deemed to have given a Transfer Notice in respect of such shares as referred to in, and pursuant to, Article 17.1.

16.5 Any shares which are held by or on behalf of any collective investment scheme within the meaning of Section 75 of the Financial Services Act 1986 ( as the same may be amended, modified or replaced from time to time) may be transferred to participants (within the meaning of the said section as the same may be amended, modified or replaced from time to time) in the scheme in question.

16.6 Any member may transfer shares to a nominee for that member alone and any nominee of any such member may transfer any shares back to that member PROVIDED THAT:-

- (a) no beneficial interest in such shares passes by reason of such transfer;
- (b) if and whenever the said shares cease to be held by the nominee (save in circumstances where the nominee is simply transferring the shares back to the individual who had nominated the nominee as such), the nominee shall be deemed to have given a Transfer Notice as referred to in Article 17.1; and
- (c) upon any deemed Transfer Notice by or any Transfer Notice being given by a holder of shares who has transferred his shares (or part thereof) to a nominee, such holder shall procure that the shares held by the nominee holder thereof shall be included in the shares to be transferred pursuant to the deemed Transfer Notice or (as the case may be) the Transfer Notice.

16.7 Any shares may be transferred pursuant to the acceptance of an Appropriate Offer.

17. Transfer Notice and Pre-emption Rights

17.1 17.1.1 Any member holding shares who wishes to transfer such shares ("the Vendor") otherwise than in accordance with Article 16 shall give notice in writing ("the Transfer Notice") to the Company of his wish specifying:-

- (a) the number and classes of shares which he wishes to transfer;
- (b) the name (if identified) of any third party to whom he proposes to sell or transfer the shares;
- (c) the price at which he wishes to transfer the shares which shall be the price specified by the Vendor or if no price is specified at the value agreed between the Vendor and the shareholders (other than the Vendor) or in default of such agreement the price shall be deemed to be fair value as determined by the Auditors pursuant to Article 21 (the "Transfer Price"); and
- (d) whether or not the Transfer Notice is conditional upon all and not part only of the shares so specified being sold pursuant to the offer hereinafter mentioned and in the absence of such stipulation it shall be deemed not to be so conditional.

17.1.2 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified:-

- (a) that all (and not some part) of the shares registered in the name of the Vendor shall be included for transfer;
- (b) that the price for the shares shall be as agreed between the Board and the Vendor or failing agreement shall be the fair value as determined by the Auditors pursuant to Article 21 PROVIDED HOWEVER that where a Departing Shareholder (as hereinafter defined) has given or been deemed to have given a Transfer Notice pursuant to Article 20.1, the price shall be determined in accordance with the provisions of Article 21 ; and
- (c) that no condition as referred to in Article 17.1.1(d) shall apply.

17.1.3 No Transfer Notice once given or deemed to be given in accordance with these Articles 15 to 22 (inclusive) shall be withdrawn without the consent in writing of all the Directors

17.2 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the shares specified therein ("the Sale Shares") at the Transfer Price.

17.3 17.3.1 The Company shall forthwith upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price by the Auditors in accordance with the provisions of Article 21 give notice in writing to each of the members of the Company (other than the Vendor or any other member who has served or is deemed to have served a Transfer Notice which is still outstanding) informing them that the Sale Shares are available and of the Transfer Price and



shall invite each member, in the order of priority set out in this Article 17.3.1 or Article 17.3.2 (as the case may be) to state in writing within 28 days from the date of the said notice (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares. Subject to the provisions of Article 17.3.2, Sale Shares of a particular class specified in Column (A) below shall be treated as offered in the first instance to all other persons (other than the Vendor) in the category of person set out in the corresponding line of Column (B) below, in priority to all other classes of shareholder and in so far as such offer shall not be accepted by such persons shall be treated as having been offered to all of the members holding the classes of shares shown in Columns (C) and (D) below in that order of priority as regards acceptances:-

(A)	(B)	(C)	(D)
<u>Sales Shares</u>	<u>Offered First to holders of</u>	<u>Offered Secondly to holders of</u>	<u>Offered Thirdly to holders of</u>
Ordinary Shares	Ordinary Shares	'A' Ordinary Shares	Preference Shares
'A' Ordinary Shares	'A' Ordinary Shares	Ordinary Shares	Preference Shares
Preference Shares	Preference Shares	'A' Ordinary Shares	Ordinary Shares

17.3.2 Where a Departing Shareholder has given or been deemed to have given a Transfer Notice pursuant to Article 20.1, at the direction of the 'A' Ordinary Shareholders up to a maximum of twenty five percent of the Sale Shares (rounded to the nearest whole number) shall be offered at a price determined in accordance with Article 21 firstly, if the 'A' Ordinary Shareholders shall direct by notice in writing to the Board to such current employees, new employees or recently employed employees of the Company and in such proportions as the 'A' Ordinary Shareholders shall specify in such notice; secondly if required by any notice in writing to the Board by the 'A' Ordinary Shareholders to such shareholders to hold until a new employee or employees shall have been identified by such holders as being a suitable new member or suitable new members of the Company whereupon such Sale Shares or such proportion thereof specified by the 'A' Ordinary Shareholders shall at that time be offered to such new employee or employees; and thirdly in accordance with the provisions of Article 17.3.1, and the Sale remaining Shares (rounded to the nearest whole number) shall be offered in accordance with the provisions of Article 17.3.1

17.3.3 The Sale Shares shall be offered to each class of shareholder on terms that in the event of competition the Sale Shares offered shall be sold to the members accepting the offer in proportion (as nearly as may be) to their existing

holdings of shares of the class to which the offer is made ("the Proportionate Entitlement"). It shall be open to each such member to specify if he is willing to purchase shares in excess of his Proportionate Entitlement ("Excess Shares") and if the member does so specify he shall state the number of Excess Shares.

17.3.4 After the expiry of the offers to be made pursuant to Article 17.3.1 above or sooner if all the Sale Shares offered shall have been accepted in the manner provided in Article 17.3.1 above the Board shall in respect of each offer made to the categories of persons referred to in Columns (B) to (D) inclusive of Article 17.3.1 or the persons referred to in Article 17.3.2 above (as the case may be) allocate the Sale Shares in the following manner:-

- (a) if the total number of shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the application; or
- (b) if the total number of shares applied for is more than the available number of Sale Shares, each member shall be allocated his Proportionate Entitlement or such lesser number of Sale Shares for which he may have applied and applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each member applying for Excess Shares in the proportion which shares of the relevant class held by such member bears to the total number of shares of that class held by all such members applying for Excess Shares PROVIDED THAT such member shall not be allocated more Excess Shares than he shall have stated himself willing to take;

and in either case 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 fourteen days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed SAVE THAT the transfer and completion of the sale of the Sale Shares shall not be sanctioned or effected by the Board if such transfer obliges the Vendor to procure the making of an Appropriate Offer in accordance with Article 18 below, and no such Appropriate Offer has been made and completed.

17.4 Subject to Article 17.5 below, upon such allocation 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. 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 deemed to be the duly appointed attorney of the Vendor with full power 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 by transfer 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 to the Company when he shall thereupon be paid the purchase money.

- 17.5 If the Vendor shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold none shall be sold and if 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 28 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of Articles 15, 16 and 17 shall be conditional upon such provision as aforesaid being complied with in full.
- 17.6 In the event of all the Sale Shares not being sold under the preceding paragraphs of Articles 15, 16 and 17 the Vendor may (subject to Articles 17.7 and 17.8 below and to the proviso to this Article 17.6) 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 not sold to any person or persons at any price not less than the Transfer Price PROVIDED THAT:-
- 17.6.1 the Board shall be entitled to refuse registration of the proposed transferee if he is believed to be, or is a nominee for, a person reasonably considered by the Board to be a competitor or connected with a competitor of the business of the Company and its subsidiaries PROVIDED THAT the Board shall not be so entitled if the effect of such transfer would oblige the Vendor to procure the making of an Appropriate Offer in accordance with Article 18 below and such offer has been made and completed;
- 17.6.2 if the Vendor stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Vendor shall not be entitled, save with the written consent of the holders of 90% of the Equity Shares, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;
- 17.6.3 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
- 17.6.4 no sale or transfer of any Ordinary Shares by a Manager or by such Manager's Family Members which would result if made and registered in the total number of such Manager's Ordinary Shares after such sale or transfer being

less than 80% of the number of such Manager's Ordinary Shares immediately following completion of the Supplemental Subscription Agreement shall be registered unless the prior written consent thereto has been given by the 'A' Ordinary Shareholders.

- 17.7 Unless otherwise agreed in writing by the 'A' Ordinary Shareholders no sale or transfer of any Ordinary Shares ("the Specified Shares") by any holder of Ordinary Shares ("the Selling Shareholder") shall be made pursuant to Article 17.6 which would result if made and registered in a person or persons not being a Permitted Transferee under and in accordance with the provisions of Article 16 above obtaining any interest in any share in the Company unless the proposed transferee or transferees or his or their nominees has or have offered to purchase a proportionate number of the 'A' Ordinary Shares held by each of MSIVF and MSIMF equal to that proportion which the Specified Shares bear to the total holding of the Selling Shareholder at the Specified Price as defined in Article 17.8 below.
- 17.8 For the purpose of Article 17.7 the expression "the Specified Price" shall mean a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for the Specified Shares to the Selling Shareholder plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Shareholder which having regard to the substance of the transaction as a whole can reasonably be regarded as in addition to the price paid or payable for the Specified Shares PROVIDED THAT if any part of the price per share is payable otherwise than by cash MSIMF and MSIVF may at their option elect to take a price per share of such cash sum as may be reasonably agreed by them having regard to the substance of the transaction as a whole AND PROVIDED FURTHER that the price for such shares shall not in any event be less than an amount equal to the amount originally paid on subscription for such shares. In the event of disagreement as to the calculation of the Specified Price for the purposes of this Article any such disagreement 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 on application by any such party) whose decision shall be final and binding (in the absence of manifest error) and the costs of such umpire shall be borne as he shall direct or, in default of such a direction, equally by the parties to the dispute or disagreement.
- 17.9 For the purposes of Articles 17.9 to 17.11 inclusive, "Relevant Event" means in relation to a Member being an individual, the death of such Member.
- 17.10 Notwithstanding the provisions of Articles 17.3.2 or 20.1, upon the happening of the Relevant Event, the Member in question and any other Member (not being MSIVF) who has acquired Equity Shares from him under a permitted transfer other than pursuant to Article 16.1 (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 Equity Shares as shall then be registered in the name of such Member(s) in accordance with Article 17.1 above

17.11 The Equity Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 17.1 as if they were Sale Shares in respect of which a Transfer Notice had been given save that a Deemed Transfer Notice shall be deemed to have been given on the date of the Relevant Date or, if later, the date of the first meeting of the Board at which details of the facts or circumstances giving rise to the relevant Transfer Notice are tabled

18. Change of Control

18.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of 75% in nominal value of the 'A' Ordinary Shares if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) is obtained in the Company:-

18.1.1 by a company (other than a company to which paragraph 18.1.2 of this Article 18.1 applies) or a person or persons (other than a company) who are not Original Members (as hereinafter defined) unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have made an Appropriate Offer to all the other members of the Company; or

18.1.2 by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the most recent Edition of the City Code on Take-overs and Mergers) with any member of the Company has or as a result of such sale or transfer will have a Controlling Interest;

18.1.3 by a person or company which is not resident or domiciled or registered (as the case may be) in the United Kingdom.

18.2 Every shareholder on receipt of an Appropriate Offer shall be bound within 28 days of the date of such offer in writing (and in default of so doing shall be deemed to have rejected the offer) (which date shall be specified therein) either to accept or reject such offer. Until such Appropriate Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer.

18.3 The provisions of Article 18.1 shall not apply to any transfer of shares pursuant to Article 16.

18.4 In the event of disagreement, the calculation of the relevant Appropriate 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 written request of any individual party) whose decision shall be final and binding in the absence of manifest error.

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18. Change of Control

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18.1.1 by a company (other than a company to which paragraph 18.1.2 of this Article 18.1 applies) or a person or persons (other than a company) who are not Original Members (as hereinafter defined) unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have made an Appropriate Offer to all the other members of the Company; or

18.1.2 by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the most recent Edition of the City Code on Take-overs and Mergers) with any member of the Company has or as a result of such sale or transfer will have a Controlling Interest;

18.1.3 by a person or company which is not resident or domiciled or registered (as the case may be) in the United Kingdom.

18.2 Every shareholder on receipt of an Appropriate Offer shall be bound within 28 days of the date of such offer in writing (and in default of so doing shall be deemed to have rejected the offer) (which date shall be specified therein) either to accept or reject such offer. Until such Appropriate Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer.

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18.5 For the purpose of this Article:-

18.5.1 the expression 'a Controlling Interest' shall mean an interest (within the meaning of Schedule 13 to and Part I and Section 324 of the Act) in shares in a company conferring in aggregate 50% or more of the total voting rights conferred by all the issued shares in that company

18.5.2 the expression 'Original Members' shall mean persons who were members of the Company immediately following completion of the Subscription Agreement and Family Members or Family Trusts of such members (as such terms are defined in Article 16.2)

18.5.3 the expression 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment or the renouncee under any such letter of allotment.

18.6 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article.

19. Allotments to Incoming Managers

In the event that the Board deems it necessary to allot Ordinary Shares to any new director or senior employee of the Company, MSIVF and MSIMF agree that they shall waive any and all rights of pre-emption (whether arising by virtue of statute or pursuant to these Articles) in respect thereof

20. Departing Shareholders

20.1 Whenever any member of the Company who is an employee or director of the Company or any subsidiary of the Company shall for whatsoever reason cease to be such a director or employee (such member being hereinafter referred to as the "Departing Shareholder") then 14 days after the date of such cessation such Departing Shareholder shall give or shall be deemed to have given a Transfer Notice

21. Transfer Price

21.1 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 that 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 21 is required) certify in writing to be the price which in their opinion represents a fair price being the fair market value for such shares as between a willing vendor and a willing purchaser of the whole of the issued share capital of the Company as a going concern and in an open market as at the date the Transfer Notice or deemed Transfer Notice is given and ascribing an aliquot valuation of the value of the whole of such issued share capital (excluding preference share capital) to the shares in question. 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.

21.2 In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be final and binding on the parties.

21.3 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 17.1.2 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.

22. Drag Along Rights

22.1 In the event that the holders of more than 51% of the Equity Shares ("the Sellers") propose to sell the legal or beneficial interest in their holdings of shares to a person with whom it is not connected in circumstances to which Article 18.1 does apply or to which Article 18.1 does not apply, but nonetheless the Sellers procure that an offer is made by the proposed transferee (or any person or persons acting in concert with it) to the holders of all other issued shares in the Company to acquire their entire holdings of shares and that offer complies with the requirements of Article 18.1 as if the Sellers' proposed sale were "the Appropriate Offer" the Sellers shall have the right but not any obligation (the "Drag Along Right") to require all of the other holders of shares in the Company (the "Called Shareholders") to accept in full the offer procured to be made to them subject always to the pre-emption provisions set out in Articles 17.1 to 17.5 having been exhausted and no purchaser or purchasers among the Called Shareholders having been found for all of the shares proposed to be sold by the Sellers.

22.2 The Drag Along Right may be exercised by the Sellers serving notice to that effect (the "Drag Along Notice") to the Called Shareholders at the same time as, or within 7 days following the making of the offer.

22.3 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Sellers do not transfer their entire holdings of shares in the Company to the person making the offer (or to that person's nominee) not later than the date specified as the date for completion of the sale and purchase of shares pursuant to acceptances of the offer.

22.4 Upon the exercise of the Drag Along Right in accordance with this Article 22:-

- (a) each of the Called Shareholders shall be deemed to have accepted the offer made to it/him in respect of all shares held by it/him in accordance with the terms of the offer applicable to it/him, to comply with the obligations assumed by virtue of such acceptance and to have irrevocably waived any pre-emption rights it/he may have in relation to the transfer of any of such shares; and
- (b) each of the Called Shareholders shall become obliged to deliver up to such transferee or its/his nominee an executed transfer of such shares and the



certificates) in respect of the same together with an executed waiver of all such pre-emption rights;

- (c) the provisions of Article 7 shall (for the avoidance of doubt) apply to allocate the aggregate consideration received pursuant to the offer.

- 22.5 If any Called Shareholder fails to accept the offer made to it/him or, having accepted such offer, fails to take any action required of it/him under the terms of the offer within 4 days of becoming required to do so, then the Directors shall be entitled to, and shall authorise and instruct such person as they think fit to execute the necessary transfers) on behalf of the Called Shareholders and, against receipt by the Company (on trust for such member but without interest) of the purchase moneys payable for the relevant shares, deliver such transfers and pre-emption waivers to the proposed transferee or its nominee and register such transferee or its nominee as the holder thereof, and after such transferee or his nominee has been registered as the holder the validity of such proceedings shall not be questioned by any person.

### VOTING RIGHTS

#### 23. Voting

- 23.1 Regulation 54 of Table A shall be modified in accordance with the following provisions of these Articles 23 and 24.
- 23.2 A proxy shall be entitled to vote on a show of hands.
- 23.3 Without prejudice to Article 12 on a poll every member shall have one vote for every 'A' Ordinary Share or Ordinary Share of which he is the holder and which is fully paid up or credited as fully paid.
- 23.4 Subject to Article 24, below, the Preference Shares shall not carry any rights to vote at a general meeting.

#### 24. Voting Rights of Preference Shareholders

- 24.1 Save with the prior written consent of the Preference Shareholders in each instance, in the event that:-
- 24.1.1 the Preference Shares have not been redeemed upon the happening of the events referred to in Article 8 hereof (notwithstanding as referred to in Article 8 that the Company is unable to redeem the shares upon the happening of such event); or
- 24.1.2 the business of the meeting includes a resolution for the winding up of the Company, a reduction in the capital of the Company or a resolution adversely altering, varying or abrogating any of the special rights and privileges attaching to the Preference Shares;

24.1.3 there shall have occurred a material breach of the Subscription Agreement and/or the Supplemental Subscription Agreement (including but not limited to the warranties given thereunder) and where such breach is capable of remedy the same shall not have been remedied by the party in breach within 30 days of notice from MSIVF and MSIMF (or either of them) describing the breach and requiring the same to be remedied;

24.1.4 there shall have occurred the acceleration of repayment of indebtedness due to any third party prior to the due date for payment of such indebtedness due to the default of the Company;

then the Preference Shares shall at the election of the Preference Shareholders be entitled to vote and on a poll every Preference Shareholder shall have one vote for every Preference Share of which he is the holder and which is fully paid up or credited as fully paid;

24.2 The right to vote shall continue in the case of paragraph 24.1.1 of this Article until the Preference Shares required to be redeemed pursuant to Article 8 have been so redeemed; in the case of paragraph 24.1.2 of this Article only on the passing of any such resolution as is there mentioned; in the case of paragraph 24.1.3 of this Article upon the breach being remedied (if capable of remedy) to the reasonable satisfaction of the holders of 75% in nominal value of the 'A' Ordinary Shares in issue; and in the case of paragraph 24.1.4 of this Article the relevant indebtedness being repaid upon terms satisfactory to the holders of 75% in nominal value of the 'A' Ordinary Shares.

## DIRECTORS

### 25. Directors

25.1 The Directors shall not be liable to retire by rotation and accordingly the second and third sentences of Regulation 79 of Table A shall not apply to the Company and in Regulation 79 of Table A the words "Subject as aforesaid" and "and may also determine the rotation in which any additional directors are to retire" shall be deleted and the last sentence of Regulation 78 shall be deleted.

25.2 The office of any Director shall be vacated if:-

25.2.1 (being an executive Director) he shall for whatever reason cease to be employed by the Company or any subsidiary of the Company; or

25.2.2 in the case of a Special Director notice of his removal shall be served in accordance with Article 11.

and the provisions of Regulation 81 of Table A shall be extended accordingly.

25.3 A Director, or any such other person as is mentioned in Regulation 65 of Table A, may act as an alternate Director to represent more than one director, and an alternate Director shall be entitled at any meeting of the Board or of any committee of the Board to one vote for every Director who he represents in addition to his own vote (if

any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

26. Alternate Directors

- 26.1 The appointment by a Special Director of an alternate Director shall not be subject to approval by a resolution of the Board and Regulation 65 of Table A shall be modified accordingly. In Regulation 67 of Table A the words "but, if" and the following words to the end of the Regulation shall be deleted.
- 26.2 An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 in Table A shall be modified accordingly.

27. Proceedings of Directors

- 27.1 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 27.2 Except with the prior written consent of the Special Director (or in the event that there is no Special Director the prior written consent of the holders of a majority in nominal value of the 'A' Ordinary Shares) a Director shall not vote as a director on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever save in respect of the matters specified in paragraph (a) to (d) (inclusive) of Regulation 94 of Table A which shall be modified accordingly. Reference in Regulation 98 to the "Chairman" shall be construed as a reference to the "Special Director" for so long as one is appointed.

COMPANY SEAL

28. The Seal

- 28.1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or a second Director. The obligations under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.
- 28.2 The Company may exercise the powers conferred by Section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

## BORROWING POWERS

### 29. Borrowing Powers

- 29.1 Subject as hereinafter provided the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Acts to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 29.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiary undertakings for the time being) and for the time being owing to persons outside the Group shall not at any time, without the previous consent or sanction of the Preference Shareholders and the 'A' Ordinary Shareholders given in accordance with Article 12, exceed £500,000.
- 29.3 For the purpose of the foregoing limit "moneys borrowed" shall be deemed to include the following except in so far as otherwise taken into account (together in each case with any fixed or minimum premium payable on final repayment):-
- 29.3.1 the principal amount for the time being owing (other than to a member of the Group) in respect of any loan capital, whether secured or unsecured, issued by a member of the Group in whole or in part for cash or otherwise;
  - 29.3.2 the principal amount raised by any member of the Group by acceptances or under any acceptance credit opened on its behalf by any bank or accepting house;
  - 29.3.3 the nominal amount of any share capital, and the principal amount of any moneys borrowed or other indebtedness, the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by any member of the Group and the beneficial interest in the redemption or repayment of which is not owned within the Group;
  - 29.3.4 the nominal amount of any share capital (not being equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) of any subsidiary of the Company owned otherwise than by other members of the Group;
  - 29.3.5 the aggregate of all amounts representing liabilities under all agreements entered into by any member of the Group for the hire purchase, leasing, credit purchase, conditional purchase or purchase on deferred terms and similar transactions in relation to property or any other assets; and

29.3.6 any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but "moneys borrowed" shall not include and shall be deemed not to include:-

29.3.7 moneys made available to and owed by the Company pursuant to the Financing Documentation (as defined in the Subscription Agreement), the Facility Letter or the Supplemental Facility Letter or any amounts borrowed for the purpose of repaying the whole or any part (with or without premium) of any moneys borrowed by any member of the Group then outstanding and so to be applied within six months of being so borrowed, pending the application for such purpose within such period; and

29.3.8 the proportion of the excess outside borrowing of a partly owned subsidiary undertaking which corresponds to the proportion of its equity share capital owned otherwise than by members of the Group and so that, for this purpose, the expression "excess outside borrowing" shall mean so much of the borrowings of such partly owned subsidiary undertaking otherwise than from members of the Group as exceeds the amounts (if any) borrowed from it by other members of the Group.

29.4 No such sanction as is referred to in Article 29.2 shall be required for the borrowing of any sum of money indebted to be applied in the immediate repayment (with or without premium) of any moneys then already borrowed and outstanding and which is so applied, notwithstanding that the same may result in such limit being exceeded.

29.5 No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit imposed by this Article is observed and no debt or liability incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security or person to which the liability is incurred at the time when the debt or liability was incurred or the security given that the limit hereby imposed has been or was thereby exceeded.

### INDEMNITY

#### 30. Indemnity

Subject to the provisions of the Acts, every director or other officer of the Company shall be indemnified out of assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No director or other officer shall be liable for any loss, damage or misfortune which may happen to or be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or

in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Companies Act 1985. The Board shall have power to purchase and maintain for any Director or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.