

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES

COPY WRITTEN RESOLUTION

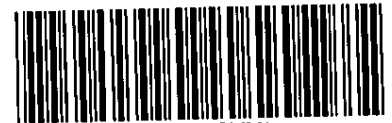
of

SERINAR LIMITED

("Company")

PASSED ON *12 January* 2010

FRIDAY



A55 *ADX4NGVM* 247
22/01/2010
COMPANIES HOUSE

In accordance with the written resolution procedure in chapter 2 of part 13 of the Companies Act 2006 ("Act"), the following resolutions were duly passed on *12 January* 2010 as an ordinary or special resolution as indicated below:

ORDINARY RESOLUTIONS

1. **That**, in accordance with section 551 of the 2006 Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £10,524 in connection with:

- (i) the issue of 4,999 shares as consideration shares in connection with the Acquisition (as defined in resolution 2);
- (ii) the issue of 5,000 shares to new investors in the Company; and
- (iii) the issue of 525 shares in connection with a share option scheme to be adopted by the Company.

provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the 12 month anniversary of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.

2. **That**, the purchase by the Company of the issued share capital of Contagious Communications Limited for £2,930,000 (the "**Acquisition**") being a company connected with Paul Kemp-Robertson and Neil Thomson, being Directors of the Company be and is hereby approved for all purposes including without limitation for the purposes of section 190 of the Act and that the Directors be authorised to complete such purchase and execute all necessary documents in relation to it.

SPECIAL RESOLUTIONS


3. **That** the draft articles of association in the form attached, and signed by a Director for identification purposes, be 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 (including all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Act, are treated as provisions of the existing articles of association of the Company).

4. That subject to the passing of resolution 1 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 1 up to an aggregate nominal amount of £10,524 as if section 561 of the Act did not apply to any such allotment in connection with:

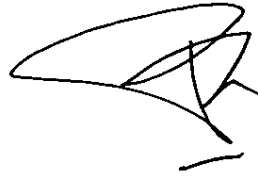
- (i) the issue of 4,999 shares as consideration shares in connection with the Acquisition (as defined in resolution 2);
- (ii) the issue of 5,000 shares to new investors in the Company; and
- (iii) the issue of 525 shares in connection with a share option scheme to be adopted by the Company,

and (unless previously revoked, varied or renewed) this power shall expire on the 12 month anniversary of this resolution, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

5. That the one issued ordinary share of £1 in the Company be redesignated as a B ordinary share of £1. such B ordinary share having the rights set out in the new articles of association to be adopted pursuant to resolution 3.
6. That the name of the Company be changed to Steel River Media Limited.



.....
DIRECTOR



SERINAR LIMITED

ARTICLES OF ASSOCIATION
Adopted on 12 JANUARY 2010



ROSENBLATTSOLICITORS
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London EC4A 3AF
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COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

SERINAR LIMITED
(adopted by Special Resolution of the Company
passed on 12 JANUARY 2010)

1. TABLE A

Except as excluded or varied in these Articles, Table A (as defined below) will apply to the Company and will be deemed to form part of these Articles.

2. DEFINITIONS AND INTERPRETATION

2.1 In these Articles the following words and expressions will have the following meanings:

"2006 Act" means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

"Act" has the meaning given to it in Table A;

"Acting in Concert" has the meaning given to it in the City Code on Takeovers and Mergers;

"A Share" means an A ordinary share of £1 in the Company;

"A Shareholder" means a registered holder of any A Shares;

"Auditors" means the Company's incumbent auditors;

"Board" means the incumbent board of Directors including the Investor Director(s) (if any);

"B Share" means a B ordinary share of £1 in the Company;

"B Shareholder" means a registered holder of any B Shares;

"Business Day" means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday or Sunday;

"Civil Partner" means a civil partner as defined in the Civil Partnerships Act 2004;

"Commencement Date" means the date on which these Articles are adopted;

"Connected Person" shall include any person who would be treated as connected with another person for the purposes of section 839 of the Income and Corporation Taxes Act 1988;

"Controlling Interest" in relation to an undertaking, means:

- (a) the ownership or control (directly or indirectly) of shares in that undertaking carrying more than fifty per cent. (50%) of the votes exercisable at general meetings of that undertaking on all, or substantially all, matters; or

- (b) the right to appoint or remove directors of that undertaking having a majority of the voting rights exercisable at meetings of the Board of that undertaking on all, or substantially all, matters;

"Deed of Adherence" means a validly executed deed of adherence to the Investment Agreement;

"Directors" means the Company's incumbent directors;

"Drag Along Right" has the meaning given in Article 15.4;

"Electronic Communication" means any communication:

- (a) sent initially and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data and entirely transmitted, conveyed and received by wire, by radio, by optical or by other electromagnetic means; or
- (b) sent or supplied by other means but while in electronic form;

"Employee Benefit Trust" means any trust which may be established for the benefit of the employees (which may include past employees) of the Company and/or any other member of the Group, and which satisfies the definition of an "employees' share scheme" set out in section 1166 of the 2006 Act;

"Equity Shareholder" means a registered holder of any Equity Shares;

"Equity Shares" means the issued A Shares and the issued B Shares at any time all shares derived from them (and any of them) whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise in issue;

"Fair Price" means the price agreed between a selling holder and the Board acting with Investor Consent in respect of the Shares of such selling holder or, in the absence of such agreement, in respect of each Share the fair price determined by the Independent Accountants on the basis of the fair value of the Company as a going concern at the date on which the Independent Accountants are instructed to determine the Fair Price on the assumption that the sale is made between a willing seller and a willing buyer contracting on arm's length terms, but without taking into account (if it be the case) that the Shares constitute a minority or majority interest. The fair price shall not be discounted or enhanced by reference to the class of Shares or any rights in a shareholders agreement. The Independent Accountants shall act as experts and not as arbitrators and their determination shall be final;

"Family Member" means the spouse or Civil Partner of the shareholder;

"FSMA" means the Financial Services and Markets Act 2000 (as amended);

"Fund" means any open ended investment company or closed ended investment fund (within the meaning of chapters 15 and 16 (as relevant) of the Listing Rules), bank, building society, industrial and provident or friendly society, unit trust, any other collective investment scheme (as defined in section 235 of the FSMA), any professional client within the meaning of the Conduct of Business Rules made under the FSMA, partnership, limited partnership, limited liability partnership, pension fund or insurance company or any person who is an authorised person (within the meaning of section 31(2) of the FSMA), and the term will include 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 its subsidiaries (as defined by section 736 of the 2006 Act) from time to time and references to a **"Member of the Group"** or a **"Group Member"** will be construed accordingly;

"IBIS" means IBIS Media VCT 1 plc;

"Independent Accountants" means an independent firm of chartered accountants nominated by the Board with Joint Consent;

"Interest" includes an interest of any kind whatsoever in or to any Share or any right to control the voting or other rights attributable to any Share, disregarding any conditions or restrictions to which the exercise of any right attributed to such interest may be subject;

"Investment Agreement" means an agreement dated on the Commencement Date and made between (1) the Company, (2) the Managers, (3) IBIS Media VCT 1 plc, and (4) John Gordon, John Hegarty, Caroline Roboh, Corinth Investments Limited, Michael Rosenfeld and Michael Alen-Buckley;

"Investor Associate" means in relation to any of the Investors:

- (a) each group undertaking (as defined in Article 2.3.5) of that Investor for the time being;
- (b) any general partner, limited partner or other partner in, or trustee, nominee, manager of, or adviser to, that Investor or any of its group undertakings;
- (c) any group undertaking of any trustee, nominee, manager of, or adviser to, that Investor or any of its group undertakings; and
- (d) any Fund which has the same general partner, trustee, nominee, manager or adviser as that Investor or any of its group undertakings;

"Investor Consent" means the written consent of each of the Investor Directors (such consent not to be unreasonably withheld or delayed);

"Investor Directors" means the directors appointed as such pursuant to Article 33.4;

"Investors" means each of IBIS Media VCT 1 plc (Company Number 05660269), John Gordon, Caroline Roboh, Corinth Investments Limited, John Hegarty, Michael Rosenfeld and Michael Alen-Buckley whose registered addresses are set out in the Investment Agreement;

"JG" means John Gordon, an Investor;

"Joint Consent" means Investor Consent and Managers Consent;

"Listing Rules" means the listing rules of the UK Listing Authority;

"Manager Director" has the meaning given to it in Article 33.4;

"Managers" has the meaning given to it in the Investment Agreement;

"Managers Consent" means the written consent (such consent not to be unreasonably withheld or delayed) of each/both of the Managers save where the matter in issue relates to the Manager himself, in which case his consent shall not be required. Notwithstanding the foregoing, if any Manager ceases to hold more than ten per cent. (10%) of any Shares, Managers Consent shall mean the written consent (such consent not to be unreasonably withheld or delayed) of any Manager who owns more than ten per cent. (10%) of any Shares (and if both of the Managers cease to each hold more than 10% of the Shares then the relevant sentence will be interpreted as if Managers Consent was deleted from that sentence);

"Member" means a registered holder of any Share as recorded in the Company's register of members;

"Other Shareholders" has the meaning given to such term in Article 14.6;

"Permitted Transferee" means a person to whom Shares or an Interest in Shares are transferred in accordance with Article 13;

"Sale" means the completion of the acquisition (whether through a single transaction or a series of transactions) by a person or his Connected Persons or persons Acting in Concert with each other (other than by an Investor or pursuant to Article 13 (**Permitted Transfers**)) of Shares or of an Interest in Shares as a result of which such person(s) acquire(s) a Controlling Interest in the Company;

"Security Interest" means any mortgage, charge, pledge, lien (other than a lien arising by operation of law), right of set-off, encumbrance or other security interest whatsoever, however created or arising (including any analogous security interest under the law of any jurisdiction outside England and Wales);

"Share" means a share in the Company and **"Shares"** shall be construed accordingly;

"Share Option Scheme" means the scheme to be adopted pursuant to which options to acquire B Shares in the Company are granted;

"Subscription Price" means the price per Share paid by a shareholder;

"Tag Along Rights" has the meaning given in Article 15.1;

"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), the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No. 3373), the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007 No. 2541) and the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007 (SI 2007 No. 2826));

"Transfer Notice" has the meaning given to such term in Article 14.1;

"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated.

2.2 Words and phrases which are defined or referred to in or for the purposes of the Act (excluding any statutory modification of that meaning not in force when these Articles become binding on the Company) or Table A have the same meanings in these Articles unless a contrary intention appears.

2.3 In these Articles, unless a contrary intention appears:

2.3.1 words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;

2.3.2 reference to a statute or a statutory provision includes reference to:

2.3.2.1 the statute or statutory provision as modified or re-enacted or both from time to time; and

2.3.2.2 any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above);

2.3.3 reference to a Regulation is to a regulation of Table A, and reference to an Article is to a provision of these Articles;

2.3.4 reference to a "transfer" of Shares or any similar expression will be deemed to include (without limitation):

- 2.3.4.1 any sale or other disposition of the legal or equitable Interest in a Share (including any voting right attached to a Share);
 - 2.3.4.2 the creation of any Security Interest or other encumbrance over any Interest;
 - 2.3.4.3 any direction by a Member entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and
 - 2.3.4.4 any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Member entitled to any such Share;
- 2.3.5 reference to a "**group undertaking**" means, in relation to any undertaking, its parent undertaking (if any) and its subsidiary undertakings (as such terms are defined by section 1162 of the 2006 Act) and any other subsidiary undertakings of its parent undertaking; and
- 2.3.6 reference to "**written**" or "**in writing**" includes any method of representing or reproducing words in a legible form.
- 2.4 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, will be referred immediately to the Independent Accountants. The Independent Accountants will act as expert and not as arbitrator and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the Independent Accountants. In the absence of any such direction, such costs will be borne equally between parties concerned. The written certificate of the Independent Accountants (as the case may be) will be conclusive and binding on the Company and the Members (except in the case of fraud or manifest error).
- 2.5 The headings in these Articles are included for convenience only and do not affect the meaning of these Articles.
- 2.6 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.
- 2.7 Where a Manager's shareholding in any Shares is referred to, such Shareholding shall include any Shares held by a Family Member.

3. SHARE CAPITAL

The issued share capital of the Company at the date of adoption of these Articles is £10,000 divided into:

- 3.1 5,000 A Shares; and
- 3.2 5,000 B Shares.

4. LIMITED LIABILITY

The liability of the Members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.

5. CHANGE OF NAME

The Company may change its name by resolution of the board.

6. SHARE RIGHTS

Regulation 2 will not apply to the Company. The rights and restrictions attaching to the A Shares and B Shares are set out in full in these Articles.

7. SHARE RIGHTS - INCOME

- 7.1 Save as specified in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects.
- 7.2 Any dividends declared and paid by the Company shall belong to and be paid to the A Shareholders and the B Shareholders *pari passu* in proportion to the number of Equity Shares held by them.

8. SHARE RIGHTS - RETURN OF CAPITAL

On a return of capital, whether in a winding-up, capital reduction or otherwise (other than a redemption or lawful purchase by the Company of its own shares made in accordance with these Articles), the assets and retained profits of the Company available for distribution remaining after the payment of its liabilities shall belong to and be paid to Members, in paying the balance of any monies to the A Shareholders and the B Shareholders *pari passu* in proportion to the number of Equity Shares held by them.

9. DIVIDENDS

Regulation 103 is modified by the addition of the following words: "with the consent of the Investors" after the words "the directors" in the first sentence.

10. VARIATION OF SHARE RIGHTS

- 10.1 The rights attached to the A Shares and the B Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent of the holders of the issued Shares of that class given in accordance with Article 10.2.
- 10.2 The consent of the holders of a class of Shares may be given by:
- 10.2.1 a special resolution passed at a separate general meeting of the holders of that class; or
 - 10.2.2 a written resolution in any form signed by or on behalf of the holders of not less than 75 percent in nominal value of the issued Shares of that class.
- 10.3 Without prejudice to the general effect of Article 10.1, the following will be deemed to constitute a variation of the rights attached to the A Shares and B Shares:
- 10.3.1 any variation of the rights attaching to the A Shares and the B Shares;
 - 10.3.2 the convening of a meeting to consider the passing of any resolution to reduce the Company's share capital or any amount standing to the credit of its share premium account or capital redemption reserve fund, or to reduce any uncalled liability in respect of partly paid shares;
 - 10.3.3 the convening of a meeting or consideration of a proposal to pass a resolution of the Company to authorise the directors of the Company to issue and/or allot further shares in the capital including the granting or entry into of any option, right of pre-emption, award or other similar agreement or arrangement other than on a pre-emptive basis in accordance with these Articles) other than convening a meeting or consideration of a proposal to implement the Share Option Scheme or issue shares pursuant to the Share Option Scheme;

- 10.3.4 the convening of a meeting to consider the passing of any resolution to alter the Company's Articles of association;
- 10.3.5 the payment of any distribution or return of a capital nature to any shareholder in accordance with these Articles;
- 10.3.6 the payment of any distribution or return of an income nature to any Member otherwise than in accordance with these Articles; or
- 10.3.7 any variation to the issued share capital of any Group Member;
- 10.3.8 the creation or grant of any option or other right to subscribe for, convert into or issue any shares or other securities in the capital of any Group Member; or
- 10.3.9 the taking of any steps to wind up or dissolve any Group Member other than the granting of Options pursuant to the Share Option Scheme.

11. ISSUE AND ALLOTMENT OF NEW SHARES

- 11.1 The provisions of sections 561(1) and 562(1) to (6) of the 2006 Act will not apply to the Company.
- 11.2 If, due to any inequality between the number of new Shares to be issued and the number of Shares held by Members entitled to have the offer of new Shares made to them, any difficulty arises in the apportionment of any such new Shares amongst the Members, such difficulties will be determined by the Board with Joint Consent.

12. TRANSFERS OF SHARES - PROHIBITED TRANSFERS

General Prohibitions

- 12.1 No Shareholder shall transfer any Shares or any Interest in any Share save:
 - 12.1.1 with prior Joint Consent (which consent may be given subject to conditions or restrictions); or
 - 12.1.2 to a Permitted Transferee; or
 - 12.1.3 in accordance with Articles 12.5, 12.7 or 13.3 to 13.6 (inclusive) (Forced Transfer),

and, provided in each case, that the person acquiring any Share (if such person is not already a party to the Investment Agreement whether as an original party or by having executed a Deed of Adherence) has entered into and delivered to the Company a Deed of Adherence in a legally binding manner. In respect of a transfer of Shares to a person who is not an Investor then such Shares shall be re-designated as B Shares. In respect of any Shares transferred to a person who is an Investor then such Shares shall re-designated as A Shares. If no shares of a class remain in issue following a re-designation under this Article 12.1 these Articles shall be read as if they do not include any reference to that class or to any consents from or attendance at any meeting or votes to be cast by members of that class or directors appointed by that class.

- 12.2 The Directors will not register any transfer of Shares or any Interest in Shares not made in accordance with these Articles nor to any person who, in the opinion of the Investors and Managers (so long as the Managers each hold more than ten per cent. (10%) of any Shares, but if less, then only in the opinion of a Manager who holds more than ten per cent. (10%) of any Shares), is carrying on business directly or indirectly in competition with the Company or any member of the Group. The Directors may refuse to register any transfer of Shares which are not fully paid or on which the Company has exercised a lien. Any transfer made in breach of these Articles shall be void. The change in the membership of any Investor's partnership

which holds Shares shall not constitute a transfer of those Shares or any Interest in them if as a result of such change the new holder(s) of such Shares is/are a Permitted Transferee(s).

Prohibition unless in accordance with those Articles

- 12.3 Subject to Article 12.1, the Directors will not register a transfer of Shares or any Interest in Shares unless:
- 12.3.1 the transfer is permitted by Articles 12.5 or 12.7 or Article 13 (*Permitted Transfers*), or has been made in accordance with Article 14 (*Pre-emption*) or Article 15 (*Tag Along and Drag Along*); and
 - 12.3.2 the proposed transferee has entered into a deed of adherence to, and in the form required by, the Investment Agreement in a legally binding manner.
- 12.4 To enable the Board to determine whether or not there has been any transfer of Shares or an Interest in Shares in breach of these Articles the Board may, and shall if so requested with Joint Consent, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration, or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose.
- 12.5 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such breach has occurred, or if as a result of such information and evidence the Board is reasonably satisfied that such breach has occurred, the Board may notify the holder of such Shares or Interest in Shares in writing of that fact and, if the holder fails to provide such information or evidence or remedy such breach within ten (10) Business Days of receipt of such written notice, then:
- 12.5.1 the following rights attaching to relevant Shares shall be suspended and so cease to confer upon the holder thereof (or any proxy thereof) any rights:
 - 12.5.1.1 to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question); or
 - 12.5.1.2 to receive dividends or other distributions (other than the amount paid-up (including any premium) or Subscription Price (as the case may be) on the relevant Shares upon a return of capital); or
 - 12.5.1.3 to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holder; and
 - 12.5.2 the holder may be required (by notice in writing to such holder from the Board) at any time following such notice to transfer some or all of his Shares to such person(s) and at a price determined by the Board.
- 12.6 The rights referred to in 12.5.1 above shall be reinstated by the Board once the failure to provide information satisfactory to the Board, or to remedy the breach, is remedied or, if earlier, upon the completion of any transfer referred to in 12.5.2 above and may be reinstated by the Board at any time with Joint Consent.
- 12.7 If a holder defaults in transferring Shares to be transferred pursuant to Article 12.5.2 (the **Relevant Shares**):
- 12.7.1 a Director for the time being of the Company shall be deemed to be the duly appointed agent of the holder with full power to execute, complete and deliver in the name and on behalf of the holder all documents necessary to give effect to the transfer of the Relevant Shares to the relevant transferee;

- 12.7.2 the appointment referred to in Article 12.7.1 shall be irrevocable and is given by way of security for the performance of the obligations of the holder of the Relevant Shares under these Articles;
- 12.7.3 the Board may receive and give a good discharge for the purchase money on behalf of the holder and (subject to the transfer being duly stamped) enter the name of the transferee in the register of members or other appropriate register as the holder by transfer of the Relevant Shares;
- 12.7.4 the Board shall forthwith pay the purchase money into a separate bank account in the Company's name and if and when the holder shall deliver up his share certificate or certificates for the Relevant Shares to the Company (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost share certificate) he shall thereupon be paid the purchase money, without interest and less any sums owed to the Company by the holder pursuant to these Articles or otherwise;
- 12.7.5 if such share certificate (or indemnity) shall comprise any Shares which the holder has not become bound to transfer as aforesaid the Company shall issue to him a balance share certificate for such Shares; and
- 12.7.6 the Company shall ratify and confirm whatever the person appointed pursuant to Article 12.7.1 shall do or purport to do pursuant to the provisions of this Article 12.7 and the Company shall indemnify such person against all actions, proceedings, claims, costs, expenses and liabilities of every description arising from the exercise or the purported exercise in good faith of any of the powers conferred by this Article 12.7 and notwithstanding that they may have arisen as a result of a lack of care on the part of such person.
- 12.8 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.
- 12.9 Regulations 24, 25 and 26 will not apply to the Company.

13. PERMITTED TRANSFERS

- 13.1 Where any Shares are the subject of a Transfer Notice, no transfers of any such Shares shall be permitted pursuant to this Article 13.
- 13.2 Subject to Articles 13.1 and to Articles 13.3 to 13.6 (inclusive) any Share may be transferred:
 - 13.2.1 with prior Joint Consent (which consent may be given subject to conditions and restrictions);
 - 13.2.2 by its beneficial owner to a person shown to the reasonable satisfaction of the Investor Directors and Managers (so long as the Managers each hold more than ten per cent. (10%) of any Shares but if less, then only to the reasonable satisfaction of a Manager who holds more than ten per cent. (10%) of any Shares) to be a nominee for such beneficial owner only, and by any such nominee to the beneficial owner or to another person shown to the reasonable satisfaction of the Investor Directors and Managers (so long as the Managers each hold more than ten per cent. (10%) of any Shares but if less, then only to the reasonable satisfaction of a Manager who holds more than ten per cent. (10%) of any Shares) to be a nominee for the beneficial owner only; or
 - 13.2.3 to, where the shareholder wishing to transfer shares is an individual, any Family Member; or
 - 13.2.4 to a Manager;

- 13.2.5 when required by, and in accordance with, Article 16 (*Compulsory Transfers*); or
- 13.2.6 pursuant to Article 15 (*Tag Along and Drag Along*);
- 13.2.7 in the case of Shares held by an undertaking, to a group undertaking of the transferor; or
- 13.2.8 in the case of A Shares held by or on behalf of a Fund:
 - 13.2.8.1 to another nominee or trustee for, or general partner of, the Fund, and by any such nominee or trustee to another nominee or trustee for that Fund or to the Fund itself; or
 - 13.2.8.2 on a distribution in kind under the constitutive documents of the Fund, to the partners in or holders of units in, or to the shareholders of, participants in or the holders of other interests in the Fund (or to a nominee or trustee for any such partners, holders, members or investors), and by a nominee or trustee for such holders, partners, members or investors to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors; or
 - 13.2.8.3 to another Fund which is managed or advised by the same manager or advisor as the transferor (or as the Fund on behalf of whom any such Share is held by the transferor as nominee or trustee) or by a group undertaking of such manager or advisor; or
- 13.2.9 in the case of any Shares held by an Employee Benefit Trust, to any beneficiary of that trust or to any replacement trustees or into the joint name of the existing and any new or additional trustees.
- 13.3 In the event that any person to whom Shares are transferred pursuant to Article 13.2 ceases to be within the required relationship to the original holder of such Shares, the holder of such Shares shall without delay notify the Company that such change of relationship has occurred and transfer such Shares back to the member who originally held them or to such other person if any (designated by such original member) to whom such original member, if it still held such Shares, would have been able to transfer them under Article 13.2. If the holder of such Shares fails to transfer the Shares pursuant to this Article 13.3 within ten (10) Business Days of such change of relationship, the provisions of Article 12.7 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply mutatis mutandis.
- 13.4 In the event that an Insolvency Event occurs in relation to any Shareholder which is an undertaking holding Shares transferred to it pursuant to Article 13.2.7, that Shareholder shall without delay notify the Company of such event and transfer such Shares back to the member who originally held such Shares or to such other person if any (designated by such member) to whom such original member, if it still held such Shares, could transfer such Shares pursuant to Article 13.2. If the holder of such Shares fails to transfer the Shares pursuant to this Article 13.4 within ten (10) Business Days of such event, the provisions of Article 12.7 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply mutatis mutandis.
- 13.5 The price at which Shares referred to in Articles 13.3 and 13.4 shall be transferred pursuant to Article 12.7 shall be the Fair Price as at the Business Day immediately following the end of the ten (10) Business Day period referred to in Articles 13.3 and 13.4.
- 13.6 Subject to Article 13.4, if an Insolvency Event occurs in relation to any Shareholder (an *Affected Shareholder*), the Affected Shareholder shall without delay notify the Board of such Insolvency Event. Within seven (7) days of the date on which such notice is received by the Board (or the date on which the Board becomes aware of the Insolvency Event if the Affected

Shareholder fails to give such notice) the Board may in its absolute discretion but acting with Joint Consent (which consent may be given subject to conditions or restrictions) require the Affected Shareholder to transfer some or all of his Shares to such person(s) as the Board shall determine. The price at which such Shares shall be transferred shall be the Fair Price as at the Business Day immediately following the occurrence of the relevant Insolvency Event. If the Affected Shareholder defaults in transferring Shares to be transferred pursuant to this Article 13.6, the provisions of Article 12.7 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article 13.6) shall apply mutatis mutandis.

14. PRE-EMPTION

Transfer Notices

14.1 Save in the case of transfers of Shares made:

- 14.1.1 in accordance with Article 13.2.1 where consent is given on the basis that Article 14 shall not apply to the transfer; or
- 14.1.2 in accordance with Article 13 (*Permitted Transfers*); or
- 14.1.3 in accordance with Articles 12.5 and 12.7 (*Transfers of Shares – Prohibited Transfers*); or
- 14.1.4 following the issue of and in accordance with the terms of a Tag Along Notice or a Drag Along Notice pursuant to Articles 15 (*Tag Along and Drag Along*); or
- 14.1.5 in accordance with Articles 16 (*Compulsory Transfers*);

any Shareholder (the *Offeror*) proposing to transfer any Shares, before transferring such Shares, shall serve a transfer notice on the Company (the *Transfer Notice*).

14.2 The Transfer Notice:

14.2.1 shall specify:

- 14.2.1.1 the number of Shares proposed to be transferred (the **Offered Shares**);
- 14.2.1.2 the name of the third party to whom the Shares are to be transferred; and
- 14.2.1.3 the price (which, unless prior Joint Consent to the contrary is obtained, shall be a cash price) at which the transfer of the Shares is proposed to be made (the *Price*);
- 14.2.1.4 shall be accompanied by the share certificate(s) in relation to the Offered Shares;
- 14.2.1.5 may include a provision that unless all the Shares comprised therein are sold none shall be sold in which case the Offeror shall not be obliged to complete any sales pursuant to this Article 14 unless such provision is satisfied in full;
- 14.2.1.6 may not include any provisions not specified in this Article 14.2; and
- 14.2.1.7 shall constitute the Company as agent of the Offeror for the sale of the Offered Shares at the Price in accordance with the provisions of this Article 14,

(the *Offered Terms*).

- 14.3 The Directors may require to be satisfied in such manner as they may reasonably require that the Offered Shares are being sold in pursuance of a bona fide sale for the Price stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied may make arrangements for the determination of the Fair Price of the Offered Shares (and, as the case may be, the equivalent non-cash consideration of such Fair Price) on the basis set out in the definition of Fair Price contained at the beginning of these Articles. For the avoidance of doubt, neither the Fair Price nor the Price shall be less than the Subscription Price save where the relevant Shareholder can prove to the Investor Directors' and Managers satisfaction (acting reasonably) (so long as the Managers each hold more than ten per cent. (10%) of any Shares but if less, then only to the satisfaction (acting reasonably) of the Manager who holds more than ten per cent. (10%) of any Shares) that he is suffering severe financial hardship (which for the avoidance of doubt includes the need to meet any divorce settlement) and no higher price is obtainable.
- 14.4 If the Fair Price is thirty per cent. (30%) or more lower than the Price, the Directors shall notify the Offeror of the Fair Price and shall give the Offeror 10 Business Days from the service of the notice to withdraw the Transfer Notice by notice in writing. If such withdrawal notice is not received by the Company within the specified 10 Business Day period the Fair Price shall be substituted for the Price for the purposes of Articles 14.5 to 14.12 (inclusive).
- 14.5 Subject to Article 14.4, no Transfer Notice once given in accordance with these Articles shall be withdrawn unless the Offeror is obliged to procure the making of an offer pursuant to Article 15.1 and is unable to procure it. In that event the Offeror shall be entitled to withdraw such Transfer Notice, without liability to any person, prior to completion of any transfer.
- 14.6 As soon as practicable (and not longer than five (5) Business Days after receipt of the Transfer Notice (or, if applicable, the expiry of the 10 Business Day period in Article 14.4), the Company shall give notice (the *Offer Notice*) in writing to each of the Shareholders (save for the Offeror) (the *Other Shareholders*) of their right to purchase the Offered Shares at the Price (or, if applicable, the Fair Price) in proportion to the numbers of B Shares and A Shares held by them as at the close of business on the date prior to the date of the Offer Notice. The Offer Notice shall:
- 14.6.1 specify the number of Offered Shares that are offered to the relevant Shareholder and the price per Share (being the Price (or, if applicable, the Fair Price), at which the Offered Shares are offered;
 - 14.6.2 be expressed to be open for acceptance for fifteen (15) Business Days from the date of service;
 - 14.6.3 be irrevocable, save with respect to the circumstances described in Article 14.5; and
 - 14.6.4 be subject to no other terms save as set out in Article 14.2.1 and shall specify that it shall be governed by the laws of England and Wales and that completion of the sale of the Offered Shares shall be effected at the office by delivery of the duly executed transfers in respect of the Offered Shares accompanied by share certificates in respect thereof, against a bankers' draft in respect of the purchase price therefor together with any stamp duty payable thereon.
- 14.7 Each of the Other Shareholders may at any time before the expiry of the period specified in Article 14.6.2 serve written notice (the *Buy Notice*) upon the Company of its desire to purchase all or any of the Offered Shares offered to it on the terms set out in the Offer Notice. If any Other Shareholder fails to serve a Buy Notice within the terms of this Article 14.7 it shall be deemed to have declined the offer constituted by the Offer Notice. Shareholders who serve a Buy Notice shall confirm in the Buy Notice either:

- 14.7.1 that they would accept, on the same terms, Offered Shares (specifying a maximum number) that have not been accepted by other Shareholders (*Excess Offered Shares*); or
- 14.7.2 that they would not accept any Excess Offered Shares; and
- if a Shareholder who serves a Buy Notice fails to make a confirmation in the terms of 14.7.1 or 14.7.2 he shall be deemed to have made a confirmation in the terms of 14.7.2. A Buy Notice shall be irrevocable without the written consent of the Company.
- 14.8 Any Excess Offered Shares shall be allocated to each Shareholder who has made a confirmation in the terms of Article 14.7.1 in proportion to the number of B Shares and A Shares held by such Shareholder as at the close of business on the date prior to the date of the Offer Notice as a proportion of the total number of B Shares and A Shares held by the Shareholders who have made a confirmation in the terms of Article 14.7.1, providing that any apportionment shall be made so as not to result in any Shareholder being allocated more Excess Offered Shares than the maximum number of Excess Offered Shares such Shareholder has indicated he is willing to accept. Excess Offered Shares shall continue to be allocated on this basis until either all Offered Shares are allocated or all requests for Excess Offered Shares have been satisfied.
- 14.9 Upon expiry of the acceptance period pursuant to Article 14.6.2:
- 14.9.1 if Buy Notices are served in respect of all of the Offered Shares, the Offeror shall be bound to sell, and the relevant Shareholders shall be bound to purchase, the respective numbers of Offered Shares specified in such Buy Notices (as scaled back in accordance with Article 14.8, if applicable) upon the Offered Terms;
- 14.9.2 if Buy Notices are served in respect of fewer than the number of Offered Shares offered for sale, the Offeror shall:
- 14.9.2.1 if it has not stated in the Transfer Notice that unless all the Offered Shares are sold none shall be sold, transfer to the relevant Shareholders the respective numbers of Offered Shares specified in such Buy Notices by way of sale upon the Offered Terms and may either retain the Offered Shares or sell them to a third party in accordance with Article 14.12; or
- 14.9.2.2 if it has stated in the Transfer Notice that unless all the Offered Shares are sold none shall be sold, either retain the Offered Shares or sell them to a third party in accordance with Article 14.12.
- 14.10 The Company shall within five (5) Business Days of the expiry of the acceptance period pursuant to Article 14.6.2 serve notice on each of the Other Shareholders and the Offeror setting out which of the options in Article 14.9 applies, how many Offered Shares the relevant Shareholder is required to acquire and on what terms (the *Final Notice*).
- 14.11 The Shareholders who gave a Buy Notice shall be bound to buy the Offered Shares that they are required to purchase pursuant to Article 14.9 within fifteen (15) Business Days of the Final Notice. If after becoming bound to acquire any Offered Shares any Shareholder who gave a Buy Notice fails to do so, the provisions of Article 12.7 shall apply mutatis mutandis (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of Articles 14.1 to 14.11 (inclusive)) without prejudice to any rights which the Offeror might have against the Shareholder who gave a Buy Notice for breach of these Articles.
- 14.12 If the Offeror is entitled to sell any Offered Shares to a third party purchaser pursuant to Article 14.9.2, the Offeror may transfer the Offered Shares to the third party purchaser

identified in the Transfer Notice for cash consideration at a price not less than the Price (or, if applicable, the Fair Price) provided that:

- 14.12.1 the third party purchaser (or any undertaking within its group) is not directly or indirectly a substantial competitor of the Group and its shareholding would not, in the Directors' reasonable opinion, be materially detrimental to the Group's interests;
- 14.12.2 the transfer is completed within three months after the expiry of the acceptance period pursuant to Article 14.6.2;
- 14.12.3 the terms applying to such transfer are no more beneficial to the third party purchaser than the Offered Terms; and
- 14.12.4 the Board shall refuse registration of the proposed third party purchaser:
 - 14.12.4.1 if such transfer obliges the Offeror to procure the making of an offer pursuant to Article 15.1, until such time as such offer has been made and completed; or
 - 14.12.4.2 if the Offeror had stated in the Transfer Notice that unless all the Shares comprised therein are sold none shall be sold, unless the third party purchaser acquires all the Offered Shares.
- 14.13 The Directors may in their absolute discretion round up or down any fractional allocations under Articles 14.8 to 14.12 (inclusive) providing that the number of Offered Shares allocated does not exceed the total number of Offered Shares and provided that such rounding does not result in a Shareholder being allotted more Shares than he has indicated he is willing to accept.
- 14.14 If a transfer of Shares is proposed to be made pursuant to these Articles but its completion without regulatory approval would breach any relevant law or regulation, any time period stated in the procedure to be followed under these Articles to effect such transfer shall be deemed to be extended until such time as such regulatory approval has been obtained.
- 14.15 For the avoidance of doubt, the Fair Price for any B Shares transferred will not be less than the Subscription Price save where the relevant Shareholder can prove to the Investor Directors' satisfaction (acting reasonably) that he is suffering severe financial hardship and no higher price is obtainable.

15. TAG ALONG AND DRAG ALONG

- 15.1 If the result of any proposed bona fide transfer of any Shares would be a Sale, the intending transferor(s) of such Shares (the *Seller(s)*) shall not complete such transfer unless it or they ensure(s) that the purchaser offers to buy from the other Shareholders all the Shares held by them at the same price per Share (whether the consideration is cash or newly issued shares in the proposed purchaser's share capital or otherwise howsoever arising) as apply to the purchase of the Shares of the Seller(s) and on no other terms than the terms agreed with the Seller(s). The offer (the *Tag Along Notice*) shall:
 - 15.1.1 be irrevocable and unconditional (except for any conditions which apply to the proposed transfer of the Shares of the Seller(s));
 - 15.1.2 be governed by the laws of England and Wales;
 - 15.1.3 be open for acceptance during a period of not less than fifteen (15) Business Days after receipt of such offer; and
 - 15.1.4 specify that completion shall be effected at the registered office of the Company by delivery of the duly executed instruments of transfer in respect of the relevant Shares accompanied by share certificates in respect thereof against a bankers'

draft in respect of any cash purchase price therefor and delivery of instruments of title in respect of any other consideration.

- 15.2 If the Tag Along Notice is accepted, the proposed transfer shall be conditional upon completion of the Seller(s)' sale to the third party purchaser and shall be completed at the same time as that sale.
- 15.3 No Tag Along Notice shall be required pursuant to Article 15.1 if a Drag Along Notice has been served under Article 15.4.
- 15.4 If the consequence of any proposed bona fide transfer of any Shares would be a Sale the intending transferor(s) of such Shares, which shall mean the holders of more than eighty per cent. (80%) of the Shares (the *Transferor(s)*) shall have the right to require all the other Shareholders (the *Remaining Shareholders*) to transfer all their Shares to the proposed transferee conditional upon such transfer being completed, by giving notice to that effect to the Remaining Shareholders (the *Drag Along Notice*). The Investors will only be subject to the Drag Along Notice if any indebtedness due to them from the Company has been repaid. The Drag Along Notice shall be accompanied by copies of all documents required to be executed by the Remaining Shareholders to give effect to the transfer and the transfer shall be on the same terms and conditions (including as to the consideration, whether the consideration is cash or newly issued shares in the proposed transferee's share capital or otherwise) as shall have been agreed between the Transferor(s) and the proposed transferee. If the transfer is to a Connected Person of the Transferor(s) the right conferred by this Article shall only be exercisable if the Board is advised (by a reputable investment bank or other corporate finance advisory firm, the identity of which is approved by Joint Consent) that the terms on which the Shares of the Remaining Shareholders are to be transferred are fair and reasonable for such Remaining Shareholders and the substance of such advice can be relied upon by the Remaining Shareholders and is made known to the Remaining Shareholders in the documents included with the Drag Along Notice. The Transferor may serve a Drag Along Notice upon any person who becomes a Shareholder after completion of a Sale upon exercise of rights granted prior to completion of a Sale.
- 15.5 If a Remaining Shareholder makes default in transferring its Shares pursuant to Article 15.4,
- 15.5.1 where the consideration is cash, the provisions of Article 12.7 (reference therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of Article 15.4) shall apply to the transfer of such Shares mutatis mutandis;
- 15.5.2 where the consideration is newly issued shares in the proposed transferee's share capital, such Remaining Shareholder shall be deemed to have authorised the Company as his attorney to accept the allotment of shares in the proposed transferee and on completion of the transfer (duly stamped, if appropriate) the proposed transferee shall register such Remaining Shareholder as the holder of the relevant shares in the capital of the proposed transferee; and
- 15.5.3 subject to Articles 15.5.1 and 15.5.2 above whether the consideration is cash or newly issued shares in the proposed transferee's share capital, on completion of the transfer (duly stamped, if appropriate):
- 15.5.3.1 the proposed transferee and/or its nominee shall be entered in the relevant register of the Company as the holder of the Shares registered in the name of the Remaining Shareholder; and
- 15.5.3.2 the share certificates in the name of the Remaining Shareholder in respect of the Shares shall be deemed to be cancelled and a new share certificate shall be issued in the name of the proposed transferee and/or its nominee.

16. COMPULSORY TRANSFERS

Transmission of Shares

- 16.1 Regulations 29 to 31 shall take effect subject to Articles 16.2 and 16.3.
- 16.2 A person entitled to a Share or Shares in consequence of the death, bankruptcy, receivership or liquidation of a Member or otherwise by operation of law shall be bound at any time, if called upon in writing to do so by the Directors with the consent of the Investor Directors not later than 90 days after the Directors receive notice from the person concerned that he has become so entitled, to give a Transfer Notice (without specifying a transfer price) in respect of all of the Shares then registered in the name of the deceased or insolvent Member in accordance with the provisions of Article 14, which will apply as if set out in full in this Article.
- 16.3 If any such person fails to give a Transfer Notice in accordance with Article 16.2 within 10 Business Days after being called upon to do so:
- 16.3.1 the Board may (and will if requested by the Investor Directors) authorise any Director to execute and deliver a transfer of the Shares concerned to a person appointed by the Directors as a nominee for the person entitled to the Shares; and
- 16.3.2 the Company may give a good receipt for the purchase price of such Shares, register the purchaser or purchasers as the holders of them and issue certificates for the same to such purchasers. After registration, the title of such purchaser or purchasers as registered holder(s) of such Shares will not be affected by any irregularity in, or invalidity of, such proceedings, which will not be questioned by any person. In any such case the person entitled to the Shares as a consequence of the death, insolvency or otherwise by operation of law will be bound to deliver up the certificates for the Shares concerned to the Company whereupon he will become entitled to receive the purchase price. In the meantime, the purchase price will be held by the Company on trust for such person without interest.

17. ELECTRONIC COMMUNICATION

Regulation 1 is modified by:

- 17.1 deleting the definition given of "electronic communication" and substituting in its place the definition given in these Articles; and
- 17.2 deleting the words "communication" means the same as in the Electronic Communications Act 2000".

18. SHARE CERTIFICATES

Regulation 6 is modified by adding after "Every certificate shall be sealed with the seal" the words "or executed in such other manner as the Directors authorise, having regard to the Act,".

19. LIEN

- 19.1 Regulation 8 is modified by the deletion of the words "(not being a fully paid share)".
- 19.2 The lien conferred by Regulation 8 will apply to all Shares, whether fully paid or not, and to all Shares registered in the name of any person under a liability to the Company (whether actual or contingent), whether he is the sole registered holder of such Shares or one of two or more joint holders of such Shares.

20. GENERAL MEETINGS

20.1 Regulation 37 is modified by the insertion of the words "or the Investor Directors acting alone" after the second word of that Regulation.

20.2 A general meeting may consist of a conference between Members, some or all of whom are in different places if each Member who participates is able:

20.2.1 to hear each of the other participating Members addressing the meeting; and

20.2.2 if he so wishes, to address all of the other participating Members simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods.

A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Members required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Member indicating to the chairman (in such manner as the chairman may direct) whether the Member votes in favour of or against the resolution or abstains. References in this Article 20 to Members includes their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

21. PROCEEDINGS AT GENERAL MEETINGS

21.1 Regulation 40 is modified so that the quorum for any general meeting (other than a separate class meeting) will include at least one A Shareholder and at least one B Shareholder.

21.2 If any meeting is adjourned pursuant to Regulation 41 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 Equity Shareholder(s) (including at least one A Shareholder) present will form a quorum. Regulation 41 is modified accordingly.

21.3 Regulation 46 is modified so that a poll may be demanded by the chairman or by any Member present in person or by proxy and entitled to vote at the meeting.

21.4 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such a person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Members. The provisions of the Act shall apply to determine the powers that may be exercised at any such meeting by any person so authorised. The corporation shall, for the purposes of these Articles, be deemed to be present in person at any such meeting if any person so authorised is present at it, and all references to attendance and voting in person shall be construed accordingly.

21.5 Regulation 51 is amended by replacing the first and second sentences with the following words: "A poll demanded will be taken immediately".

22. VOTES OF MEMBERS

22.1 Regulation 54 shall not apply to the Company.

22.2 Regulation 56 shall be modified by the deletion of the words "instruments of proxy, not less than 48 hours before the time appointed for holding" and substituting instead the words "forms of proxy, within the time limits prescribed by these Articles for deposit of forms of proxy for use at" and by including the words "or poll" after the words "adjourned meeting".

22.3 Regulation 57 is modified by the inclusion after the word "shall" of the phrase", unless the Directors otherwise determine,".

- 22.4 Regulation 59 shall be modified by including the words "and on a show of hands" after the words "On a poll" and by including the words ", provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. When two or more valid but different forms of proxy or appointments of proxy by electronic means are delivered or received in respect of the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that share. If the Company is unable to determine which was last delivered or received, none of them shall be treated as valid in respect of that share. Deposit or delivery of an appointment of proxy will not preclude a Member from attending and voting at the meeting or at any adjournment of the meeting" after the words "to attend on the same occasion".
- 22.5 Subject to Article 22.6 a form appointing a proxy shall be in writing in the usual form, or in such other form which the directors may approve, and shall be executed by or on behalf of the appointor.
- 22.6 Subject to the Act, the directors may resolve to allow a proxy to be appointed by an Electronic Communication subject to such limitations, restrictions or conditions as the Directors think fit (including, without limitation, the ability to require such evidence as they consider appropriate to decide whether the appointment of a proxy in such manner is effective).
- 22.7 In order for the appointment of proxy to be valid:
- 22.7.1 (in the case of an appointment of proxy by hard copy) the form of the proxy, together with the relevant documents, if any, must be:
- 22.7.1.1 left at or sent by post to the office (or such other place within the United Kingdom as is specified in the notice convening the meeting and/or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting) by the relevant time; or
- 22.7.1.2 duly delivered in accordance with Article 22.9;
- 22.7.2 (in case of an appointment of proxy by Electronic Communication) the communication appointing the proxy, together with the relevant evidence, must be received at the address by the relevant time.
- 22.8 For the purposes of Article 22.7;
- 22.8.1 for the purpose of appointing a proxy by Electronic Communication the "address" means the number or address which has been specified by the Company for the purpose of receiving Electronic Communications appointing proxies;
- 22.8.2 "relevant documents" means either (i) the power of attorney or other authority relied on to sign the form of proxy, or (ii) a copy of such document certified as a true copy of the original by a notary or solicitor or certified in some other way approved by the Directors;
- 22.8.3 "relevant evidence" means any evidence required by the Directors in accordance with the provisions of Article 22.6; and
- 22.8.4 "relevant time" means 48 hours before the time appointed for the commencement of the meeting or adjourned meeting to which the proxy appointment relates.
- 22.9 If a meeting is adjourned for less than 48 hours, a form of proxy may also be delivered in hard copy form at the adjourned meeting to the chairman or to any Director.

22.10 Regulations 60 to 62 (inclusive) shall not apply to the Company.

23. NUMBER OF DIRECTORS

Unless and until otherwise determined by ordinary resolution of the Company, the maximum number of Directors (other than alternate directors) is six and the minimum is two. Regulation 64 shall be modified accordingly.

24. ALTERNATE DIRECTORS

- 24.1 The Investor Directors may appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director. Regulation 65 is modified so that any such appointment does not need to be approved by resolution of the Directors. In Regulation 67 the words "but, if" and the words which follow to the end of the Regulation are deleted.
- 24.2 Regulation 66 is modified so that an alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of Directors and of committees of Directors of which his appointor is a member. An alternate director may waive the requirement that notice be given to him of a meeting of Directors or of a committee of Directors of which his appointor is a member, either prospectively or retrospectively.
- 24.3 The first sentence of Regulation 66 is modified so that an alternate director will not be entitled as such to receive any remuneration from the Company although he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as his appointor may direct by notice in writing to the Company.
- 24.4 An alternate director will be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 24.5 An alternate director's appointment will determine if he resigns by written notice left at or sent to the registered office of the Company.
- 24.6 A director, or any other person mentioned in Regulation 65, may act as an alternate director to represent more than one Director, and an alternate director will be entitled at any meeting of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he will count as only one person for the purpose of determining whether a quorum is present.

25. DELEGATION OF DIRECTOR'S POWERS

Regulation 72 is modified by the addition at the end of the Regulation of the following sentence: "Where a provision of these Articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision must be construed as permitting the exercise of the power, authority or discretion by the committee."

26. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 26.1 A Director will not retire by rotation. Regulations 76 and 77 will not apply to the Company and reference in Regulations 67, 78 and 84 to retirement by rotation will be disregarded.
- 26.2 Regulation 81 will not apply to the Company.
- 26.3 The holder or holders of such number of Shares as give the right to a majority of votes at general meetings of the Company may, by giving notice on the Company, remove any Director from office and/or appoint any person to be a Director. The notice must be signed by or on behalf of such holder or holders (and may consist of several documents in similar form each signed by or on behalf of one or more holders) and must be left at or sent by post or fax to the registered office or such other place designated by the Directors for the purpose. Such removal or appointment will take effect when the notice is received by the Company or on such later date (if any) as may be specified in the notice. This Article 26.3 will not apply to

the appointment or removal of an Investor Director or Manager Director. This Article 26.3 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director.

27. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a Director will be vacated if:

- 27.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- 27.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 27.3 he becomes, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
- 27.4 he resigns his office by notice in writing to the Company;
- 27.5 (other than in the case of the Investor Directors) he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the Directors resolve that his office be vacated;
- 27.6 (other than in the case of the Investor Directors) he is removed from office by notice addressed to him at his last-known address and signed by all his co-Directors;
- 27.7 (other than in the case of the Investor Directors) he is removed from office by notice given by a member or members under Article 26.3; or
- 27.8 being an executive Director he ceases, for whatever reason, to be employed by any member of the Group.

28. DIRECTORS' APPOINTMENTS

Regulation 84 is modified by addition the of the words: "with Investor Consent and Managers Consent" after the words "the directors" and before the words "may appoint" in the first sentence, and after the words "the directors" and before the word "determine" and after the words "as they" and before the words "think fit" in the second sentence.

29. DIRECTORS' INTERESTS

29.1 For the purposes of section 175 of the 2006 Act:

- 29.1.1 a Director shall be authorised to hold office as a director or other officer of, be employed or engaged by, hold shares or other securities in, or otherwise be interested in, whether directly or indirectly, any other Group Member; and
- 29.1.2 an Investor Director shall be authorised to hold office as a director or other officer of, be employed or engaged by, hold shares or other securities in, or otherwise be interested in, whether directly or indirectly:
 - 29.1.2.1 an Investor;
 - 29.1.2.2 an Investor Associate; or
 - 29.1.2.3 any other company in which an Investor or Investor Associate also holds shares or other securities or is otherwise interested.

29.2 For the purposes of section 175 of the 2006 Act, where an office, employment, engagement or interest held by an Investor Director in another entity has been authorised pursuant to

Article 29.1.2 and his relationship with that entity gives rise to an actual or potential conflict of interest, an Investor Director shall be authorised to:

- 29.2.1 attend and vote at meetings of the Directors (or any committee thereof) at which any matter relating to the actual or potential conflict of interest will or may be discussed and receive board papers or other documents relating thereto;
 - 29.2.2 receive confidential information and other documents and information relating to the Group, use and apply such information in performing his duties as a director, officer or employee of, or consultant to an Investor or Investor Associate and disclose that information to third parties in accordance with these Articles or the Investment Agreement; and
 - 29.2.3 give or withhold consent or give any direction or approval under the Investment Agreement or these Articles on behalf of an Investor.
- 29.3 For the purposes of section 175 of the 2006 Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, an actual or potential conflict of interest, provided that authorisation of such a matter shall be effective only if:
- 29.3.1 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**"); and
 - 29.3.2 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- 29.4 The following provisions of this Article apply to any authorisation of a matter by the Directors pursuant to Article 29.3:
- 29.4.1 an authorisation may extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - 29.4.2 an authorisation shall be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time; and
 - 29.4.3 a Director shall comply with any obligations imposed on him by the Directors pursuant to any authorisation.
- 29.5 If a matter, office, employment, engagement or interest, has been authorised pursuant to Articles 29.1 or 29.3, then the Director in question shall not be required to disclose to the Company any confidential information received by him (other than by virtue of his position as Director) relating to such matter, or such office, employment, engagement or interest, or use such information in relation to the Company's affairs if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment, engagement or interest.
- 29.6 A Director shall not be accountable to the Company for any remuneration or other benefit which he (or a person connected with him) derives from any office, employment, engagement or interest authorised in or pursuant to Articles 29.1 or 29.3, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the 2006 Act.
- 29.7 Regulation 85 is modified by the addition of the words: "and except in the case of the Investor Directors, to the consent of the Investors" after the words "provisions of the Act" and before the words ", and provided that he has disclosed" in the first sentence.

- 29.8 For the purposes of this Article 29, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

30. DIRECTOR'S GRATUITIES AND PENSIONS

Regulation 87 is modified by the addition of the words: "with Investor Consent and Managers Consent" after the words "The directors" and before the words "may provide benefits" in the first sentence.

31. BORROWING POWERS

The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to section 560 of the 2006 Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party not exceeding an aggregate sum of two millions pounds (£2,000,000).

32. PROCEEDINGS OF DIRECTORS

- 32.1 In the case of an equality of votes, the chairman of any meeting of the directors (or committee thereof) will not have a second or casting vote.
- 32.2 Regulation 88 is modified by the exclusion of the third sentence and the substitution for it of the following sentences: "Every Director will receive notice of a meeting, whether or not he is absent from the United Kingdom. A Director may waive the requirement that notice be given to him of a meeting of Directors or a committee of Directors, either prospectively or retrospectively".
- 32.3 The quorum necessary for the transaction of business at any meeting of the Directors will be three of which two, subject to Article 29.3, will be Investor Directors (unless otherwise agreed in writing by the Investors) and Regulation 89 will be modified accordingly. If any meeting of the Directors is inquorate then it will be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present (including the Investor Directors) will constitute a quorum.
- 32.4 The Chairman shall be appointed in accordance with the Investment Agreement. The Chairman will not be entitled to any remuneration. Regulation 91 will not apply to the Company.
- 32.5 Any Director or alternate may participate in a meeting of the Board or a committee of the Directors by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear and speak to each other throughout the meeting, and any Director or member of a committee participating in a meeting in this manner is deemed to be present in person at such meeting and will be counted when reckoning a quorum.
- 32.6 Without prejudice to the obligation of any Director to disclose his interest in accordance with the 2006 Act and subject always to Article 29.3 and the terms on which any such authorisation is given, a Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty provided that he has first obtained Investor Consent and Managers Consent. The Director will be counted in the quorum present when any such resolution is under consideration and if he votes, his vote will be counted. Regulations 94 to 97 (inclusive) shall not apply to the Company.

33. INVESTOR DIRECTORS AND OBSERVER AND MANAGER DIRECTORS

- 33.1 So long as IBIS holds more than ten percent (10%) of any Shares and so long as JG holds more than three percent (3%) of any Shares they will each have the right to appoint one person as a non-executive Director of the Company ("Investor Directors") but:

- 33.1.1 any such appointment must be effected by notice in writing to the Company by IBIS and JG (as appropriate) who may in a similar manner remove from office the Investor Director appointed by them pursuant to this Article, and appoint any person in place of any Investor Director so removed or who had died or otherwise vacated office as such;
- 33.1.2 subject to section 168 of the 2006 Act, on any resolution to remove an Investor Director, the A Shares held by each of IBIS and/or JG (as appropriate) will carry one vote in excess of fifty per cent. (50%) of all the other votes exercisable at the general meeting at which such resolution is to be proposed, and if any such Investor Director is removed pursuant to section 168 of the 2006 Act or otherwise, IBIS and/or JG (as appropriate) may reappoint him or any other person as an Investor Director.
- 33.2 The Investor Directors will be entitled to be appointed to the board of directors of any member of the Group and to any committee of the board of any member of the Group.
- 33.3 So long as IBIS holds more than ten percent (10%) of any Shares and so long as JG holds more than three percent (3%) of any Shares they will each have the right at any time to appoint an observer to attend observe and speak at meetings of the Board and the provisions of Article 33.1.1 will apply as if they were set out in full in this Article, but with the word "observer(s)" substituted for "Investor Directors". Any person so appointed will not be a Director.
- 33.4 So long as a Manager holds Shares representing more than ten per cent. (10%) of the issued share capital of the Company he will have the right to be an executive Director of the Company or appoint any other person ("**Manager Director**"). Subject to section 168 of the 2006 Act, on any resolution to remove a Manager Director, the B Shares held by such Manager will together carry one vote in excess of fifty per cent. (50%) of all the other votes exercisable at the general meeting at which such resolution is to be proposed, and if any such Manager Director is removed pursuant to section 168 of the 2006 Act or otherwise, the Managers may reappoint him or any other person as a Manager Director.

34. NOTICES

- 34.1 Any notice or other document to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Directors) shall be in writing and shall be delivered in accordance with Article 34.2.
- 34.2 Any notice or other document may only be served on, or delivered to, any Member by the Company or by any other Member:
 - 34.2.1 personally;
 - 34.2.2 by sending it through the post in a prepaid envelope addressed to the Member at his registered address;
 - 34.2.3 by delivery of it by hand to or leaving it at that address in an envelope addressed to the Member; or
 - 34.2.4 except in the case of a share certificate and only if an electronic address has been specified by the Member for such purpose, by Electronic Communication.
- 34.3 Nothing in Article 34.2 shall affect any provision of the Act requiring offers, notices or documents to be served on or delivered to a Member in a particular way.
- 34.4 In the case of joint holders of a Share:
 - 34.4.1 all notices and other documents shall be given to the person named first in the register in respect of the joint holding, and notice so given shall be sufficient notice to all joint holders; and

- 34.4.2 any request for consent to the receipt of Electronic Communications shall be sent to the person named first in the register in respect of the joint holding and any express consent given by such holder to the receipt of communications in such manner shall bind all joint holders.
- 34.5 Any notice or other document may only be served on, or delivered to, the Company by anyone:
- 34.5.1 by sending it through the post in a prepaid envelope addressed to the Company or any officer of the Company at its registered office or such other place in the United Kingdom as may from time to time be specified by the Company;
- 34.5.2 by delivering it by hand to its registered office or such other place in the United Kingdom as may from time to time be specified by the Company; or
- 34.5.3 if an address has been specified by the Company for such purpose by Electronic Communication.
- 34.6 Any notice or other document (other than any notice or other document given to the Company including, for the avoidance of doubt, the appointment of a proxy):
- 34.6.1 addressed to the recipient in the manner prescribed by these Articles shall, if sent by post, be deemed to have been served or delivered:
- 34.6.1.1 (if prepaid as first class) 24 hours after it was posted; and
- 34.6.1.2 (if prepaid as second class) 48 hours after it was posted;
- 34.6.1.3 (if prepaid as airmail) 72 hours after it was posted,
- and in proving such service, it shall be sufficient to prove that the envelope containing such notice or document was properly addressed, prepaid and posted;
- 34.6.2 not sent by post, but delivered by hand to or left at an address in accordance with these Articles, shall be deemed to have been served or delivered on the day it was so delivered or left;
- 34.6.3 sent by Electronic Communication shall be deemed to have been served or delivered:
- 34.6.3.1 in the case of a notice or other document sent in an electronic form but by a manner authorised by Articles 34.2.2 or 34.2.3, in accordance with the provisions of Articles 34.6.1 or 34.6.2, as appropriate;
- 34.6.3.2 otherwise 24 after the Electronic Communication was sent, and in proving such service, it shall be sufficient to produce (in the case of a fax) a transaction report or log generated by a fax machine which evidences the fax transmission and (in any other case) a confirmation setting out either the total number of recipients to whom or each recipient to whom the message was sent.
- 34.7 Regulations 111, 112 and 115 will not apply to the Company.

35. INDEMNITIES

Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled every Director alternate director, secretary and other officer or employee of the Company will be indemnified out of the assets of the Company against any liability (other than any liability arising out of the Investment Agreement) sustained or incurred by him in defending any proceedings whether civil or criminal relating to his conduct as an officer or employee of the Company in which

judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 of the 2006 Act or section 1157 of the 2006 Act in which relief is granted to him by the Court. Regulation 118 will not apply to the Company.