

Company number 05499435

SEMPlice ENERGY LIMITED

(the Company)

WRITTEN RESOLUTIONS

(pursuant to section 288
Companies Act 2006)

(Passed **2** October 2007)

FRIDAY



A33 *AXZJMTJN* 05/10/2007 724
COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that

- The resolution below is passed as a special resolution of the holders of the A Ordinary Shares in the capital of the Company (the **Special Resolution**)

SPECIAL RESOLUTION

The draft regulations contained in the printed document initialled by the Chairman of the Company be and they are approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company

This resolution may be executed in any number of counterparts with the same effect as if the signatures to each such counterpart were upon the same instrument

AGREEMENT

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

The undersigned, being persons entitled to vote on the above resolution on 1 October 2007 hereby irrevocably agrees to the Special Resolution

Mark Truswell

Natalie Barker

NOTES

1 If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

- **By Hand** delivering the signed copy to Unit 5 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0XQ
- **Post** returning the signed copy by post to Unit 5 Bennet Court, Bennet Road, Reading, Berkshire, RG2 0XQ
- **Fax** faxing the signed copy to 020 7427 6600 marked "For the attention of David Coates"
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to david.coates@speechlys.com Please enter "Written resolutions dated 2 October 2007" in the e-mail subject box

If you do not agree to the resolution, you do not need to do anything you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to the resolution, you may not revoke your agreement

3 Unless, by 29 October 2007, sufficient agreement has been received for the resolutions to pass, they will lapse If you agree to the resolution, please ensure that your agreement reaches us before or during this date

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members

5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

Company number 05499435

SEMPlice ENERGY LIMITED

(the Company)

WRITTEN RESOLUTIONS

(pursuant to section 288
Companies Act 2006)

(Passed 2 October 2007)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that

- The resolution below is passed as a special resolution of the holder of the B Ordinary Shares in the capital of the Company (the **Special Resolution**)

SPECIAL RESOLUTION

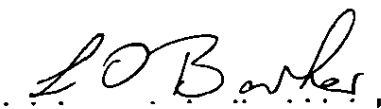
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Leslie Barker

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SEMPlice ENERGY LIMITED

(company number 05499435)

ARTICLES OF ASSOCIATION

adopted by special resolution on 2 October 2007

Speechly Bircham LLP
6 St Andrew Street
London
EC4A 3LX

Ref 321647/4111317

CONTENTS

	Page
1 THE ARTICLES	1
2 DEFINITIONS AND INTERPRETATION	1
3 SHARES	8
4 INCOME	8
5 LIQUIDATION/SALE PREFERENCE	9
6 VOTING	10
7 CLASS RIGHTS	10
8 CONVERSION	12
9 ISSUE OF SHARES	12
10 INVESTOR ANTI DILUTION	13
11 REDEMPTION OF PREFERRED SHARES	15
12 LIEN	17
13 PARTLY PAID SHARES	17
14 PERMITTED TRANSFERS	17
15 MANDATORY TRANSFERS	19
16 PRE-EMPTION RIGHTS ON TRANSFER ETC	20
17 TAG ALONG	25
18 DRAG ALONG	25
19 PROCEEDINGS AT GENERAL MEETINGS	27
20 APPOINTMENT AND REMOVAL OF DIRECTORS	27
21 PROCEEDINGS OF DIRECTORS	28
22 DIRECTORS' INTERESTS	29
23 DIRECTOR POWERS AND REMUNERATION	29
24 SECRETARY AND SEAL	30

Company number 05499435

THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
SEMPlice ENERGY LIMITED
(the Company)

(Adopted by special resolution of the Company
passed on 2 October 2007)

1. THE ARTICLES

- 1 1 The Articles shall consist of the regulations in this document and the Regulations as amended by these Articles
- 1 2 The Regulations shall apply to the Company except where they are excluded or varied by these Articles or are inconsistent with these Articles, and such Regulations (except where they are excluded, varied or inconsistent) and these Articles shall be the regulations of the Company
- 1 3 Regulations 50, 54, 64-69 (inclusive), 73-80 (inclusive), 88, 94-98 (inclusive) and 118 of Table A shall not apply to the Company

2. DEFINITIONS AND INTERPRETATION

- 2 1 In these Articles the following words and phrases have the meanings set out opposite them below unless the context otherwise requires

1985 Act	the Companies Act 1985 and every statutory modification or re-enactment of it for the time being in force,
A Ordinary Shares	the A ordinary shares of £1 each in the capital of the Company,
Act	the Companies Act 1985, the Companies Act 2006 and every statutory modification or re-enactment of either of them for the time being in force,
Adoption Date	the date of adoption of these Articles,

Asset Sale	the disposal by the Company of all or substantially all of its undertaking and assets by a single transaction or a series of related transactions,
B Ordinary Shares	the non-voting B ordinary shares of £1 each in the capital of the Company,
Board	the board of Directors of the Company from time to time,
Business Day	means any day (other than a Saturday, Sunday or bank holiday) on which clearing banks are ordinarily open for business in the City of London,
Business Plan	the Business Plan initialled by the parties to the Subscription and Shareholders' Agreement on the Adoption Date,
company	a company or a body corporate,
Compelled Date	the date on which a Member becomes a Compelled Member,
Compelled Member	other than in respect of any Investor or Manager, means <ul style="list-style-type: none"> (a) any Member who becomes bankrupt, or (b) any person entitled to a Share in consequence of the bankruptcy of a Member, or (c) any Member who is a body corporate and in respect of which any liquidation, winding up, receivership (and the like) has commenced, or (d) in the case of any Member who is a body corporate, any person who becomes entitled to any Shares on the liquidation, winding up, receivership (and the like) of that Member, or (e) any Member who becomes a Leaving Member,
Controlling Interest	an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company,
Custodian	means any person or persons designated by an Investor Majority as "Custodian" to hold or who hold(s) Shares pursuant to Article 16,
Director	a director of the Company from time to time,
EBT	a trust approved by an Investor Majority and whose beneficiaries are the employees and directors of the Group,
Employee Member	a person who is or has been a director and/or an employee and/or consultant of any Group Company (which, for the avoidance of

	doubt, shall not include (i) the Investor or its permitted transferees, (ii) the Investor Director, or (iii) the Managers),
Equity Shares	the Preferred Shares, the A Ordinary Shares and the B Ordinary Shares in issue from time to time,
Exit	either a Sale or a Listing,
Expert	an umpire (acting as an expert and not as an 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,
Family Member	the spouse or widow or widower of a Member and the Member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Member's children,
Fair Value	as determined by Article 16.3.2,
financial year and financial period	an accounting reference period (as defined by the Act) of the Company,
FSMA	Financial Services and Markets Act 2000,
Further Fundraising	any bona fide fundraising by the Company after the Adoption Date pursuant to which the Company issues further Shares and/or loan securities to the Investor or, with the prior written consent of an Investor Majority, to any other investor or financier (each a Third Party Investor), or any other event in respect of which the Company and an Investor Majority agree in writing at the relevant time constitutes a Further Fundraising,
Good Leaver	any Member, other than a Manager, who (i) becomes a Leaving Member due to death, illness, disablement, retirement at the normal retirement age of such Member, or in circumstances where the Board and an Investor Majority consider it would be unfair not to regard such Member as a Good Leaver, and (ii) is not bankrupt,
Group	the Company, its subsidiaries, any holding company of the Company and any subsidiary of any such holding company from time to time and Group Company shall be construed accordingly,
ICTA 88	Income and Corporation Taxes Act 1988,
Investor	means the Investor as defined in the Subscription and Shareholders' Agreement and any person who is or becomes an Investor for the purposes of the Subscription and Shareholders' Agreement or any nominee of an Investor or any such person or any person who acquires Shares from such person as permitted by

	Article 14 6 and “ Investor ” means any of them,
Investor Director	means a Director appointed pursuant to Article 20 2,
Investor Majority	the holders of more than 75% in nominal value of the Investor Shares,
Investor Redemption Notice	has the meaning given in Article 11 3,
Investor Shares	any Shares held, from time to time, by any Investor,
Issue Price	in relation to a Share, the amount paid or credited as paid up on that Share, including sums paid, or credited as paid, by way of premium,
Leaving Date	the date on which a person becomes a Leaving Member, being the earlier of <ul style="list-style-type: none"> (a) the date his employment or (as appropriate) consultancy contract with the applicable Group Company is terminated, (b) the expiry of his notice period under his employment or (as appropriate) consultancy contract with the applicable Group Company, (c) if payment is given in lieu of notice under his contract of employment or (as appropriate) consultancy with the applicable Group Company, the date that notice under his contract of employment or (as appropriate) consultancy with the applicable Group Company was served, (d) the date his contract for services as a Director is terminated, (e) where a person dies, the date of his death, (f) and otherwise, the date on which the relevant person becomes a Leaving Member,
Leaving Member	means any Employee Member who ceases to be a director or consultant or employee of any Group Company and does not continue as, or thereupon become, a director or consultant or employee of any Group Company,
Leaver Shares	all Shares held by a Leaving Member together with all Shares held by his Family Members in each case on the Leaving Member’s Leaving Date and all Shares acquired by the Leaving Member and his Family Members after the Leaving Date, except where an Investor Majority has, at its absolute discretion, consented otherwise in writing,

Listing	the admission of any Shares to the Official List of the UK Listing Authority and such admission becoming effective or the grant of permission for any Shares to be dealt in on a Recognised Investment Exchange or any other public securities market and such permission becoming effective,
Managers	has the meaning given in the Subscription and Shareholders' Agreement and Manager shall be construed accordingly,
Manager Loan	the aggregate sum of £264,069 loaned to the Company by the Managers pursuant to (i) loan agreements between (1) each of the Managers and (2) the Company dated 30 November 2005, and (ii) a loan postponement agreement between (1) each of the Managers and (2) the Company entered into on the Adoption Date,
Member	a holder of any Shares from time to time,
Net Profit	the profit on ordinary activities after taxation of the Group calculated on the historical cost accounting basis and shown in the audited consolidated profit and loss account of the Group for the relevant financial year (to the nearest £1) but adjusted by adding back any amortisation of goodwill,
New Shares	Shares (of whatever class) but excluding the Permitted Shares,
Non-Participating Member	<p>(a) a Leaving Member, and</p> <p>(b) all Members who are such Leaving Member's Family Members (other than in respect of Shares which an Investor Majority declares itself satisfied that they were not acquired by such holders either (i) directly or indirectly from the Leaving Member or (ii) by reason of their connection with the Leaving Member and the decision of the Investor Majority in this respect will, in the absence of manifest error, be final),</p>
Non-Participating Shares	Shares held by a Non-Participating Member to have identical rights to the B Ordinary Shares except as otherwise stated in these Articles (being under Articles 7 1, 9 1, 15 3, 16 5, 16 6 and 16 8),
Non-Sale Preference Amount	£90 3056711 per Preference Share together with a sum equal to any arrears of the Preference Dividend and any other dividends accrued down to the relevant date of payment in respect of each Preferred Share held in the case of a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares),
Option Scheme	any share option scheme of the Company for the benefit of bona fide employees and directors of the Group which an Investor Majority identifies in writing as being an Option Scheme for the purposes of these Articles over not more than such number of Ordinary Shares as shall dilute the holdings of Ordinary Shares as at the Adoption Date by an aggregate of up to 10 per cent pro-

	rata between the holders of Ordinary Shares at the Adoption Date,
Option Shares	has the meaning given in the Subscription and Shareholders' Agreement,
Ordinary Shares	A Ordinary Shares and B Ordinary Shares,
Original Member	Members on the Adoption Date or persons who subscribe for Shares under the Subscription and Shareholders' Agreement or persons to whom a transfer is made under Article 14,
paid up	in relation to a Share allotted for cash means the aggregate amount paid up or credited as paid together with any premium paid on subscription, and such sum being received by the Company,
Permitted Shares	(i) the grant of options to subscribe for Ordinary Shares in accordance with the rules of any Option Scheme and the subsequent issue of Ordinary Shares pursuant to the exercise of those options, (ii) any Shares issued pursuant to a Further Fundraising and (iii) any Shares issued pursuant to a conversion of Preferred Shares pursuant to these Articles,
Permitted Transfer	a transfer of Shares expressly authorised by Article 14,
Preference Dividend	the dividend payable to the holders of Preferred Shares pursuant to Article 4,
Preferred Shares	the convertible participating redeemable preferred ordinary shares of £1 each in the capital of the Company,
Recapitalisation Event	any recapitalisation, share split or conversion, share consolidation or similar event relating to the Shares,
Recognised Investment Exchange	a recognised investment exchange (within the meaning thereof given for the purposes of section 285, FSMA, which shall include the AIM market, NASDAQ and NASDAQ Europe),
Regulations	the regulations in Table A, and Regulation shall be construed accordingly,
Remuneration	all salary, fees and emoluments, including sums paid by way of expenses allowance (if taxable), pension contributions and the cash value of benefits in kind paid or payable to any directors and former directors of the Group under their respective service or employment agreements or consultancy agreements with the applicable Group Company and their connected persons (but only if those directors or former directors are interested in Shares),
Sale	unconditional completion of any of: <ul style="list-style-type: none"> (a) the sale of more than 50% of the issued Equity Shares to a single purchaser (or to one or more purchasers as part of a single transaction), or

(b) a sale pursuant to Article 18, or

(c) an Asset Sale,

Sale Preference Amount	£60 8704474 per Preference Share together with a sum equal to any arrears of the Preference Dividend and any other dividends accrued down to the relevant date of payment in respect of each Preferred Share held in the case of a Sale,
Seller	a Member giving a Transfer Notice or a deemed Transfer Notice (as the context so requires),
Shares	all the shares in the capital of the Company each having the rights and being subject to the restrictions contained in these Articles,
Specified Price	the consideration (in cash or otherwise) per Share of the relevant class equal to that offered or paid or payable by the proposed transferee or his or their nominees for the Shares of the relevant class being acquired or offered to be acquired, together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable or offered to be received by the holders of such other Shares of the relevant class 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 therefor,
Subscription and Shareholders' Agreement	the subscription and shareholders' agreement dated on or about the Adoption Date between (1) the Company, (2) the Managers (as defined therein), (3) the Co-Shareholder (as defined therein) and (4) the Investor (as defined therein),
Table A	Table A in the Companies (Tables A – F) Regulations 1985, as amended by the Companies (Tables A - F) (Amendments) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000,
Transfer Notice	a notice given or deemed to have been given in accordance with these Articles and where such notice is deemed to have been served it shall also be referred to (without limitation) as a deemed Transfer Notice (or words having a similar meaning),
Transfer Price	the price at which the Transfer Shares are to be sold, as determined by Article 16 3,
Transfer Shares	the Shares specified or deemed to be specified for sale in a Transfer Notice or deemed Transfer Notice

2 2 Unless the context otherwise requires

2 2 1 References to the singular include the plural and vice versa,

2 2 2 References to any gender include each other gender, and

- 2 2 3 References to **subsidiary** and **holding** company and **subsidiary undertaking** shall have the same meanings as set out in section 736 of the 1985 Act, and
- 2 2 4 **connected** has the meaning in section 839 of ICTA 88 and **control** has the meaning in section 840 of ICTA 88
- 2 3 A reference in these Articles to the transfer of any Share shall include a transfer of any interest in Shares (whether legal, beneficial or otherwise) and these Articles shall take effect accordingly
- 3. SHARES**
- 3 1 The authorised share capital of the Company at the Adoption Date is £60,000 divided into
10,000 Preferred Shares,
45,000 A Ordinary Shares, and
5,000 B Ordinary Shares
- 3 2 The Preferred Shares, the A Ordinary Shares and the B Ordinary Shares shall be separate classes of Shares for the purposes of these Articles and the Act having the rights and restrictions set out in these Articles
- 4. INCOME**
- 4 1 The Company will, without any need for a resolution of the Board or of the Company in general meeting and before application of any profits to reserve or for any other purpose, pay out of Net Profit in respect of each Preferred Share a fixed cash preferential dividend (the **Preference Dividend**) at the annual rate of 4% of the Issue Price on the earlier of (i) 1st November in every year (provided that the Company shall have a period of up to 30 days following each successive 1st November within which to make such payment), (ii) on the winding up of the Company or (iii) upon redemption of a Preferred Share to the person registered as its holder on the relevant date (the first such payment in respect of circumstance (i) above to be made no later than 30th November 2008 for the period from and including the Adoption Date to 31st July 2008)
- 4 2 Every Preference Dividend shall be distributed to the appropriate shareholder(s) pro rata according to the number of Preferred Shares held by them respectively and shall accrue on a daily basis assuming a 365 day year All dividends are expressed net and shall be paid in cash
- 4 3 If the Company is unable to pay in full on the due date any Preference Dividend by reason of having insufficient Net Profit then it will on that date pay it to the extent that it is then lawfully able to do so
- 4 4 Unless the Company has insufficient Net Profit, the Preference Dividend (or the relevant part of it) will automatically become a debt due from and immediately payable by the Company on the payment date specified in Article 4 1 If and to the extent that the Company has sufficient Net Profit to pay the Preference Dividend (or the relevant part of it) but the debt so constituted is not paid in full on the due date, the due but unpaid amount will carry simple interest at an annual rate of 2 per cent above the base rate from time to time of Barclays Bank plc, calculated on a daily basis over a 365 day year from and including the date any

sum becomes due to the actual date of payment

- 4 5 Where the Company is in arrears of the Preferred Dividend, the first Net Profit arising will be applied in or towards paying off all arrears of Preference Dividend
- 4 6 The Company will not distribute any Net Profit in respect of any financial year in addition to the Preference Dividend required to be distributed in accordance with this Article except with the prior written consent of the Board and an Investor Majority. Any further Net Profit which the Company may determine to distribute in respect of any financial year will be distributed among the holders of Equity Shares (pari passu as if those Shares constituted one class of share) pro rata to their respective holdings of Equity Shares
- 4 7 The Company will procure that the profits of any other Group Company available for distribution will be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company) if and to the extent that dividends are necessary to permit lawful and prompt payment by the Company of the Preference Dividend
- 4 8 Subject to the Act and these Articles, the Board may, provided Investor Majority consent is given, pay interim dividends if justified by the Net Profit in respect of the relevant period
- 4 9 Regulation 104 shall be construed accordingly

5. LIQUIDATION/SALE PREFERENCE

- 5 1 On a distribution of assets on a liquidation, a return of capital (other than a conversion, redemption or purchase of Shares) or a Sale, the surplus assets of the Company remaining after payment of its liabilities (other than the Manager Loan) shall be applied (to the extent that the Company is lawfully permitted to do so)
- 5 1 1 first in paying to each of the holders of Preferred Shares, in priority to any other classes of Share, an amount per share held equal to the Non-Sale Preference Amount in the case of a liquidation, a return of capital (other than a conversion, redemption or purchase of Shares) or an amount equal to the Sale Preference Amount in the case of a Sale,
- 5 1 2 second in paying to the Managers any and all amounts then outstanding under the Manager Loan,
- 5 1 3 third in paying to the holders of the Ordinary Shares the Issue Price per Share, and
- 5 1 4 lastly, the balance of the surplus assets (if any) (the **Surplus**) shall be distributed as follows
- (a) to each of the holders of the Preferred Shares, pro-rata to the number of Preferred Shares held by them, that proportion which equates to the number of Preferred Shares held by them as against the number of Equity Shares (excluding any Ordinary Shares that arise upon the exercise of share options issued pursuant to the Option Scheme), and
 - (b) the remainder of the Surplus among the holders of the Ordinary Shares pro-rata to the number of Ordinary Shares held by each such holder

(including any Ordinary Shares that arise upon the exercise of share options issued pursuant to the Option Scheme)

- 5 2 Subject to Articles 17 and 18 (as applicable), where upon a Sale the proceeds after deduction of related costs and expenses are received by the Company, the Company and the Members shall procure that, so far as is lawful, such proceeds (whenever received) shall be placed in a designated trustee account and shall be distributed amongst the holders of Shares in accordance with the order of priority set out in Article 5 1
- 5 3 On a Sale, if any of the proceeds are otherwise than in cash the non-cash element shall be treated for the purposes of Article 5 2 as being in cash at their market value
- 5 4 If, upon a Sale, it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Members shall be required to take such actions as an Investor Majority may require (including, but without prejudice to the generality of the foregoing, such actions that may be necessary to put the Company into voluntary liquidation) so that the provisions of Article 5 1 apply
- 5 5 All arrears and/or accruals of dividends must be cleared prior to the distribution of assets pursuant to this Article 5
- 5 6 A Listing of Shares will be treated in the same way as a Sale The Company will issue to each holder of Preferred Shares that number (if any) of A Ordinary Shares so that the proportion which all A Ordinary Shares held by that shareholder bears to the fully diluted share capital following completion of all such issues and the conversion of all Preferred Shares will be equal to the proportion which the proceeds that that shareholder would have been entitled to receive on a Sale on that date would bear to the valuation of the Company at that date
- 5 7 Immediately prior to a Listing, all accrued but unpaid dividends on the Preferred Shares must be paid save to the extent that the Company (with the prior written consent of an Investor Majority) decides to capitalise some or all of such amounts into A Ordinary Shares Any capitalisation will be at the price of the A Ordinary Shares at the Listing

6. VOTING

- 6 1 Preferred Shares and A Ordinary Shares shall carry one vote per share B Ordinary Shares shall not carry the right to vote but shall entitle the holder(s) thereof to receive notice of and attend (but not vote at) general meetings of the Company
- 6 2 Votes on Shares may be exercised on a show of hands by every Member entitled to vote who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each Member holding Shares with votes shall have one vote per share) or on a poll by every Member entitled to vote who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each Member holding Shares with votes shall have one vote per share)

7. CLASS RIGHTS

- 7 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, only with the consent in writing of the holders of 75% of the issued shares of that class Where a variation to the class rights of

Non-Participating Shares is proposed such variation shall be deemed to be approved by the holders of all such shares if the requisite majority of the holders of the B Ordinary Shares approve an identical variation to the class rights attaching to the B Ordinary Shares. For the purposes of this Article, Non-Participating Shares shall be deemed to be the same class of share as the B Ordinary Shares.

7.2 Without prejudice to the generality of Article 7.1 and other than as may specifically be set out in the Subscription and Shareholders' Agreement, the special rights attached to the Preferred Shares shall be deemed to be varied by the following in relation to each Group Company (and where any matter listed below in this Article 7.2 refers to the "Company" it all also relate to each Group Company as if the matter had been repeated with full substitution)

7.2.1 making any amendment to the Company's memorandum of association or the Company's articles of association, including any increase in the Company's authorised or issued share capital,

7.2.2 granting any options over Shares, creating, allotting, issuing, modifying, buying back or redeeming or purchasing, varying or abrogating the rights attaching to, any Shares, or sub-dividing, consolidating or otherwise reorganising any part of the Company's share capital, or capitalising any reserves of the Company or applying any amount for the time being standing to the credit of the share premium account or capital redemption reserve of the Company for any purpose, save in respect of the Preferred Shares as permitted by these Articles,

7.2.3 creating any subsidiary company of the Company,

7.2.4 acquiring or disposing of any interest in the shares, or instruments convertible into shares, of any company or body corporate;

7.2.5 declaring or paying any dividend or other distribution, other than any Preference Dividend,

7.2.6 any application to have an administrator appointed to the Company,

7.2.7 any proposal to wind up the Company or to commence any proceeding seeking liquidation, reorganisation, readjustment or other relief in relation to the Company under any bankruptcy, insolvency or similar law,

7.2.8 the giving of consent by the Company to a decree or order for relief or any filing of a petition under such law or to the appointment of a trustee, receiver or liquidator,

7.2.9 any other voluntary action by the Company in furtherance of its bankruptcy, reorganisation, liquidation, dissolution or termination of its corporate status,

7.2.10 any agreement to do any of the things referred to in this Article 7.2,

and in this Article 7.2 each capitalised term shall, to the extent not defined in Article 2, have the meaning given to it in the Subscription and Shareholders' Agreement.

7.3 Notwithstanding Article 7.2, no consent shall be required for the allotment and issue of any Permitted Shares.

8. CONVERSION

- 8 1 Subject to any adjustment being made to the conversion rate following any Recapitalisation Event and the provisions of Article 10, any individual holder of Preferred Shares may at any time convert all of its Preferred Shares into A Ordinary Shares. The rate of conversion shall be one A Ordinary Share for each Preferred Share held.
- 8 2 The conversion shall be effected by notice in writing given to the Company signed by the relevant holder(s) of the Preferred Shares, which notice shall take effect on the date of delivery of such notice (unless such notice is conditional in which case conversion will take place on the notice becoming unconditional).
- 8 3 Forthwith after conversion takes effect, the Company shall issue the holders of the resulting A Ordinary Shares share certificates for the new A Ordinary Shares arising on such conversion against surrender by holder of the certificate representing the former holding of Preferred Shares.
- 8 4 The A Ordinary Shares resulting from any conversion shall rank equally in all other respects and form one class with the A Ordinary Shares then in issue and fully paid.

9. ISSUE OF SHARES

- 9 1 All New Shares being issued by the Company shall first be offered to the Members (but not to Non-Participating Members in respect of their Non-Participating Shares) (the **Offered Members**) in the proportion (as nearly as may be) to each such Offered Members' holding of Shares as it bears to the total number of Shares held by all Offered Members.
- 9 2 Any such offer shall be made by notice by the Company and shall state that it is open for acceptance for not less than 15 Business Days from the date of despatch (the **Offer Period**).
- 9 3 At the end of the Offer Period
- 9 3 1 the New Shares shall be allocated first in satisfaction of applications received from the Offered Members, and if the total number of New Shares applied for is equal to or less than the available number of New Shares, the Company shall allocate the number applied for in accordance with the applications to which the offer is made,
- 9 3 2 in the case of competition or if the total number of New Shares applied for is more than the available number of New Shares, the New Shares shall be allocated to the Offered Members accepting the offer in the proportion (as nearly as may be) which Shares held by such Offered Members bears to the total number of Shares held by all Offered Members to which the offer is made (the **Offered Proportionate Entitlement**) or such lesser number of New Shares for which he may have applied to which the offer is made,
- 9 3 3 if an Offered Member is willing to purchase New Shares in excess of his Offered Proportionate Entitlement (the **New Excess Shares**) applications for New Excess Shares shall be allocated in accordance with such applications to which the offer is made or, in the event of competition, to each Offered Member applying for New Excess Shares (as nearly as may be) in the proportion which Shares held by such Offered Member bears to the total number of Shares held

by all such Offered Members applying for New Excess Shares to which the offer is made

9 4 The provisions of Article 9 3 3 shall apply mutatis mutandis repeatedly until such time as there are no New Shares remaining to be allocated to the Offered Members applying for the New Shares, provided always that no Offered Member shall be allocated more New Shares than he shall have stated himself willing to take

9 5 Any New Shares not accepted in the Offer Period shall be at the disposal of the Board which may, with the prior written consent of the Investor Majority (within the period of three months from the end of the Offer Period) allot, grant options over or otherwise dispose of the same to such persons at a price per New Share and on terms not less than that at which the same were offered to such Offered Members, and otherwise on such terms as it thinks proper

9 6 In accordance with section 91(1) of the 1985 Act, section 89(1) and sections 90(1) to 90(6) (inclusive) of the 1985 Act will not apply to the Company

9 7 The preceding provisions of this Article 9 may be disapplied by the written consent of the holders of not less than 75% in nominal value of the issued A Ordinary Shares, the holders of not less than 75% in nominal value of the issued B Ordinary Shares, the Board and an Investor Majority

10. INVESTOR ANTI DILUTION

10 1 For the purposes of this Article 10, the following words and expressions shall have the following meanings

Adjustment Event (a) any allotment or issue of Shares by way of capitalisation of profits or reserves (including share premium account and any capital redemption reserve fund) to holders of Equity Shares (other than an allotment or issue of Shares pursuant to Article 10 3), or (b) any sub-division or consolidation of Equity Shares, or (c) any offer or invitation to acquire securities or cash or rights thereto made by the Company to holders of Shares as a class of shares in the capital of the Company, or (d) any payment of a special dividend (whether in cash or in specie),

Exercising Investor in respect of each Further Issue, each holder of Preferred Shares which exercises its rights to receive Preferred Shares pursuant to Article 10 2,

Further Issue an issue of Further Securities to which Article 10 2 applies,

Further Securities any Shares which carry voting rights (other than Shares issued (i) pursuant to the rules of the Option Scheme, or (ii) pursuant to the conversion of Preferred Shares into A Ordinary Shares in accordance with these Articles, or (iii) otherwise to the Exercising Investor) or other securities convertible into, or carrying the right to subscribe for such Shares, issued by the Company after the Adoption Date, and **Further Security** means any of them, and

Subscription Price £60 8704474 per Share, or such other amount as is determined in accordance with Article 10 4

10 2 In the event that Further Securities are issued by the Company in circumstances where such issue of Further Securities has been previously approved by the Board at a price per Further

Security (which in the event that the Further Securities are not issued for cash shall be a price determined by the Auditors (acting as experts and not as arbitrators) as being, in their opinion, the current cash value of the new cash consideration for the allotment of the Further Securities) which is less than the Subscription Price per Further Security or, if greater, per vote conferred on the Further Securities (or on the Shares into or for which such securities are convertible or exchangeable) then the Company shall, unless and to the extent that the holder(s) of Preferred Shares shall have specifically waived their rights hereunder in writing, offer (such offer, unless waived, to remain open for acceptance for not less than 28 days) to each holder of Preferred Shares the right to receive such number of new Preferred Shares by applying the following formula (and rounding the product, N, up to the nearest whole Share), subject to adjustment as certified in accordance with Article 10 4 (the **New Shares**)

$$N = \left(\frac{PIP}{WA} \right) \times Z - Z$$

Where

- FS = the number of Further Securities
- N = the number of New Shares,
- PIP = the Subscription Price,
- SC = number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including, but not limited to, warrants), in each case immediately prior to the Further Issue,
- WA = $\frac{(PIP \times SC) + (X \times FS)}{(SC + FS)}$,
- X = the price (if any) at which each Further Security is to be issued pursuant to the Further Issue,
- Z = the number of Preferred Shares subscribed by each Exercising Investor pursuant to the Subscription and Shareholders' Agreement, together with any additional Shares held before the Further Issue

10 3 The New Shares shall

- 10 3 1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Exercising Investors shall otherwise request, in which event the Exercising Investors under Article 10 2 shall subscribe for the New Shares in cash at par, being the par value approved in advance by an Investor Majority. In the event of any dispute between the Company and any Exercising Investor as to the effect of Articles 10 2 or 10 3, the matter shall be referred (at the cost of the Company) to the Company's auditors for the time being (the **Auditors**) (acting as experts and not arbitrators) for determination of the number of New Shares to be issued. The Auditors' determination of such matter shall, in the absence of manifest error, be final and binding on the Company and the Exercising Investors, and
- 10 3 2 subject to the payment of any cash payable pursuant to Article 10 3 1, be issued, credited fully paid up and shall rank *pari passu* in all respects with the existing

Preferred Shares within 5 Business Days of the expiry of the offer being made by the Company to the holder(s) of Preferred Shares pursuant to Article 10 2

- 10 4 If there is an Adjustment Event at any time, the number and (where the nominal value of the existing issued Preferred Shares shall have been changed) the nominal value of Preferred Shares to be offered by the Company pursuant to Article 10 2, to take effect in respect of any Further Issue following the Adjustment Event, will be adjusted in such manner as the Company and the Exercising Investors shall agree or, in default of such agreement, as the Auditors (acting as experts and not arbitrators) shall determine (such determination to be final and binding on the Company and the Exercising Investors) to be necessary in order to reflect fairly the result of the Adjustment Event and in order that, after such adjustment, the total number of Shares to be so offered will result in the per Share subscription price for all Preferred Shares subscribed by the holders of Preferred Shares pursuant to the Subscription and Shareholders' Agreement and subsequently pursuant to Article 10 2 being equal to the price at which each Further Security is to be issued pursuant to the Further Issue

The costs of the Auditors' determination pursuant to Articles 10 3 1 and 10 4 shall be borne by the Company. The Company shall forthwith following finalisation of each such determination deliver a copy of the same to each Exercising Investor

11. REDEMPTION OF PREFERRED SHARES

- 11 1 If an Exit has not occurred within 7 years of the Adoption Date, the Investor shall have the option to require the Company to enter into an Exit
- 11 2 If the Investor requires an Exit pursuant to Article 11 1 but no Exit is completed within 12 months of such requirement being made, the Investor shall, following such period, have the right to require the Company to redeem all remaining Preferred Shares (if any) in accordance with this Article 11 provided that, if the Company is unable to so redeem (in full) the remaining Preferred Shares, the Investor shall have the right to require the Company to enter into a liquidation process by way of (at the Investor's discretion) an Exit, a winding-up or any other means approved by an Investor Majority
- 11 3 Subject to the Act, an Investor Majority may require the Company to redeem all or any of the Preferred Shares pursuant to this Article 11 by notice in writing (an **Investor Redemption Notice**) and, if any Investor Redemption Notice is served, all the Preferred Shares referred to in such Investor Redemption Notice will become due for redemption on the date falling 30 Business Days after the date of such notice (the **Redemption Date**)
- 11 4 The Managers may give notice in accordance with Article 11 5 to the Investor(s) who has/have served an Investor Redemption Notice within the time period specified in Article 11 3 to purchase the Preferred Shares comprised within the Investor Redemption Notice
- 11 5 Any notice made pursuant to Article 11 4 shall

- 11 5 1 be binding upon the Managers,
 - 11 5 2 specify the price to be paid for the Preferred Shares, which shall equate to the sum that the Investor(s) would actually receive if such shares were lawfully redeemed pursuant to this Article 11,
 - 11 5 3 constitute a warranty and representation to the Investor(s) that the offer is bona fide in all respects,
 - 11 5 4 confirm that no warranties or representations are to be given by the Investor(s) and that the Managers are not relying on any warranties or representations in making the offer, and
 - 11 5 5 specify a completion date falling within the period specified in Article 11 3
- 11 6 Any Preferred Shares which the Managers have not offered to purchase pursuant to Article 11 4, or in respect of which an offer has been made pursuant to Article 11 4 but the sale has not completed and/or all monies due have not been received by the relevant Investor(s) before the Redemption Date, shall immediately become due for redemption on the Redemption Date
- 11 7 On each date on which all or any of the Preferred Shares are to be redeemed, the Company shall redeem the number of Preferred Shares set out in the Investor Redemption Notice (which have not already been purchased in accordance with Article 11 4) and the relevant holder of Preferred Shares shall deliver to the Company at its registered office the certificate(s) for the Preferred Shares to be redeemed (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate(s)) and on such delivery (and against the receipt by the holder of Preferred Shares for the redemption monies payable in respect of its Preferred Shares) the Company shall pay each holder of Preferred Shares (or, in the case of joint holders, to the holder of Preferred Shares whose name stands first in the register of Members in respect of those Preferred Shares) the Sale Preference Amount for each Preference Share being redeemed
- 11 8 The Company shall, in the case of a redemption in full, cancel the share certificate(s) of the holder of Preferred Shares concerned and, in the case of a redemption of part of the holding of Preferred Shares either (a) note the amount and date of redemption on the original certificate or (b) cancel the original certificate(s) and without charge issue a new certificate(s) to the holder for the balance of the Preferred Shares not redeemed on that occasion
- 11 9 If on any due date for redemption of Preferred Shares the Company is prohibited by law from redeeming all or any of the Preferred Shares then due to be redeemed, it shall on the due date redeem that number of the Preferred Shares as it may then lawfully redeem, and if there is more than one holder whose Preferred Shares are due to be redeemed then the Preferred Shares shall be redeemed in proportion as nearly as may be to their existing holdings of Preferred Shares and the Company shall redeem the balance of those shares as soon as practicable after it is not so prohibited and, for so long as the prohibition remains and any Preferred Shares have not been redeemed (and notwithstanding any other provisions of these Articles) the Preference Dividend shall continue to accrue up to the date of redemption and the Company shall not pay any dividend or otherwise make any distribution of capital or otherwise (except in the ordinary course of business) decrease its profits available for distribution. If the Company fails to make any partial redemption of Preferred Shares on any

due date for redemption, then subsequent redemptions of Preferred Shares shall be deemed to be of those Preferred Shares which first became due for redemption

- 11 10 In the event of any dispute between the Investor(s) and the Managers or the Company as to the price specified pursuant to Article 11 5 2, the matter shall be referred (at the cost of the Managers) to the Auditors (acting as experts and not arbitrators) for determination of the price to be paid. The Auditors' determination of such matter shall, in the absence of manifest error, be final and binding on the parties

12. LIEN

The lien conferred by regulation 8 of Table A shall apply to all Shares whether fully paid or not and to all Shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder of the Shares or one of several joint holders

13. PARTLY PAID SHARES

- 13 1 The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 of the words "and all expenses that may have been incurred by the Company by reason of such non-payment "
- 13 2 Notwithstanding any other provision of these Articles, if the subscription price of any Share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such Share shall be abated in the same proportion as the unpaid amount bears to the total subscription price

14. PERMITTED TRANSFERS

Family Members

- 14 1 Notwithstanding anything to the contrary in these Articles but subject to compliance with the remainder of this Article 14 and compliance with Articles 15, 17 and 18, any Member shall be entitled to transfer his or its Shares (other than any Option Shares) (without restriction to price or otherwise and any such transfers shall be registered by the Board) to a Family Member provided that any transfer of such Shares by a Member to his Family Members will be on terms that the Family Members shall
- 14 1 1 undertake to exercise all voting rights attaching to such Shares and to sign all proxies, consents to short notice and other documents relating to such exercise only in accordance with the directions of that Member , and
- 14 1 2 give that Member full, unconditional and irrevocable authority to sell such Shares on behalf of the Family Member on an Exit or pursuant to Articles 15, 16, 17 or 18 (as applicable)

EBT

- 14 2 Notwithstanding anything to the contrary in these Articles but subject to the prior written consent of an Investor Majority, Shares may be transferred to the trustees of an EBT, and where any Shares are held by trustees of an EBT, those Shares may be transferred by any such trustees (without restriction to price or otherwise and any such transfers shall be registered by the Board)

- 14 2 1 on any change of trustees to the new trustees of that EBT, and
- 14 2 2 to any beneficiary of the trust if the transfer is pursuant to the exercise of options over Shares pursuant to the rules of any Option Scheme

Company transfers

- 14 3 Notwithstanding anything to the contrary in these Articles but subject to the prior written consent of an Investor Majority, any holder of Shares may at any time transfer Shares to the Company in accordance with the Act and these Articles

Option Share transfers

- 14 4 Notwithstanding anything to the contrary in these Articles but subject to the prior written consent of an Investor Majority, any Shareholder may at any time transfer any number of Option Shares if the transfer is pursuant to the exercise of options over Shares pursuant to the rules of any Option Scheme, and such transfers shall be registered by the Board

Custodian transfers

- 14 5 Notwithstanding anything to the contrary in these Articles but subject to the prior written consent of an Investor Majority, any holder of Shares may at any time transfer Shares to the Custodian, and those Shares may be transferred by any such Custodian subject to the provisions of Article 16 7, and each such transfer shall be registered by the Board

Investor transfers

- 14 6 Notwithstanding anything to the contrary in these Articles, the following transfers may be made without restriction to price or otherwise and any such transfers shall be registered by the Board
- 14 6 1 by a Member to its holding company or to any subsidiary of that holding company or to a subsidiary of that Member (a **member of the same group**) except that if any such transferee ceases to be a member of the same group as the original transferor it shall forthwith transfer the relevant Shares back to the original transferor, or another member of the same group as the original transferor,
- 14 6 2 any Investor Shares held by or on behalf of a unit trust or partnership or other unincorporated association or fund may with the consent of an Investor Majority may transferred or disposed of to the holder or holders of units in such unit trust or partners in such partnership or members of such unincorporated association or investors in such fund from time to time or to trustees for any such person,
- 14 6 3 any Investor Shares held by a nominee or trustee of a partnership may be transferred to the partnership or to any new nominee or trustee for such partnership,
- 14 6 4 any Investor Shares which are held by or on behalf of an Investment Trust (as defined in chapter 21 of the Listing Rules published by the UK Listing Authority) whose shares are listed on the Official List of the UK Listing

Authority may be transferred to another such Investment Trust whose shares are also so listed,

- 14 6 5 any Investor Shares held by or on behalf of a partnership, unit trust, investment trust, unincorporated association or other fund or corporation may be transferred to another partnership, unit trust, investment trust, unincorporated association or other fund or corporation which is managed or advised by the same manager or adviser as the transferor or by a holding company of such manager or adviser or any subsidiary company of such holding company,
- 14 6 6 any holder of Investor Shares may transfer any such Shares to a **Co-investment Scheme** being a scheme under which certain officers, employees or partners of a holder of Investor Shares or of its advisers or managers are entitled (as individuals or through a body corporate or any other vehicle) to acquire Shares,
- 14 6 7 any holder of Investor Shares which is a Co-investment Scheme which holds Shares through a body corporate or another vehicle may transfer Investor Shares to
- (a) another body corporate or another vehicle which holds or is to hold Shares for the Co-investment Scheme, or
 - (b) an officer, employee or partner entitled to Shares under the Co-investment Scheme, and
- 14 6 8 Investor Shares to any other investment fund managed or advised by the same managers or advisers as the investment fund in respect of which the Investor is a nominee or custodian

Transfers with shareholder approval

- 14 7 Notwithstanding anything to the contrary in these Articles, Shares may be transferred (without restriction to price or otherwise and any such transfers shall be registered by the Board) with the prior consent of the Board and an Investor Majority

Particulars for registration

- 14 8 For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of this Article 14 (other than where it relates to an Investor), the Board may require the transferor or the person named as the transferee in the stock transfer form lodged for registration with the Company to furnish the Company with such information and evidence as the Board may reasonably request to identify the transferee and if the information or evidence is not provided to the Board within 28 days after such request or, if it has been provided within this period but is not satisfactory to the Board, the Board shall be entitled to refuse to register the transfer

15. MANDATORY TRANSFERS

Mandatory transfers for Family Members

- 15 1 If a Member who received Shares as a Family Member from another Member pursuant to Article 14 ceases to be a Family Member of the original Member (the **original Member**)

- 15 1 1 the former Family Member shall transfer all such Shares held by him to the original Member or to another Family Member of the original Member (as the original Member may direct), and
- 15 1 2 if no transfer takes place as directed by Article 15 1 1 within 14 days of the former Family Member ceasing to be a Family Member (or such longer period as agreed by the Board with the prior written consent of an Investor Majority), a Transfer Notice shall be deemed to have been given in respect of all Shares held by that former Family Member at the expiry of such 14 day period and such Shares may not otherwise be transferred

Mandatory transfers for Compelled Members

- 15 2 If a Member becomes a Compelled Member, then within the period commencing on the Compelled Member's Compelled Date and expiring at midnight six months later, if directed by the Board, with the prior written consent of an Investor Majority, the Company shall serve a notice on the Compelled Member notifying him that he is, with immediate effect deemed to have been served one or more Transfer Notice(s) in respect of all Shares held by that Compelled Member and his Family Members or to which the Compelled Member or his Family Members are entitled Any Shares acquired by such Compelled Member or his Family Members after the Compelled Date shall be the subject of a deemed Transfer Notice immediately on the date on which they are issued or acquired (as the case may be)

Disenfranchisement of Shares

- 15 3 All Leaver Shares held by an Employee Member and his Family Members shall at the time that the Employee Member becomes a Leaving Member forthwith convert into Non-Participating Shares Immediately on the completion of any transfer of the Non-Participating Shares by the relevant Non-Participating Member to a Member who is not a Non-Participating Member, all such Non-Participating Shares shall automatically convert back into Shares of such class as shall be decided by the Board with Investor Majority consent, ranking pari passu with the other Shares of the relevant class

Non-observance of transfers

- 15 4 If a Member at any time attempts to transfer a Share or any interest therein otherwise than in accordance with the provisions of these Articles, he shall be deemed immediately prior to such attempt to have served the Company with a Transfer Notice in respect of such Share

Registration of transfers

- 15 5 Save in relation to a transfer of Shares pursuant to Articles 17 or 18, the Directors shall refuse to register a transfer of any Share unless such transfer is permitted by or is made pursuant to Article 14 or, if not Article 14, in accordance with the provisions of this Article 15 or Articles 16, 17 or 18

16. PRE-EMPTION RIGHTS ON TRANSFER ETC.

Transfer Notices

- 16 1 Except where otherwise provided in these Articles, every Member who desires to transfer any interest in Shares must serve a Transfer Notice and any Member who is required by these Articles to transfer any interest in Shares will be deemed to have served a deemed

Transfer Notice Transfer Notices and deemed Transfer Notices shall constitute the Company the agent of any Seller who has given or (in accordance with these Articles) deemed to have given a Transfer Notice for the sale of the Transfer Shares in one or more lots at the discretion of the Directors at the Transfer Price Once a Transfer Notice has been given, it may not be revoked except with the prior written consent of the Board with Investor Majority consent Deemed Transfer Notices may not be revoked in any circumstances

- 16 2 Unless otherwise stated in these Articles, where a Transfer Notice in respect of any Share is deemed to have been served on the Company and the circumstances are such that the Directors are unaware of the facts giving rise to the same, such Transfer Notice shall be deemed to have been received by the Directors on the date on which the Board confirms in writing that it has received actual notice of such facts

Transfer Price

- 16 3 The Transfer Price shall be

16 3 1 the price agreed by the Seller and the Directors, or

16 3 2 if the Seller and the Directors are unable to agree a price within 21 days of the Transfer Notice being given or being deemed to have been given the Transfer Price will instead be the price which the Expert shall certify to be in his opinion a fair value of the Transfer Shares and in arriving at his opinion the Expert will value the Transfer Shares

- (a) as at the date the Transfer Notice is given, or is deemed to have been given,
- (b) on a going concern basis as between a willing seller and a willing buyer,
- (c) ignoring any reduction in value which may be ascribed to the Transfer Shares by virtue of the fact that they represent a minority interest, and
- (d) on the assumption that the Transfer Shares are capable of transfer without restriction,

and the certificate of the Expert as to the Transfer Price shall (in the absence of manifest error) be final and binding on the Directors and the Seller, or

- 16 3 3 in the case of a Leaving Member who is a Compelled Member and is not a Good Leaver, the lower of the Issue Price (as adjusted by any Recapitalisation Event) and Fair Value

Certification of the Sale Price and right of Seller to cancel

- 16 4 If the Expert is asked to certify the Transfer Price his certificate shall be delivered to the Company As soon as the Company receives the certificate it shall deliver a copy of it to the Seller The Seller shall be entitled by notice in writing given to the Company within 7 days of the service upon him of the copy certificate to cancel the Company's authority to sell the Transfer Shares unless the shares are to be sold pursuant to a deemed Transfer Notice The cost of obtaining the certificate shall be paid by the Company unless the Seller cancels it, in which case the Seller shall bear the cost

Offer of Transfer Shares to the Company or to trustees of the EBT or to the Custodian

- 16 5 Provided an Investor Majority have given their prior written consent, any Transfer Shares being sold by reason of this Article 16 shall first be offered to the Company or, as directed by an Investor Majority, to the trustees of the EBT or any Custodian within 10 Business Days of the later of (i) the receipt of a Transfer Notice or (ii) in the case of any deemed Transfer Notice when deemed to be given or (iii) upon the determination of the Transfer Price (as applicable) Any Transfer Shares not sold under this Article 16 5 within 10 Business Days of being offered to the Company or to the trustees of the EBT or any Custodian will be available for sale to the Members (other than (i) the Seller, (ii) Non-Participating Members in respect of the Non-Participating Shares held by them, and (iii) the Seller and the Non-Participating Member's respective Family Members) as set out below in this Article 16
- 16 6 If the Transfer Shares are offered to any Custodian then such Transfer Shares shall be held on and subject to such terms as are referred to in this Article 16 6 and Article 16 7
- 16 6 1 the Transfer Shares held by them shall, immediately upon acquisition of those Transfer Shares by the Custodian, become Non-Participating Shares,
- 16 6 2 save with the consent of an Investor Majority, no Custodian may encumber the Transfer Shares,
- 16 6 3 subject to Article 16 7, the Custodian will (subject as provided in Article 16 6) transfer the legal title of all or some of such Transfer Shares and all such interest as they may have to (and only to) such person or persons and at such time or times and otherwise on such terms as an Investor Majority may from time to time direct by notice in writing to the Custodian and on completion of such transfer the Transfer Shares shall automatically carry the right to vote (and accordingly, cease to be Non-Participating Shares) provided that the Custodian may not be required to enter into any agreement or otherwise take any action if and to the extent that they would or might incur any personal liability (whether actual or contingent) or suffer any personal loss, and
- 16 6 4 if any Custodian holds any Transfer Shares received under a transfer made in pursuance of a Transfer Notice or deemed Transfer Notice then on a date not less than 10 Business Days before an Exit, the Company and/or the Custodian shall give written notice to the Applicants in accordance with Article 16 8 subject always to the Exit occurring The timetable for acceptance shall be reduced to a period of 10 Business Days and the remaining provisions of this Article 16 shall be adjusted and construed accordingly If an Exit does not occur then the aforementioned offer by the Custodian under this Article 16 6 4 shall be deemed to have lapsed unless any extension is agreed in writing by an Investor Majority
- 16 7 An Investor Majority may not direct the Custodian to transfer all or any Transfer Shares
- 16 7 1 other than to persons who are existing directors and/or employees of any Group Company or have agreed to accept appointment as such a director and/or employee, and

16 7 2 at a price per Transfer Share to such appointee which when aggregated with the other Transfer Shares transferred by the Custodian is greater than the aggregate price paid for all the Transfer Shares by the Custodian,

and any such transfer or transfers shall be registered by the Board

Offer of Shares to Members

16 8 The Company shall as soon as practicable following the later of (i) receipt of a Transfer Notice or (ii) in the case of any deemed Transfer Notice, the time when the Transfer Notice is deemed to have been given or (iii) upon the determination of the Transfer Price or (iv) upon the expiry of any period of offer to the Company or the trustees of the EBT or any Custodian under Article 16 5 (if applicable) in each case as applicable, give a notice in writing (the **Notice**) to each of the Members (other than (i) the Seller, (ii) Non-Participating Members in respect of their Non-Participating Shares, and (iii) the Seller's and the Non-Participating Members' respective Family Members) (the **Applicants** and each an **Applicant**) offering for sale the Transfer Shares The Notice shall specify

16 8 1 the class and number of Transfer Shares being offered for sale,

16 8 2 the Transfer Price,

16 8 3 whether the Seller wishes to impose a condition that unless all the Transfer Shares are sold pursuant to the following provisions of this Article 16 8 none shall be so sold (a **Total Transfer Condition**) (provided that deemed Transfer Notices may not contain a Total Transfer Condition),

16 8 4 that the offer period will remain open for 20 Business Days from the date of such Notice, and

each Applicant must, within the 20 Business Day period referred to in Article 16 8 4, confirm in writing to the Company the total number of Transfer Shares that they would like to purchase on the terms of the Notice

Allocation of Transfer Shares

16 9 The basis of allocation to Applicants shall be that the Transfer Shares shall be allocated first in satisfaction of applications received from the Applicants

16 10 After the expiry of the offer period specified in Article 16 8 4, the Board shall allocate the Transfer Shares in the following manner

16 10 1 subject to Article 16 10 2, the Transfer Shares shall be allocated first in satisfaction of applications received from the Applicants to which the offer is made,

16 10 2 if the total number of Shares applied for is equal to or less than the available number of Transfer Shares the Company shall allocate the number applied for in accordance with the applications to which the offer is made, or

16 10 3 in the case of competition or if the total number of Transfer Shares applied for is more than the available number of Transfer Shares, the Transfer Shares shall be allocated to the Applicants accepting the offer in the proportion (as nearly as

may be) which Shares held by such Applicant bears to the total number of Shares held by all Applicants to which the offer is made (the **Proportionate Entitlement**) or such lesser number of Transfer Shares for which he may have applied to which the offer is made,

- 16 10 4 if an Applicant is willing to purchase Shares in excess of his Proportionate Entitlement (the **Excess Shares**) applications for Excess Shares shall be allocated in accordance with such applications to which the offer is made or, in the event of competition, to each Applicant applying for Excess Shares (as nearly as may be) in the proportion which Shares held by such Applicant bears to the total number of Shares held by all such Applicants applying for Excess Shares to which the offer is made
- 16 11 The provisions of Article 16 10 4 shall apply mutatis mutandis repeatedly until such time as there are no Transfer Shares or Excess Shares remaining to be allocated to the Applicants applying for the Transfer Shares or Excess Shares, provided always that no Applicant shall be allocated more Transfer Shares than he shall have stated himself willing to take
- 16 12 Within 10 Business Days of the 20 Business Day period in which the offer for the Transfer Shares had to be accepted, the Company shall notify each Applicant who has taken up the offer (each a **Confirmed Applicant**) the number of Transfer Shares which have been allocated to each such Confirmed Applicant and shall, at the same time, notify the Seller of the number of Transfer Shares being allocated to each such Confirmed Applicant, and in each case also the place and the date on which completion of the Transfer Shares shall take place (which shall be no later than 10 Business Days following the date of such notification (**Completion**)) If the Transfer Shares were the subject of a Total Transfer Condition, a sale may only be made in respect of all (and not part only) of the Transfer Shares
- 16 13 On Completion, the Seller
- 16 13 1 shall become bound upon payment of the Transfer Price to transfer to each Confirmed Applicant those Transfer Shares accepted by him, and
- 16 13 2 if all or some of the Transfer Shares remain unsold following the procedure set out in Articles 16 10 and 16 11, may within a period of three months after the expiry of the offer period to the Applicants, sell all or any of those Transfer Shares which have not been accepted to any person(s) at any price which is not less than the Transfer Price (after deducting, where appropriate, the amount of any net dividend or other distribution declared, paid or made after the date of the Transfer Notice in respect of such Transfer Shares and which has been or is to be retained by the Seller)

Default on transferring Transfer Shares

- 16 14 If the Seller defaults in transferring the Transfer Shares in accordance with Article 16 13
- 16 14 1 the Board may, provided an Investor Majority consents in writing, authorise some person (who shall be deemed to be the attorney of the Seller) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on the Seller's behalf,

- 16 14 2 the Company may receive the purchase money and shall hold such purchase money on behalf of the Seller (receipt of which shall be a good discharge to the purchaser who shall not be bound to see to the application thereof),
- 16 14 3 subject to such instrument being duly stamped, the Company shall cause the purchaser to be entered into the register of members of the Company as holder of such Transfer Shares

Automatic conversion

- 16 15 Upon the transfer of any Preferred Shares to a Member who is not an "Investor" (for this purpose having the meaning given to it in the Subscription and Shareholders' Agreement and shall be deemed to include its permitted transferees under Article 14) in accordance with these Articles, the Preferred Shares shall automatically, and without notice, convert into a like number of Ordinary Shares of such class as shall be decided by the Board with Investor Majority consent. The Ordinary Shares resulting from the conversion shall rank, from the date of conversion, pari passu in all respects with the other Ordinary Shares in issue of the same class immediately prior to the conversion, save that they shall not rank for any dividend or other distribution declared, paid or made in respect of the period prior to their issue date
- 16 16 Upon the transfer of any A Ordinary Shares to a Member who is a holder of B Ordinary Shares only, the A Ordinary Shares shall automatically, and without notice, convert into a like number of B Ordinary Shares. The B Ordinary Shares resulting from the conversion shall rank, from the date of conversion, pari passu in all respects with the other B Ordinary Shares in issue immediately prior to the conversion, save that they shall not rank for any dividend or other distribution declared, paid or made in respect of the period prior to their issue date

Non-compliance

- 16 17 Any purported transfer of Shares otherwise than in accordance with the provisions of these Articles shall be void and have no effect

17. TAG ALONG

No Member may undertake a sale of Shares if such sale would result in a person (other than an Original Member) obtaining a Controlling Interest in the Company unless such person (i) is an independent third party acting in good faith and (ii) has or have offered to purchase all the Equity Shares in issue at the Specified Price per share and otherwise on the same terms as those for the purchase of the Shares representing a Controlling Interest. If any part of the Specified Price is to be paid other than by cash then the holders of the Preferred Shares may, at their option, elect to take a price per Share of such cash sum (rather than the non-cash alternative) as may be agreed by them and the proposed transferee having regard to the transaction as a whole

18. DRAG ALONG

- 18 1 Notwithstanding anything to the contrary in these Articles, in the event that an Investor Majority and the holders of not less than 50% in nominal value of the A Ordinary Shares in issue at the relevant time wish to sell their holdings of Shares (the **Vendors**) to a bona fide arms length purchaser (the **Third Party Purchaser**), the following shall apply

- 18 1 1 the Vendors shall have the right (the **Drag Along Right**) to require all other Members (the **Called Members**) to accept in full the offer made to the Vendors and sell their Shares to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with the provisions of this Article 18,
- 18 1 2 the Drag Along Right may be exercised by the Vendors serving notice to that effect (the **Drag Along Notice**) on the Called Members at any time which shall specify
- (a) that the Called Members are required to transfer all of their Shares (the **Called Shares**),
 - (b) the identity of the Third Party Purchaser and the identity of any person owning or controlling that third party,
 - (c) that the consideration (the **Offer Price**) per Share for which the Called Members shall be obliged to sell shall be the same as that attributable by the offer from the Third Party Purchaser to each A Ordinary Share, and
 - (d) the date on which the sale and purchase of the Called Shares will be completed (being the same date as the date proposed for completion of the sale of the Vendors' Shares unless the Called Members and the Vendors agree unanimously otherwise)
- 18 2 A Drag Along Notice once given shall be irrevocable but shall lapse (and so shall the obligations under it) in the event that for any reason the Vendors do not transfer their Shares which are the subject of the relevant transaction in question to Third Party Purchaser within 42 Business Days of the date of the Drag Along Notice. The Vendors shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 18 3 Each of the Called Members shall be bound to accept the offer under the Drag Along Notice and will be deemed to have assumed such acceptance. In the event that any Called Member fails to accept the offer made or, having accepted such offer, fails to complete the sale of any of his Called Shares or otherwise fails to take any action required of him under the terms of the offer, then the defaulting Called Member shall be deemed to have irrevocably appointed any Director to be his agent and attorney to (i) execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares and (ii) deliver such transfer(s) to the Third Party Purchaser (or as they may direct), and the Directors shall register the Third Party Purchaser (or as they may direct) as the holder thereof. It shall be no impediment to registration of Shares under this Article 18 3 that no share certificate has been produced by any such defaulting Called Member
- 18 4 If, after any service of a Drag Along Notice, there becomes a new Member (which shall also include any person who acquires Ordinary Shares which are issued or acquired on exercise of options granted under any Option Scheme (or otherwise) whether or not such exercise is made in contemplation of the offer or completion of the offer by the Third Party Purchaser) (a **New Member**), there shall be deemed to be served on such New Member a Drag Along Notice on the same terms as the previous Drag Along Notice. The New Member shall be bound to transfer all such Shares held by it to the Third Party Purchaser (or as directed by it) and the provisions of this Article 18 shall apply mutatis mutandis to the New Member except that completion of the sale of its Shares to the Third Party Purchaser shall be on the later of

(a) the date the Drag Along Notice is deemed served on it or (b) the completion of all the Vendors' Shares

18 5 Notwithstanding anything to the contrary in these Articles

18 5 1 an Investor shall only be required to transfer its Shares pursuant to this Article 18 if

(a) the Investor will receive cash or marketable securities in return for its Shares, and

(b) the Investor is not required to provide to a Third Party Purchaser representations, warranties, indemnities, covenants or similar provisions other than in relation to its title to the Shares held by it and its ability to transfer those Shares,

18 5 2 the rights of pre-emption relating to a transfer of Shares set out in these Articles shall not apply to any acceptance of an offer by a Third Party Purchaser

19. PROCEEDINGS AT GENERAL MEETINGS

19 1 The quorum for meetings of the Members shall be 2 persons entitled to vote upon the business to be transacted each being a Member or a proxy for a Member or a duly authorised representative of a corporation, one of whom must be an Investor

19 2 A poll may be demanded at any general meeting by any Member present in person or by proxy and entitled to vote Regulation 46 shall be modified accordingly

19 3 In relation to a resolution in writing as is referred to in Regulation 53

19 3 1 in the case of joint holders of a Share the signature of any one of such joint holders shall be sufficient for the purposes of Regulation 53, and

19 3 2 in the case of a company which holds a Share, the signature of any director or the secretary of the company shall be sufficient for the purposes of Regulation 53

19 4 A resolution in writing signed by or on behalf of all the Members entitled to vote at a general meeting shall have the effect as if it had been passed at a duly convened general meeting

20. APPOINTMENT AND REMOVAL OF DIRECTORS

20 1 The number of the Directors shall not be less than 3 nor greater than 5

20 2 An Investor Majority shall have the right at any time to appoint one person to act as its nominated Director (the **Investor Director**) and to remove that Investor Director from office and to appoint any person in his place Upon request by an Investor Majority the Company shall also procure that the Investor Director or such other person nominated by it be appointed a director to any subsidiary of the Company

20 3 The Board shall have the right to appoint a person who is willing to act as a Director as an additional Director, provided that such person has first been approved by an Investor Majority The last sentence of Regulation 84 shall not apply to the Company

- 20 4 A notice of appointment or removal of Directors (including an Investor Director) shall take effect upon lodgement at the office or on delivery to a meeting of the Directors or to the secretary of the Company
- 20 5 An Investor Director (and any alternate or observer of such Investor Director) shall be at liberty from time to time to make such disclosure to that person nominating him pursuant to Articles 20 2 or 20 6 as to the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine, subject always to his fiduciary duties
- 20 6 Upon giving the Company notice and subject to the approval of the Board, any Director may appoint any other Director or any other person to act as an alternate Director, and such alternate Director shall be entitled to receive notice of any meetings of the Board, to vote and to exercise all such rights and powers as his appointing Director. An alternate Director may be appointed on behalf of more than one Director, in which case he shall be counted as one Director for the purposes of determining a quorum but shall have (in addition to his own vote) an additional number of votes by reference to the number of Directors who have appointed him an alternate
- 20 7 An alternate Director shall not in any way be deemed to be an agent of the Director(s) so appointing him
- 20 8 If at any time a Director ceases to hold office as a Director, any alternate appointed by such Director shall immediately cease to hold office. At all other times, a Director may at any time replace his alternate Director by appointing another in his place (subject to notice to the Company and the consent of the Board)
- 20 9 A Director shall hold office until
- 20 9 1 he is either removed in the manner provided by this Article 20 or vacates office pursuant to Regulation 81 (as modified by this Article 20),
- 20 9 2 (save in the case of an Investor Director) he shall, for whatever reason, cease to be employed or engaged by or contracted to provide services to the Company or another member of the Group in any such capacity, or
- 20 9 3 (save in the case of an Investor Director) all the other Directors unanimously resolve that his office be vacated
- 20 10 The word "*automatically*" shall be inserted before the word "*vacated*" in the first line of Regulation 81

21. PROCEEDINGS OF DIRECTORS

- 21 1 A quorum for the transaction of the business of the Directors shall be 2 Directors which must include the Investor Director who is in office for the time being (or his alternate) unless such Investor Director, or his alternate, gives notice in writing prior to the commencement of the meeting that the meeting may stand quorate notwithstanding his absence
- 21 2 Notice of every meeting of the Directors shall be given to each Director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any Director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him

- 21 3 Any Director or member of a committee of Directors may participate in a meeting of the Directors or such committee by means of conference telephone or other communications equipment (including televisual means) which allows all persons participating in the meeting to hear each other, and participation in a meeting in this manner shall be deemed to constitute persons to be present at such meeting and to be entitled to vote or be counted in the quorum at such meeting, and a resolution passed by majority of the said Directors shall be as valid as it would have been if passed by them at an actual meeting convened and held
- 21 4 A resolution in writing signed by all of the Directors entitled to receive notice of a meeting of Directors shall have the effect as if it had been passed at duly convened meeting of Directors
- 21 5 Questions arising at a meeting shall be decided by unanimous decision where there are two Directors and otherwise by a majority of votes. The chairman of the Board shall not have a casting vote and Regulation 88 shall be modified by the deletion of the words "*the Chairman shall have a second or casting vote*" and the substitution therefor of "*the Chairman shall not have a second or casting vote*"
- 21 6 Subject to the provisions of the Act, any Director may authorise (in writing to the Company) prior to the time of a Board meeting another Director present at a Board meeting to vote in respect of any matter tabled to that meeting in the absence of that Director, and such authority shall be binding on all other Directors present

22. DIRECTORS' INTERESTS

- 22 1 Subject to the provisions of the Act, a Director who is interested in any contract or transaction (whether directly or indirectly) may vote on any such matter and, accordingly, his vote shall be counted in the necessary quorum, provided that he has disclosed the nature of his interest at a meeting of the Directors in accordance with section 317 of the Act
- 22 2 For the purposes of this Article 22, an interest of a person who is, for any purpose of the Act, connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise

23. DIRECTOR POWERS AND REMUNERATION

- 23 1 The Directors 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 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, and any such debentures, debenture stock and other securities may be made assignable free from any encumbrances between the Company and any person to whom the same may be issued. Any debentures or debenture stock may be issued at a discount, premium or otherwise and with any special rights as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors or otherwise
- 23 2 The Directors may exercise the powers of the Company conferred by the memorandum of association of the Company from time to time and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers

24. SECRETARY AND SEAL

24 1 Where any statutory provision or these Articles require or authorise a thing to be done by or to a Director and the secretary of the Company, the provision shall not be satisfied by it being done by or to the same person acting both as Director and as, or in place of, the secretary of the Company

24 2 Regulation 6 shall be modified so as to remove the requirement for share certificates to be sealed and Regulation 101 shall be modified accordingly

25. NOTICES

25 1 A Member who has no registered address in the United Kingdom or in the Republic of Ireland and who has not supplied to the Company an address within the United Kingdom or in the Republic of Ireland for the giving of notices to him shall not be entitled to receive any notices from the Company but shall be bound by every notice or document served by the Company on every Member who has supplied such an address

25 2 Without prejudice to Regulations 112 to 116 inclusive but subject to Article 25 3, the Company may give notice to a Member by electronic means

25 3 In this Article "*electronic*" means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy and "*by electronic means*" means by any manner only capable of being so actuated

26. INDEMNITY

Subject to the Act but without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him from time to time (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the affairs of the Company provided that this Article 26 shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article 26, or any part of it, to be treated as void under the Act Accordingly, Regulation 118 shall not apply