

COMPANY NUMBER: 2825572
THE COMPANIES ACTS 1985 AND 1989
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
CRAEGMOOR GROUP LIMITED

As at 13 July 2001

***ANNOTATED ARTICLES OF ASSOCIATION AS AMENDED BY WRITTEN RESOLUTION
PASSED ON 30 OCTOBER 2001***

Incorporated the 9th day of June 1993



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PRIVATE COMPANY LIMITED BY SHARES

COMPANY NUMBER 2825572

**ARTICLES OF ASSOCIATION OF
CRAEGMOOR GROUP LIMITED**

(As amended by Special Resolution dated 13 July 2001)

TABLE A

1. Subject as otherwise provided in these Articles, the regulations in Table A prescribed under section 8 of the Companies Act 1985, as in force at the date of incorporation of the Company (in these Articles referred to as Table A), shall apply to the Company. Where any provision of these Articles is inconsistent with Table A, the provisions of these Articles will prevail.
- 2.1 The following provisions of Table A shall not apply to the Company:
 - (a) regulation 40 and 41;
 - (b) regulation 50;
 - (c) regulation 54;
 - (d) in regulation 62(a): the words "not less than 48 hours";
 - (e) in regulation 62(b): the words "not less than 24 hours";
 - (f) regulations 73 to 80 inclusive and all references elsewhere in Table A to retirement by rotation shall not apply accordingly;
 - (g) in regulation 88: the third, fourth, fifth and sixth sentences;
 - (h) in regulation 89: the first sentence;
 - (i) regulation 91;
 - (j) in regulation 93 the words from "but a resolution signed by an alternate director to in that capacity" inclusive;
 - (k) regulations 94 to 98 inclusive;
 - (l) regulation 102;

(m) regulation 109;

(n) regulation 110.

INTERPRETATION

2.2 In these Articles, where the context so admits:

A Ordinary Share	means an A Ordinary Share of £1 in the capital of the Company having the rights and being subject to the restrictions contained in these Articles;
A Preferred Share	means a cumulative redeemable Preferred Share of £100 each in the capital of the Company entitled to dividend of an amount, calculated on a daily basis and compounded annually, equal to 8% per annum of the amount paid up;.
B Convertible Share	means a B Convertible Share of £1 in the capital of the Company having the rights and being subject to the restrictions contained in these Articles;
B Preferred Share	means a cumulative redeemable Preferred Share of £100 each in the capital of the Company entitled to dividend of an amount, calculated on a daily basis and compounded annually, equal to 7% per annum of the amount paid up;.
Board	means the board of directors of the Company or any duly appointed committee thereof;
Budgets	mean a budget for the Company for a particular Financial Year in a format agreed from time to time by its shareholders;
Business Day	a day (other than a Saturday or Sunday) on which banks are open for business in London;
Business Plan	means a rolling business plan for the Company relating to the current Financial Year and three (3) succeeding Financial Years in a format agreed by its shareholders (as amended from time to time) to be updated annually;
C Ordinary Share	means a C Ordinary Share of £1 in the capital of the Company having the rights and being subject to the restrictions contained in these Articles;

Deferred Share	means a Deferred Share of £1 in the capital of the Company having the rights and being subject to the restrictions contained in these Articles;
Financial Year	means a financial year of the Company (commencing, other than in the case of its initial financial year, on 1 January and ending on 31 December);
holding company and subsidiary	shall be construed in accordance with section 736 of the Companies Act 1985;
Ordinary Shares	means A Ordinary, B Convertible and C Ordinary Shares;
Preferred Director	means any person appointed by the Preferred Shareholders pursuant to Article 4(l);
the Preferred Shares	means together the issued A and B Preferred Shares;
the Preferred Shareholders	means the registered holder(s) for the time being of the Preferred Shares;
Redemption Date	has the meaning ascribed to it in Article 4(d)(1);
Service Agreements	means the contracts of employment entered into by the Company and its management;
Warburg Pincus	means Warburg Pincus, Investors, L.P. (WPI) and (a) any nominee of WPI agreed by the Board, (b) any limited or general partner of WPI and any partner of WPI's general partner, (c) any company controlled by WPI or its general partner or under the same control as WPI or its general partner and (d) any other limited partnership, fund or collective investment or co-investment scheme managed or controlled by or under the same control as WPI's general partner and references to WPI's general partner shall include any corporate or other successor thereto.

SHARE CAPITAL

3. The authorised share capital of the Company at the date of the adoption of this Article 3 is £45,894,880 divided as follows:
 - (a) 2,203,002 A Ordinary Shares;

- (b) 244,778 B Convertible Shares;
- (c) 166,501 A Preferred Shares;
- (d) 57,970 B Preferred Shares; and
- (e) 21,000,000 C Ordinary Shares.

SPECIAL RIGHTS

4. The special rights and restrictions attached to and imposed on respectively the Preferred Shares and the Ordinary Shares are as follows:

(a) **Income: Preferred Shares**

- (1) The Preferred Shareholders shall be entitled (subject to Article 4(b) below, in priority to any application of profit for the benefit of any other class of shares and before any setting aside or appropriation of profit for any other purposes) to receive cumulative dividends (in this Article referred to as the Preferred Dividends) of an amount, calculated on a daily basis with effect from the date on which the subscription monies were received by the Company and compounded annually with respect to each Preferred Share, equal to eight per cent (8%) per annum of the amount paid up on each A Preferred Share (net of any tax credit) or seven per cent (7%) per annum of the amount paid up on each B Preferred Share (net of any tax credit), subject to adjustment in accordance with the provisions of paragraph (2) of this Article 4(a), such amount to be payable in cash on the Redemption Date (in accordance with Article 4(d)) or, at the discretion of the Company (and for the avoidance of doubt, without having to redeem the associated Preferred Shares), at any time before the Redemption Date on the giving of notice to the Preferred Shareholders concerned;
- (2) Where the Company exercises its discretion to pay Preferred Dividends before the Redemption Date in accordance with paragraph (1) above, the Company will be entitled (at its absolute discretion) to:
 - (a) pay a proportion only of the accrued dividend due on each Preferred Share; and
 - (b) pay all or part of the accrued dividend due on either the A Preferred Shares or the B Preferred Shares

provided that any such dividend so paid will be paid to the holders of the relevant class of Preferred Shares on a pro-rata basis.

(3) The amount of the dividend payable on redemption pursuant to paragraph (1) of this Article 4(a) shall, in the event that the Preferred Shares are to be redeemed on the Listing Date (as defined in Article 4(d)(1) below) be calculated as follows:

(a) A Preferred Shares: on the basis of seven per cent (7%) and not eight per cent (8%) per annum of the amount paid up on each A Preferred Share if the WP IRR is greater than thirty five per cent (35%); and

(b) B Preferred Shares: on the basis of six per cent (6%) and not seven per cent (7%) per annum of the amount paid up on each B Preferred Share if the WP IRR is greater than thirty-five per cent (35%)

and for this purpose the WP IRR shall be calculated in accordance with the following formula:

$$\text{WP IRR} = \left[\left(\left(\frac{P_2}{P_1} \right)^{\left(\frac{1}{T} \right)} - 1 \right) \right] \times 100$$

Where WP IRR is calculated on the Listing Date (as defined in Article 4(d)(1) below)

P_1 = The aggregate amounts subscribed (including any premium) from time to time by Warburg Pincus for Ordinary Shares and Preferred Shares

P_2 = The aggregate of the amounts received by Warburg Pincus upon a Listing (as that term is defined in paragraph (d) of this Article 4) of all of the Ordinary Shares (or other securities representing the same) or which would have been so received had Warburg Pincus sold all of its Ordinary Shares (or other securities representing the same) at the same price on such Listing and upon (and, where any dividends in respect of any Preferred Shares are paid prior to the redemption of such Shares, prior to) the redemption of the Preferred Shares, assuming for this purpose (a) that the same occurs on the Listing Date (as that term is defined in paragraph (d) of this Article 4) and (b) that the rate of the

Preferred Dividend is determined on the basis of eight per cent. (8%) per annum in respect of the A Preferred Shares, and seven per cent. (7%) per annum in respect of the B Preferred Shares).

T = The time (expressed as a number of years (including a fraction thereof)) expired between the date upon which Warburg Pincus first subscribes for any Preferred Share and the Listing Date (as that term is defined in paragraph (d) of this Article 4).

(b) Income: Ordinary Shares

No dividend shall be declared or paid on the Ordinary Shares in respect of any financial year of the Company (or part thereof) without the prior written consent of the Preferred Shareholders.

(c) Capital : General

In the event of a winding up of the Company or upon a reduction or return of capital, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital, shall be applied in the following manner and order of priority:

- (1) firstly, in paying to the holders of the Preferred Shares all unpaid arrears and accruals of Preferred Dividend whether declared or not, calculated on the basis set out in Article 4(a)(1) down to and including the relevant date of repayment;
- (2) secondly, in paying to the holders of the Preferred Shares the amount paid up or credited as paid on such shares;
- (3) thirdly, in paying to the holders of the Ordinary Shares the amount paid up or credited as paid on such shares; and
- (4) fourthly, in distributing the balance amongst the holders of the Ordinary Shares pro-rata according to the number of shares held by each shareholder.

(d) Redemption: General

- (1) The Company shall, subject to the provisions of the Act, redeem all of the Preferred Shares (where sub-paragraph (ii) or sub-paragraph (iii) below applies) or all or some of the Preferred Shares, (where sub-paragraph (i) below applies) on the earlier of:

- (i) the date specified by the Company on giving not less than two Business Days notice to all or some only of the Preferred Shareholders of its intention to redeem all or some only of the Preferred Shares (being A Preferred Shares or B Preferred Shares only, or a mix of A and B Preferred Shares, as determined by the Company in its absolute discretion) held by the holder or holders concerned (which notice may be given by the Company at any time, and on one or more occasions, in its absolute discretion) (a "Redemption Notice"); or
- (ii) the date (the Listing Date) upon which application is made to the Financial Services Authority in its capacity as UK Listing Authority for the issued Ordinary Shares to be admitted to the Official List maintained by the UK Listing Authority and application being made to the London Stock Exchange plc for the Ordinary Shares to be admitted to trading by the London Stock Exchange PLC (or to such other exchange or dealing facility anywhere in the world as shall ensure that dealings in such shares may take place) (the Listing); or
- (iii) the date on which a sale of at least 90 per cent of the entire issued Ordinary Share capital of the Company to a single purchaser or to one or more purchasers as part of a single transaction is unconditionally completed

such date being referred to hereunder as (the Redemption Date).

- (2) There shall be paid on each of the Preferred Shares redeemed the sum of £100 per share together with a sum equal to any arrears, deficiency or accrual of the Preferred Dividend calculated down to the date of redemption whether such dividend has been declared or earned or not and such dividend shall cease to accrue from that date unless upon delivery up of the certificate for such shares payment of the redemption monies shall be refused.
- (3) Should the Company be obliged to redeem any Preferred Shares on any occasion when there are insufficient distributable profits available to redeem such Preferred Shares, the Company shall apply such profits or monies as are lawfully available (including out of capital) in redeeming such proportion of each member's holding of Preferred Shares liable to be so redeemed as the profits and monies so available bear to the profits and monies required to redeem in full all of the Preferred Shares liable to be redeemed on such occasion. The Company shall at the option of

the Preferred Shareholder either (i) redeem the remainder of the Preferred Shares due to be redeemed as soon after such occasion as the Company shall have sufficient distributable profits available to make such redemption or (ii) make a fresh issue of such number of shares as shall provide sufficient proceeds to enable redemption of the Preferred Shares and payment of all amounts due in respect thereof.

- (4) On the Redemption Date the Company shall be entitled and bound to redeem the Preferred Shares in respect of which such notice has been given and the relevant Preferred Shareholders shall be bound to deliver to the Company at the place named in the notice the certificate for their shares and upon such delivery and against the receipt of the Preferred Shareholder for the redemption monies and all other amounts payable in respect of his shares pursuant to this Article 4(d) the Company shall, subject to paragraph (3) of this Article 4(d), pay to the Shareholder the redemption monies payable to him in respect of such redemption.
- (5) If any holder of the shares whose shares are liable to be redeemed under this paragraph shall fail or refuse to deliver up the certificate for his shares the Company may retain the redemption monies until delivery up of the certificate or of an indemnity in respect thereof satisfactory to the Company but shall within 7 days thereafter pay the redemption monies to the shareholder.

(e) Conversion: B Convertible Shares

- (1) (a) In this Article 4(e) the following words and phrases shall have the following meanings :

"Share Purchase Agreement" means the Agreement dated 26 February 1998 between Stoneyrun Inc and others and the Company for the purchase by the Company of the entire issued share capital of Speciality Care Limited;

"determined", in relation to a Relevant Claim, means that a court in England and Wales has ruled that, in the case of a Warranty Claim, all or any of the Vendors are liable to the Company in respect of the Warranty Claim concerned (including as to the amount of such Claim) or, in the case of an Indemnity Claim, that the Company or any subsidiary thereof (including Speciality Care Limited and any of its subsidiaries) is liable in respect of any liability, cost, charge or expense that is the

subject of the Indemnity Claim concerned (including as to the amount of such liability, cost, charge or expense);

"agreed", in relation to a Relevant Claim, means that Mr Kent Alessandro and Mr Marshall Elkins acting jointly (or such other person(s) as the Company and the holders of at least 51% in nominal value of the issued B Convertible Shares may agree) have agreed in writing, on behalf of all or any of the Vendors, that all or any of the Vendors are liable in respect of the Relevant Claim concerned (including as to the amount of such Claim) or, in the case of an Indemnity Claim, that the Company or any subsidiary thereof (including Speciality Care Limited and any of its subsidiaries) has agreed, in accordance with clause 11 of the Share Purchase Agreement, that it is liable in respect of any liability, cost, charge or expense that is the subject of the Indemnity Claim concerned (including as to the amount of such liability, cost, charge or expense);

"Tax Deed" means the Deed of Tax Covenant dated 26 February 1998 between Stoneyrun Inc and others and the Company relating to the purchase by the Company of the entire issued share capital of Speciality Care Limited;

"Warranty Claim" means a claim by the Company under the Warranties (as defined in the Share Purchase Agreement) or pursuant to the Tax Deed;

"Indemnity Claim" means a claim by the Company under the indemnity contained in clause 11 of the Share Purchase Agreement;

"made", in relation to an Indemnity Claim, means that the Company has served (in accordance with the Share Purchase Agreement) on each Vendor notice of each Vendor's liability in respect of the Indemnity Claim concerned (such notice to include supporting evidence of the total liabilities, costs, charges and expenses to be paid by all of the Vendors pursuant to the Indemnity Claim concerned);

"Full Liability" means, in relation to any B Convertible Shares issued to a particular Vendor, the agreed or determined liability of that Vendor under any Warranty Claim or (as appropriate) the liability of that Vendor under an Indemnity Claim that has been made, in either

case expressed as a sterling cash amount, and that part of such Full Liability which has been satisfied prior to the Relevant Date by payment in cash in cleared funds through payment to the Company or to any subsidiary thereof, whether such payment is by the Vendor concerned or by a holder of the B Convertible Shares concerned which is his or its Related Obligor or otherwise, is referred to as his "Settled Liability";

"Relevant Claim" means a Warranty Claim or an Indemnity Claim;

"Vendor" means a Vendor as defined in the Share Purchase Agreement.

(b) For the purposes of this Article 4(e):-

(i) the Company shall ensure that all B Convertible Shares issued to a particular Vendor and the certificates for the same shall be clearly and separately numbered so that (even after a transfer thereof or issue of any new or replacement certificates therefor) they can be clearly identified as having originally been issued to that Vendor;

(ii) a holder of B Convertible Shares who is not the original Vendor to whom they were issued shall be deemed to be a "Related Obligor" of that Vendor and each holder and that Vendor are together referred to as "Related Obligors".

(2) In the event that (a) any Warranty Claim is agreed or determined or (b) any Indemnity Claim is made, in any such case at any time prior to the Cessation Date (as defined in paragraph (3) below), then on the Relevant Date (as defined in paragraph (3) below) such number of B Convertible Shares held by each Vendor and/or his or its Related Obligors as shall be produced by the application of the provisions set out in this Article 4(e)(2) below (rounding fractions of a share up or down to the nearest whole number of shares, with a fifty per cent fraction being rounded up) shall automatically (and without the need for any resolution of the Company in general meeting) be converted into and redesignated as Deferred Shares:-

$$D = \frac{W}{X} \times C$$

where :

D = the maximum number of B Convertible Shares to be converted into Deferred Shares, on the assumption that the total agreed or determined liability of all the Vendors under the Warranty Claim, or (as appropriate) the total amount payable by all the Vendors under the Indemnity Claim that has been made, is to be satisfied through such conversion

W = the amount (in £) of the total agreed or determined liability of all the Vendors under the Warranty Claim concerned or (as appropriate) the total amount payable by all the Vendors under the Indemnity Claim that has been made

X = £20,000,000

C = 244,778

and the number of B Convertible Ordinary Shares of a particular Vendor and his or its Related Obligors to be converted is determined by the following formula:-

$$E = F \times \frac{FL - SL}{FL}$$

where:

E = the total number of B Convertible Ordinary Shares issued to that Vendor pursuant to clause 2.6 of the Share Purchase Agreement then to be converted

$$F = D \times \frac{G}{C}$$

where:

G = the total number of B Convertible Shares issued to that Vendor pursuant to clause 2.6 of the Share Purchase Agreement

FL = the Full Liability of that Vendor under the Warranty Claim or Indemnity Claim concerned

SL = the Settled Liability of such Vendor under the Warranty Claim or Indemnity Claim concerned.

- (3) The "Cessation Date" for the purposes of this Article 4(e) means the first to occur of the following dates:-

- (i) February 2004;
- (ii) the Listing Date (as defined in Article 4(d)(1)(ii));
- (iii) the date on which a sale of at least ninety per cent of the issued Ordinary Share capital of the Company to a single purchaser or to one or more purchasers as part of a single transaction is unconditionally completed.

The "Relevant Date" for the purposes of this Article 4(e) means the date which falls 31 Business Days ("Business Day" having the meaning given to it in the Share Purchase Agreement) after the date on which the Warranty Claim in question is agreed or determined or (as appropriate) the date on which the Indemnity Claim is made.

- (4) Where any B Convertible Shares are converted into and redesignated as Deferred Shares pursuant to this Article 4(e), such conversion and redesignation shall be effected, where there is more than one Vendor and/or his or its Related Obligor holding B Convertible Shares which are required to be converted and redesignated, as nearly as practicable pro rata to the number of B Convertible Shares held by such Vendors and/or their Related Obligors respectively on the Relevant Date or in such other numbers (not being less in aggregate than the total number of B Convertible Shares required to be converted) as such Vendors and/or their Related Obligors shall notify in writing to the Company prior to the Relevant Date.
- (5) If any B Convertible Shares are converted into and redesignated as Deferred Shares pursuant to this Article 4(e) as a result of a determined Relevant Claim, and, subsequently to such conversion and redesignation but prior to the Cessation Date, a court in England and Wales reverses or overturns on appeal the determination that resulted in the conversion and redesignation concerned, the Deferred Shares concerned shall, to the extent necessary to reflect the ruling of the court, be reconverted into and redesignated as B Convertible Shares forthwith following the issuing by the court of the ruling concerned (and without the need for any resolution of the Company in general meeting or any resolution of the Board). For the purpose of determining entitlements to dividends or other distributions, any such Deferred Shares so reconverted and redesignated shall be treated as if they had not been converted into and redesignated as Deferred Shares following the original determination of the Relevant Claim concerned.

- (6) On and with effect from the Cessation Date, all B Convertible Shares then in issue shall automatically (and without the need for any resolution of the Company in general meeting or any resolution of the Board) be converted into the same number of, and redesignated as, B Ordinary Shares and these Articles shall thereupon be construed as if all references herein to B Convertible Shares were references to B Ordinary Shares.

(f) ***Deferred Shares: rights and restrictions***

The special rights and restrictions attaching to the Deferred Shares resulting from any conversion pursuant to this Article 4 shall be as follows:

(i) Income

The Deferred Shares shall not entitle the holders thereof to receive any dividend or other distribution.

(ii) Capital

On a return of capital on a winding up the holders of Deferred Shares shall be entitled to receive the amount paid up on such shares after the holders of the Ordinary Shares have received the sum of £1000 in respect of each Ordinary Share, but shall have no other right to participate in the assets of the Company.

(iii) Voting

The Deferred Shares shall not entitle holders thereof to receive notice of or to attend or vote at any general meeting of the Company.

(iv) Transfer and cancellation

The Company shall be authorised at any time:

- (A) to appoint any person to execute on behalf of the holders of Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such persons as the Company may determine as custodian thereof and/or purchase the same (in accordance with the provisions of the Companies Act 1985) in any such case without making any payment to the holders of the Deferred Shares in question;

- (B) to cancel all or any of the Deferred Shares in accordance with the Companies Act 1985 without making any payment therefor or obtaining the consent of the holders thereof; and
- (C) pending any such cancellation, to retain the certificates for all or any of the Deferred Shares

provided that the Company shall not be so authorised (to the extent of the Deferred Shares concerned) during any period (a "Restricted Period") in which the Relevant Claim which has led to the appropriate number of B Convertible Shares being converted into and re-designated as Deferred Shares is or is capable of being the subject of an appeal to a court in England and Wales which, if successful, may result in the Deferred Shares concerned being reconverted into and redesignated as B Convertible Shares pursuant to Article 4(e)(5). For the avoidance of doubt, for the purpose of this Article 4(f)(iv), a Relevant Claim is capable of being the subject of such an appeal only for as long as the strict time limits for appealing set out in the Rules of the Supreme Court are outstanding and is not so capable when any appeal would be an out of time appeal.

(v) Modification of rights

Except in relation to any Deferred Shares that are for the time being in a Restricted Period, none of:

- (A) the passing by the Company of any resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court or the obtaining by the Company or the making by the Court of an order confirming any reduction of capital or the making effective of such order; or
- (B) the purchase by the Company in accordance with the Companies Act 1985 of any of its own shares or other securities (or the passing of a resolution to permit any such purchase) or the reduction of the share premium account of the Company

shall constitute an alteration or abrogation of any of the rights or privileges attaching to the Deferred Shares.

(vi) Further Issues

Except as expressly provided in Article 4(j), the special rights conferred by the Deferred Shares shall not be modified or abrogated by the creation or issue of further shares ranking pari passu or in priority to the Deferred Shares.

(g) Voting: General

- (1) Subject to paragraph (2) of this Article 4(g), the Preferred Shares shall have the right to receive notice of and attend but no right to vote at general meetings of the Company, which voting rights shall be held by the holders of the Ordinary Shares.
- (2) In any of the events set out in paragraph (3) of this Article 4(g), the Preferred Shareholders shall thenceforth have and until the default is remedied or (if earlier) until redemption of the Preferred Shares continue to have the right, as a class, to receive notice of and attend at general meetings of the Company and to exercise one hundred (100) votes for each Preferred Share held.
- (3) The events referred to in paragraph (2) of this Article 4(g) are as follows:-
 - (i) if the Company does not redeem the Preferred Shares on the Redemption Date in accordance with Article 4(d);
 - (ii) if the Company fails to comply with any of the requirements set out in Article 4(h) or if (without requisite consent) the Company does or permits to be done any of the matters set out in Article 4(i).

(h) Special obligations of the Company

The Company shall comply with the requirements set out in this Article 4(h) unless in any case the holders of not less than two-thirds in nominal value of the issued Preferred Shares agree in writing otherwise.

(1) Accounts and Reports

The Company will maintain a standard system of accounts in accordance with generally accepted principles consistently applied, will keep full and complete financial records and will furnish to any Preferred Shareholder the following reports:-

- (a) audited accounts for the Company (complying with all relevant legal requirements) (which the auditors of the Company shall use its best endeavours to prepare and report on within, so far as the Company is able to procure, 12 weeks after the end of the Financial Year in

question) within 90 days after the end of the Financial Year in question;

- (b) an annual budget which includes segmented and consolidated profit and loss statements, cash flow statements, and balance sheets on a monthly basis. The budget will also contain detailed operating assumptions and the major assumptions will be explained in a narrative format. Such budgets are to be submitted to the Parties as soon as possible, but in any event not later than 90 days after the date of this Agreement for the current Financial Year of the Company beginning in that date and within the period of 30 days before that beginning of each subsequent Financial Year and;
- (c) a monthly management report, which includes monthly profit and loss statements, cash flow statements, and balance sheets on a segmented and consolidated basis. The report will also refer to any material matter occurring in or relating to the period in question including statements of progress against the annual budget during the period and on a year to date basis and of any variation from the budget, as well as up-to-date financial forecasts for the balance of the relevant Financial Year. The monthly package will also include a narrative section describing recent industry events and/or trends, competition, financing developments and any other information which is reasonably relevant for disclosure to directors.

(2) **Inspection**

The Preferred Shareholders shall be entitled to examine the separate books, records and accounts to be kept by the Company and to be supplied with all information, including monthly management accounts and operating statistics and other trading and financial information, in such form as the Preferred Shareholders may reasonably require to keep properly informed about the business and affairs of the Company and generally to protect their interests. On reasonable notice, the Preferred Shareholder may appoint one or more representatives to visit any of the homes operated by the Company with the approval of the Chairman, such approval not be unreasonably withheld.

(i) **Matters requiring consent of holders of Preferred Shares**

Notwithstanding any other provisions of these Articles, the following matters shall require the consent in writing of the holders of the issued Preferred Shares:-

- (a) **Chairman:** the appointment or removal of the Chairman, Chief Executive Officer or Finance Director of the Company;
- (b) **Directors:** the appointment or removal of any Director;
- (c) **acquisitions and disposals:** any disposal or acquisition by the Company of any business, or any material part of any business, or any shares in any company (otherwise than in the ordinary course of business) or any other material assets in excess of £100,000;
- (d) **change in nature of business:** any material change in the nature or scope of the business of the Company taken as a whole or proposed engagement in any business not described in the Business Plan;
- (e) **change in organisation:** any material change in the organisation of the Company or its business (including, without limitation, any material closures or material redundancies);
- (f) **auditors and financial advisers:** the appointment or removal of the auditors or financial advisers of the Company;
- (g) **distributions:** the making of any distribution to the Shareholders including by way of cash dividend;
- (h) **new pension schemes:** the adoption of the Company of, or the participation by the Company in, any pension scheme;
- (i) **charges:** the creation of any mortgage, lien (other than a lien arising by operation of law), charge, encumbrance or other security interest of whatsoever nature in respect of all or any material part of the undertaking, property or assets of the Company;
- (j) **changes in share and loan capital:** any change in the authorised or issued share or loan capital of the Company or the creation or issue of any warrants, options or other rights over or for conversion into share capital;
- (k) **alteration to Memorandum and Articles:** any alteration to the Memorandum or the Articles;
- (l) **winding-up:** any proposal that the Company be wound-up;

- (m) **borrowings:** any borrowing by the Company (which shall include the entry into of any finance lease) other than by way of normal trade credit, for an amount (either alone or in aggregate with other borrowings) in excess of £150,000 and any such further borrowings in excess of £150,000 thereafter (or such other sum as may from time to time be agreed in writing by the Preferred Shareholders);
 - (n) **litigation:** the commencement, settlement or abandonment of litigation or admission of liability by the Company involving a dispute in relation to an amount in excess of £40,000;
 - (o) **partnerships and joint ventures:** the entry into by the Company of any partnership, joint venture or other profit sharing agreement;
 - (p) **material contracts:** the entry into by the Company of any contract, liability or commitment which:
 - (i) is of a long term (long term meaning, for this purpose, having a duration in excess of two (2) calendar years) or unusual nature; or
 - (ii) could involve an obligation of a material magnitude or nature (a liability for expenditure in excess of £100,000 being regarded as "material" for this purpose); or
 - (iii) is outside the ordinary course of business of the Company;
 - (q) **purchases by the Company:** the purchase or other acquisition by the Company of any share capital of the Company;
 - (r) **guarantees and indemnities:** any arrangement under which the Company would enter into any guarantee, indemnity or suretyship (whether or not legally binding) in respect of the liabilities or solvency of any third party or any similar obligation or the acceptance by any member of the Company for its benefit of any such arrangement;
 - (s) **Service Agreements:** any amendment to any of the Service Agreements or the termination of any of them by the Company for any reason.
- (j) **Class Rights: B Convertible Shares**

- (1) Save with Qualifying Consent and without prejudice to the restrictions contained in these Articles or in the Companies Act 1985 as to the modification of the rights attached to classes of shares and to the other restrictions in these Articles as to matters requiring the consent of the holders of the other classes of shares or the provisions of the Shareholders Agreement, none of the actions or events set out in this Article shall be effected or permitted to occur:-
- (a) any allotment or issue of equity share capital for cash without the holders of the Ordinary Shares having first been offered (by written offer from the Company open for acceptance for at least fourteen clear days) a prior right to subscribe for the same (and in the case of competition between them, pro rata to their respective holdings of Ordinary Shares on the date the offer is made PROVIDED THAT no applicant shall be obliged to take more than any maximum number of shares he may specify in his acceptance);
 - (b) any Sale or Listing or redemption or repurchase of the 224,271 Preferred Shares in issue on the date of adoption of this Article (or other return of capital or payment of dividend thereon prior to the redemption date of such Preferred Shares) in breach of or on terms inconsistent with the letter from Warburg Pincus and Friarsfield Limited to the original holders of the B Convertible Shares dated 26 February 1998;
 - (c) the payment by the Company of any dividend on the Ordinary Shares otherwise than on a pari passu per share basis;
 - (d) any alteration to (including deletion of) Articles 4(e) or (f) (as adopted by resolution dated 26 February 1998) or to this Article 4(j) of the Company's Articles of Association; or
 - (e) the entry by the Company into any agreement commitment or arrangement to do any of the foregoing.
- (2) For the purposes of this Article 4(j) "Qualifying Consent" means:
- (a) provided that all holders of B Convertible Shares have been notified of the proposed terms of such consent in writing, the consent in writing of the holder or holders

of not less than 51 per cent (in nominal value) of the B Convertible Shares at the relevant time; or

- (b) the consent of such holder(s) given by resolution passed by such holder(s) voting in favour of the same, whether in person or by proxy or corporate representative at a duly convened general meeting of which notice specifying in reasonable detail the matter or action requiring consent has been given.

- (3) References in this Article 4(j) to B Convertible Shares shall include (as if B Convertible Shares) any Deferred Shares which are in a Restricted Period for the purposes of Article 4(f)(iv) above.

(k) Class Rights: A Ordinary Shares

- (1) Save with Qualifying Consent and without prejudice to the restrictions contained in these Articles or in the Companies Act 1985 as to the modification of the rights attached to classes of shares and to the other restrictions in these Articles as to matters requiring the consent of the holders of other classes of shares or the provisions of the Shareholders Agreement, none of the actions or events set out in this Article shall be effected or permitted to occur:-

- (a) any allotment or issue of equity share capital for cash without the holders of the Ordinary Shares having first been offered (by written offer from the Company open for acceptance for at least fourteen clear days) a prior right to subscribe for the same (and in the case of competition between them, pro-rata to their respective holders of Ordinary Shares on the date the offer is made PROVIDED THAT no applicant shall be obliged to take more than any maximum number of shares he may specify in his acceptance);
- (b) any alteration to (including deletion of) this Article 4(k) of the Company's Articles of Association; or
- (c) the entry by the Company into any agreement commitment or arrangement to do any of the foregoing.

- (2) For the purposes of this Article 4(k) "Qualifying Consent" means:

- (a) provided that all holders of A Ordinary Shares have been notified of the proposed terms of such consent in

writing, the consent in writing of the holder or holders of not less than 95 per cent (in nominal value) of the A Ordinary Shares at the relevant time; or

- (b) the consent of such holder(s) given by resolution passed by such holder(s) voting in favour of the same, whether in person or by proxy or corporate representative at a duly convened general meeting of which notice specifying in reasonable detail the matter or action requiring consent has been given.

(1) Appointment and removal of directors

- (1) The Preferred Shareholder(s) shall be entitled at any time and from time to time to appoint a total of two (2) directors as Preferred Directors and to remove or replace any Preferred Director appointed.
- (2) The Preferred Shareholders shall be entitled to appoint a majority of directors to the Board in the event that any party to the Shareholders Agreement (as defined below) (other than Warburg Pincus) is in default under the terms of the Shareholders Agreement dated March 1994 and made between Warburg Pincus Investors, L.P., John McAllister, Roy Hayfield, Michael Stratford, Simon Bishop, Friarsfield Limited and the Company (the Shareholders Agreement).
- (3) Every appointment and removal of a director under paragraphs (1) and (2) of this Article 4(1) shall be effected by notice in writing signed by or on behalf of the Preferred Shareholder(s) and shall take effect immediately upon receipt of such notice at the registered office of the Company or by the Secretary or as and from such date (if any) thereafter as may be specified in such notice.

TRANSFER OF SHARES

- 5.1 All transfers of shares shall be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or re-enactment thereof for the time being in force) or in any other form which the directors may approve.
- 5.2 Subject as provided in Article 5.3, or as may otherwise be agreed in writing by the holders of not less than 95% in nominal value of the Ordinary Shares in issue for the time being, no Ordinary Shares or any interest therein shall be transferred except in accordance with the following provisions of this Article 5.2, provided always that nothing in this Article shall prohibit (i) any transfer of Ordinary Shares in circumstances where such transfer is, pursuant to the

Shareholders' Agreement, agreed not to be subject to the pre-emption provisions in this Article or (ii) any transfer or proposed transfer of any Ordinary Shares by Warburg Pincus.

- (a) If any holder of Ordinary Shares (*the Seller*) proposes to transfer all or some of the Ordinary Shares held by it (*the Seller's Shares*), then, subject as provided in paragraph (b) of this Article 5.2, the Seller shall give to the other Ordinary Shareholders (*the Continuing Parties*) notice in writing (*a Transfer Notice*) of such proposal together with details of the proposed third party purchaser thereof, which must be a bona fide arm's length purchaser (*the Third Party Purchaser*), the purchase price and other material items agreed between the Seller and the Third Party Purchaser. A Transfer Notice shall, except as hereinafter provided, be irrevocable.
- (b) Paragraph (a) of this Article 5.2 shall not apply where the proposed transferee of the Seller's Shares is:-
 - (i) where the Seller's Shares are A Ordinary Shares, a holder of A Ordinary Shares; or
 - (ii) where the Seller's Shares are B Convertible Shares, a holder of B Convertible Shares; or
 - (iii) a Related Party (as hereinafter defined) of the Seller provided always that neither the Related Party nor any Associate of or person connected with such Related Party carries on or is engaged, concerned or interested in any business in the United Kingdom which competes with the business of the Company or any subsidiary of the Company. For these purposes, whether a person is connected with a Related Party shall be determined in accordance with section 839 of the Income and Corporation Taxes Act 1988 as in force at the date of the passing of the resolution adopting this Article.

In this paragraph (b):-

"Related Party" means in relation to any Seller (i) any Associate of such Seller (ii) the trustees or managers or beneficiaries of any investment fund or trust controlled or managed by such Seller provided such investment fund or trust is or has been a Shareholder (iii) any limited partnership carrying on (or which on acquisition of the Seller's Shares will be a partnership carrying on) investment business or whose primary activity is the making of investments which is established by or controlled by the Seller or any Associate of the Seller or which has as its general partner such Seller or an Associate of the Seller or (iv) any partner, limited partner or general partner for the time being of the

Seller or (v) who is a Nicholson Party, another Nicholson Party or (vi) who is an Alessandro Party, another Alessandro Party.

A "Nicholson Party" means all and any of Stoneyrun Inc., Eagleview III Associates LP, Green Tree Associates LP and:-

- (i) any company or partnership of which the whole of the voting and equity capital and rights are directly or indirectly beneficially owned and controlled by Mr Nicholson and members of his family or any trust under which the only beneficiaries are Mr Nicholson and members of this family and/or in respect of which Mr Nicholson is sole trustee or controls the rights of the trustee(s) to vote and otherwise exercise their powers; and
- (ii) any Associate of a company referred to in sub-paragraph (i) above

and members of the family of Mr Nicholson shall mean and include his wife and lineal descendants.

An "Alessandro Party" means all and any of Tiverton Holdings Limited, Sergus Investments S.A. and/or Lowton Holdings Limited and any Associate of such a company and Kent Alessandro and any member of his family or any trust under which the only beneficiaries are Mr Alessandro and/or members of his family and/or in respect of which Mr Alessandro is sole trustee or controls the rights of the trustee(s) to vote and otherwise exercise their powers. For these purposes any members of the family of Mr Alessandro shall mean and include him and Marisa Hontoria or any future spouse of Mr Alessandro and any lineal descendants of his.

"Associate" in relation to a company means a subsidiary or holding company for the time being of such company or a subsidiary for the time being of such a holding company.

If any person who has acquired Ordinary Shares pursuant to this paragraph (b) by reason of being a Related Party of the Seller subsequently ceases to be such a Related Party and fails within ten days of such event to transfer all the Ordinary Shares concerned to a continuing Related Party, then such person shall prior to so ceasing retransfer all the Ordinary Shares concerned to the original Seller or (in the case where the transfer was to a Nicholson Party or Alessandro Party), another Nicholson Party or Alessandro Party, as appropriate.

For the purpose of ensuring that a transfer of Shares is in accordance with the provisions of this paragraph (b) or that no circumstances have arisen whereby a Transfer Notice is required to be given under this

Article 6.2, the Board may from time to time require a member or past member (including any one or more of joint holders of Ordinary Shares) or the legal personal representatives or the trustee in bankruptcy of any member or any person named as a transferee in any instrument of transfer lodged for registration, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Board within a reasonable time after request (not being less than ten days), the Directors may refuse to register the transfer in question or, if such information or evidence discloses that in the reasonable opinion of the Board a Transfer Notice ought to have been given in respect of any Ordinary Shares, the Board may by notice in writing require that a Transfer Notice be given in respect of the Ordinary Shares concerned.

- (c) On receipt of the Transfer Notice, each Continuing Party shall have the right to purchase all (but not some only) of the Seller's Shares at the purchase price specified in the Transfer Notice (or at such other price as shall be agreed between the Seller and the Continuing Parties) by giving written notice to the Seller within thirty (30) days of receipt of the Transfer Notice (*the Acceptance Period*). If any Continuing Parties together give notice to purchase more Shares than are comprised in the Seller's Shares, the Seller's Shares shall be allocated among such Continuing Parties pro-rata to the number of Ordinary Shares and Deferred Shares in a Restricted Period held by such Continuing Parties except that no Continuing Party shall be obliged to purchase more than the number of Seller's Shares he specified in his original acceptance.
- (d) The Continuing Parties shall become bound to purchase (in the proportions aforesaid) the Seller's Shares concerned on giving written notice to the Seller to exercise their rights to buy such Seller's Shares under paragraph (c) of this Article 5.2, subject to paragraph (e)(i) below. In such event, completion of the sale and purchase of the relevant Seller's Shares shall take place within thirty (30) days after the end of the thirty (30) day period referred to in paragraph (c).
- (e) If the Continuing Parties do not exercise their rights under paragraph (c) of this Article 5.2 to purchase all of the Seller's Shares, the Seller shall be entitled (i) to give written notice to the Continuing Parties within fifteen (15) days of the end of the period of thirty (30) days referred to in paragraph (c) of this Article 5.2 withdrawing the Transfer Notice and (in that event) may transfer all (and not some only) of the Seller's Shares on a bona fide arm's length sale to the Third Party Purchaser at a price being not less than the purchase price specified in the Transfer Notice or (ii) to transfer those of the Seller's Shares not to be purchased by the Continuing Parties under paragraph (d) of this Article 5.2 on a bona fide arm's length sale to the Third Party

Purchaser at a price being not less than the purchase price specified in the Transfer Notice, PROVIDED THAT any such transfer to the Third Party Purchaser shall have been completed within a period of ninety (90) days after the expiry of the thirty (30) day period referred to in paragraph (c) of this Article 5.2.

- (f) The Seller shall use all reasonable endeavours (but without involving any financial obligation on its part) to procure that the Transfer Notice given by it under paragraph (a) of this Article 5.2 shall be accompanied by an offer to the Continuing Parties from the Third Party Purchaser to purchase all the Ordinary Shares held by the Continuing Parties on the same terms as are set out in the Transfer Notice, which offer shall be expressed to be (i) irrevocable without the written consent of the Continuing Parties, (ii) governed by English law and (iii) open for acceptance by the Continuing Parties during the Acceptance Period. If the Transfer Notice is not accompanied by such an offer:
 - (a) the Acceptance Period for the purposes of paragraph (c) of this Article 5.2 shall, notwithstanding the terms of paragraph (c), be extended to a period of sixty (60) days from the date of receipt of the Transfer Notice;
 - (b) the Seller shall use all reasonable endeavours during the extended Acceptance Period (but without involving any financial obligation on its part) to procure that the Third Party Purchaser shall make an offer to the Continuing Parties as aforesaid and that the Continuing Parties shall be enabled to participate fully at their own expense in all negotiations and discussions between the Seller and the Third Party Purchaser or their respective agents; and
 - (c) subject to any obligations of confidentiality owed to third parties, the Seller shall permit the Continuing Parties to have full access to all documents and information in the possession or under the custody and control of the Seller directly or indirectly related to the intended transfer of the Seller Shares to the Third Party Purchaser and which the Continuing Parties may require in connection with such negotiations and discussions.

- 5.3 If the holders of not less than 95% in nominal value of the Ordinary Shares in issue for the time being (together the "Selling Shareholders") propose to transfer all their interest in such Ordinary Shares to a person who is not already a member of the Company and who is a bona fide arm's length purchaser of such Ordinary Shares (the "Third Party Purchaser"), the Selling Shareholders shall have the right (the "Call Option") to require all the other holders of Ordinary Shares (the "Called Shareholders") to transfer all their

Ordinary Shares to the Third Party Purchaser, or as the Third Party Purchaser shall direct, in accordance with this Article 5.3.

- 5.3.1 The Selling Shareholders may exercise the Call Option by giving notice in writing to that effect (a "Call Notice") to all other Ordinary Shareholders at any time on or before the transfer of their Ordinary Shares. A Call Notice shall specify that the Called Shareholders are required to transfer all their Ordinary Shares (the "Called Shares") pursuant to this Article 5.3, the price at which the Called Shares are to be transferred (calculated in accordance with Article 5.3.3) and the proposed date of transfer.
- 5.3.2 A Call Notice shall be irrevocable once given by the Call Notice and all obligations thereunder will lapse if for any reason there is not a transfer of shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Call Notice.
- 5.3.3 The Called Shareholders shall be obliged to transfer all their Called Shares at the same price per Ordinary Share and otherwise on the same terms, or on no more onerous terms, as the terms on which the Selling Shareholders transfer, or are to transfer, their Ordinary Shares to the Third Party Purchaser.
- 5.3.4 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 5.3.5 None of the provisions of Article 5.2 shall apply to any transfer, or proposal to transfer, any Ordinary Shares to a Third Party Purchaser (or as it may direct) in respect of which the Selling Shareholders have served a Call Notice.
- 5.3.6 If any Called Shareholder does not on completion of the sale of the Called Shares execute a transfer and such other documents as may be executed by the Selling Shareholders in connection with the sale of their Ordinary Shares in respect of the Called Shares held by him or her, the directors of the Company shall be irrevocably authorised and entitled:-
 - (a) to instruct such person as they shall think fit (who may be a director of the Company) to execute and deliver all transfer(s) and (as appropriate) other sale documentation on his or her behalf that are necessary or required to effect or complete the sale of the Called Shares;
 - (b) to give receipt for the purchase monies or other consideration payable in respect of the sale of the Called Shares and to hold

such monies for the Called Shareholders entitled thereto pending their distribution on such terms (without obligation to earn interest) as they shall see fit, but separately from the monies of the Company;

- (c) to register the Third Party Purchaser (or as it may direct) as the holder of the Called Shares (whether or not any certificate for the same shall be delivered to the Company); and
- (d) to forward such monies or consideration as are referred to in paragraph (b) above to the Called Shareholder concerned at his or her address as noted in the register of members of the Company.

After the Third Party Purchaser (or his nominee) has been registered as the holder of the Called Shares, the validity of actions carried out pursuant to this Article 5.3 shall not be questioned by any such person whatsoever.

PROCEEDINGS AT GENERAL MEETINGS

- 6.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The quorum at a general meeting shall consist of at least two Shareholders each of whom is present in person or by proxy or, in the case of a corporation, by a duly authorised representative and one of whom is a proxy for or duly authorised representative of the Warburg Pincus entity which, from time to time, is the registered holder of the Ordinary Shares.
- 6.2 If a quorum is not present within one (1) hour from the time appointed for a general meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place if a quorum is again not present, then at such adjourned meeting the member or members present shall form a quorum and a resolution shall be valid if passed by a majority vote irrespective of which member or members vote in favour of its being passed (provided that this shall only be the case for the purpose of the transaction of the business specified in the agenda contained in the notice of the meeting).

VOTES OF MEMBERS

- 7.1 Subject to any rights or restrictions attached to any shares, each member who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative shall have one vote for every share of which he is the holder.
- 7.2 The Chairman shall not have a casting vote in the event of equality.

NUMBER OF DIRECTORS

8. The Board shall consist of up to six directors of whom not more than four (4) shall be appointed by the holders of A Ordinary Shares in the Company and not more than two (2) shall be Preferred Directors, provided that if the right of the Preferred Shareholders in Article 4(1) to appoint the majority of directors to the Board becomes exercisable, the maximum number of directors shall be increased to nine and the Preferred Shareholders shall be entitled to appoint such additional Directors.

PROCEEDINGS OF DIRECTORS

9. Any director may, and the Secretary shall on the requisition of any director, at any time summon a meeting of the directors. At least fourteen (14) days written notice shall be given to each of the members of the Board of any meeting of the Board, provided always that a shorter period of notice may be given with the written approval of at least one Preferred Director (or his alternate). Any such notice shall contain, inter alia, an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting.
- 9.1 The quorum for the transaction of business at any meeting of the Board (other than an adjourned meeting) shall be at least two directors and shall include at least one Preferred Director (or his alternate) and one other director present at the time when the relevant business is transacted except that if any Default Event (as defined in clause 13.1 of the Shareholders Agreement) applies in relation to any party to the Shareholders Agreement (other than Warburg Pincus) then such quorum shall be at least two directors and shall include at least two Preferred Directors (or their alternates) present at the time when the relevant business is transacted.
- 9.2 If such a quorum is not present within thirty minutes from the time appointed for a meeting of the directors or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned for not more than three Business Days at the same time and place and at that adjourned meeting any two directors (or their alternates) present shall constitute a quorum.
- 9.3. If and so long as the number of the directors is reduced below the quorum prescribed by Article 9.1, the continuing directors may act for the purpose of convening a general meeting of the Company but for no other purpose.
- 9.4 A resolution which has been agreed upon by all the directors for the time being entitled to receive notice of a meeting of the directors or of a committee of the directors shall, provided that such directors include all Preferred Directors, be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) at a committee of the directors duly convened and held and for this purpose:
- (a) a resolution to which an alternate director has agreed need not also be agreed to by his appointor; and

- (b) a resolution to which a director who has appointed an alternate director has agreed need not also be agreed to by the alternate director in that capacity.

9.5 At any meeting of the Board the Chairman shall not have a casting vote.

9.6 Without prejudice to the first sentence of regulation 88 of Table A, a meeting of the directors or of a committee of the directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles and in Table A shall be construed accordingly.

As amended by the Written Resolution passed on 30 October 2001

- "1. **THAT** the Articles of Association of the Company be amended by the inserting the following at Article 2.1 (a) and amending the subsequent clause numbering accordingly: "(a) regulation 8".
2. **THAT** the Articles of Association be amended by the insertion of a new Article 10 as follows:

"Notwithstanding anything otherwise provided in these articles (whether by way of or in relation to pre-emption rights, restrictions on, or conditions applicable to, share transfers, or otherwise), the directors shall not decline to register any transfer of shares nor suspend registration thereof:

- (a) where such a transfer is in favour of a person who has made or is proposing to make loan facilities available to the Company or to any person of which the Company is a subsidiary (as defined in section 736 of the Companies Act 1985) (a "Lender") or in favour of any nominee of a Lender and the transfer is as contemplated by, or pursuant to, any mortgage or charge of shares or any call or other share option granted in favour of the Lender; or
- (b) where such transfer is by or on behalf of a Lender or any nominee of a Lender in favour of any third party upon disposal or realisation of shares following the Lender having become entitled to exercise or enforce its rights under any such mortgage, charge, and/or call or other option

and a certificate of the Lender that the relevant transfer is within paragraph (a) or (b) above shall be conclusive evidence of that fact."