

THE COMPANIES ACTS 1985 - 1989

4196006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- OF -

THE EQUITY PARTNERSHIP LIMITED

(Adopted by Written Resolution passed on 10 March 2004)

Certified True Copy



SECRETARY



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- OF -

THE EQUITY PARTNERSHIP LIMITED

(the "Company")

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1 TABLE A

- 1.1 The articles of association of the Company (the "**Articles**") shall comprise the regulations contained herein together with the regulations contained in 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 "**Regulations**"), save insofar as they are excluded or modified by, or are inconsistent with, the regulations contained herein. In the event of any conflict between the Regulations and the Articles, the relevant Article(s) shall prevail and take effect.
- 1.2 Regulations 2, 24, 25, 40, 41, 46, 50, 51, 52, 54, 64, 65, 73, 74, 75, 80, 87, 89, 96, 101 and 118, the third and fifth sentence of Regulation 88 and the last sentence of Regulation 112 of Table A shall not apply to the Company.

2 DEFINITIONS AND INTERPRETATION

- 2.1 In these Articles the following expressions shall have the following meanings:

Accounts

the audited balance sheet and profit and loss account of the Company or, if at the relevant time the Company has any subsidiary undertaking(s), a consolidation of the audited balance sheets and profit and loss accounts of the Company and its subsidiary undertaking(s), for each financial year, to be

prepared under the historical cost convention and in accordance with generally accepted accounting practices in the United Kingdom including statements of standard account practice and financial reporting standards) issued pursuant to section 256 of the Act by the Accounting Standards Board Limited (number 2526824) or such other body prescribed by the Secretary of State from time to time pursuant to section 256 of the Act;

Act the Companies Act 1985 (as amended from time to time);

Auditors the auditors of the Company from time to time;

Bad Leaver

- (i) a Manager who is no longer an Employee of any Group Company where the Manager's employment contract is terminated by reason of him:-
 - (a) being guilty of any dishonesty in relation to any Group Company, gross misconduct or wilful neglect of duty or committing any serious or persistent breach of a material term of his employment contract; or
 - (b) having a bankruptcy order made against him or entering into a voluntary arrangement within the meaning of section 253 Insolvency Act 1986 which in the opinion of the Board may bring the Manager, the Company or any Group Company into disrepute or discredit or which renders the Employee unable to discharge his duties for any period; or
 - (c) being convicted of a criminal offence (other than a minor motoring offence) which in the opinion of the Board may bring the Employee, the Company or any Group Company into disrepute or discredit or which renders the Employee unable to discharge his duties for any period; or
 - (d) voluntarily resigning his employment (other than by constructive dismissal) save where the Board determines that the Manager shall not be a Bad Leaver in such circumstances in which case he shall be regarded as a Good Leaver;
- (ii) a Manager who at any time during the period of 12 months after a Manager has ceased to be an Employee of any Group Company, breaches any of the material undertakings set out in his employment contract or the Shareholders' Agreement relating to non-competition, non-solicitation (including as to with Group Company customers, clients or

employees), or employment of Group Company employees, where the Board reasonably considers this has or has had a detrimental effect on any Group Company and for these purposes if the Manager is a director he shall not be entitled to vote on any resolution relating to the matter;

Board	the board of directors of the Company (or any duly authorised committee thereof) from time to time;
Business Day	a day (other than a Saturday or Sunday) on which clearing banks are ordinarily open for business in London;
Controlling Interest	as defined in Article 10.2.2;
Deferred Shares	the deferred shares of 1 penny each in the capital of the Company;
Employees	shall mean employees of or consultants to any Group Company;
Family Member	in relation to any individual, the spouse or widow or widower of such person and his or her children and grandchildren (including step and adopted children and the issue of such step and adopted children) and his or her parents, brothers and sisters, from time to time;
Family Trust	in relation to a member who is a settlor, a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that settlor and/or a Family Member of that settlor or, in default of any such beneficiaries, in favour of one or more charities, and under which no power or control is capable of being exercised over the votes of any Ordinary Shares which are the subject of the trust by any person other than the trustee or the settlor or the Family Member of the settlor;
Good Leaver	<p>a Manager who is no longer an Employee of any Group Company in consequence of:-</p> <ul style="list-style-type: none">(a) his death; or(b) his retirement at normal retirement age (as determined by the relevant Group Company's policy from time to time); or(c) the termination of the Employee's employment by any Group Company, in accordance with his contract of employment, on the grounds of illness or other incapacity (whether physical or mental) of the Employee; or

	(d) the Employee being made redundant or otherwise being dismissed in circumstances where the Employee is not in breach of his employment contract, including, without limitation, for unfair dismissal or wrongful dismissal from the relevant Group Company; or
	(e) any other circumstances in which he is not a Bad Leaver;
Group	the Company and its subsidiary undertaking(s) (if any) from time to time and references to " Group Company " and " members of the Group " shall be construed accordingly;
Listing	the admission of any of the issued share capital of the Company to (i) the list maintained by the Financial Services Authority, acting in its capacity as competent authority under the Financial Services Act 1986, pursuant to Part IV of the Financial Service Act 1986 and to trading on the London Stock Exchange plc or on AIM, or (ii) any other recognised stock exchange;
Managers, or Management	each and both of Jo Mark Pole Welman and Ravi Shankar, as the context may require and, for the purposes of Article 9 and the definitions of Good Leaver and Bad Leaver, including any person holding Ordinary 'B' Shares;
Member	a holder of any Ordinary Share(s) from time to time;
Member of the same Group	as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;
Ordinary Shares	the ordinary shares of 1 penny each in the capital of the Company and, for the avoidance of doubt, such term does not include the Ordinary 'B' Shares;
Ordinary 'B' Shares	the ordinary 'B' shares of 1 penny each in the capital of the Company;
Permitted Transfer	any transfer of Ordinary Shares or Preferred Shares permitted under Article 7 (and Permitted Transferee shall be construed accordingly);
Preference Dividend	as defined in Article 3.4;
Preferred Shares	the cumulative convertible redeemable preference shares of £1.00 each in the capital of the Company;
Redemption Price	£1 per Preferred Share plus any arrears and accruals of Preference Dividend in respect of each Preferred Share attributable to the financial year of the Company in which the redemption falls calculated on a daily basis down to and

including the redemption date;

Shareholder Party

any party to the Shareholders' Agreement, other than the Company;

Shareholders' Agreement

the shareholders' agreement dated 10 March 2004 between (1) the Company, (2) the Managers, (3) The Equity Partnership Employee Benefit Trust Company Limited (for and on behalf of The Equity Partnership Employee Benefit Trust), (4) BRIT Insurance Holdings PLC, (5) The Equity Partnership Investment Company PLC, and (6) Strand Associates Limited, as such may be amended and novated from time to time;

Trade Sale

either:

- (a) the sale or transfer of shares to any person or persons acting in concert with such person which would result if made and registered in that person or persons acting in concert with that person obtaining a Controlling Interest; or
- (b) any other transaction or series of related transactions resulting in the disposal of all or a substantial part of the business of the Company in circumstances where the proceeds of the transaction or series of related transactions are distributed or returned to Shareholders (in whole or in part);

Valuer

an independent chartered accountant or independent investment banker, acting as an expert and not as an arbitrator such that the Arbitration Act 1996 shall not apply, to be appointed by the Company, or in the event of written objection to such nomination by any Member within 7 days of such nomination, to be appointed by the President for the time being of the Institute of Chartered Accountants of England and Wales; and

Voting Power

has the meaning given to it in Article 2.2.11 below, except that where a Shareholder Party (or, in the case of a corporate Shareholder Party, any associate) is itself party to a proposed transaction with the Company, such interested Shareholder Party and its shareholdings (and those of its Permitted Transferees) shall not be included in any determination of the total Voting Power nor in determining whether the necessary per cent of Voting Power has been achieved in relation to any approval of such proposed transaction which may require the approval of a certain per cent of Voting Power pursuant to this Agreement.

2.2 In these Articles, save as otherwise specifically provided:

- 2.2.1 any words or expressions to which a particular meaning is given by the Act as in force at the date of adoption of these Articles (or, if later, of the relevant Article) shall have the same meanings;
- 2.2.2 the term “**connected person**” has the meaning attributed to it by section 839 Income and Corporation Taxes Act 1988 and “**connected with**” shall be construed accordingly;
- 2.2.3 references to “**Articles**” are references to provisions of these articles, unless otherwise stated.
- 2.2.4 references to a “**company**” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established and references to a “**person**” include any individual, firm, company, unincorporated association, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- 2.2.5 a reference to an agreement or other document is a reference to that agreement or document as supplemented or amended from time to time;
- 2.2.6 the words “**include**” and “**including**” are to be construed without limitation, general words introduced by the word “**other**” are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- 2.2.7 a reference to a date which is not a Business Day shall be construed as a reference to the next succeeding Business Day;
- 2.2.8 headings are for convenience only and shall not affect their meaning;
- 2.2.9 “**from time to time**” shall include the expression “for the time being”;
- 2.2.10 references to “**employees**” shall also be deemed to include references to consultants, and references to contracts of employment and to commencement or cessation of employment shall be deemed to include contracts for consultancy and commencement or cessation of consultancy;
- 2.2.11 the **Voting Power** held by a Shareholder Party shall be determined by reference to the maximum number of votes which may (at the relevant time) be cast by that Shareholder Party on a poll on all resolutions at a general meeting of the Company, and references to the proportion of Voting Power held by a Shareholder Party shall be to such maximum number of votes as a proportion of the total number of votes which could be cast on that poll, assuming that votes are cast in respect of all of the Ordinary Shares in the Company and disregarding for this purpose any restrictions on voting imposed by the Shareholders' Agreement, the Articles or by the general law on the Company's Ordinary Shares; and

2.2.12 the term “**equity share capital**” shall have the meaning attributed to it in section 744 of the Act.

2.3 A reference to any statutory provision in these Articles:

2.3.1 includes any order, instrument, plan, regulation, permission and direction made or issued under such statutory provision or deriving validity from it;

2.3.2 is to be construed as a reference to such statutory provision as in force at the date of adoption of these Articles; and

2.3.3 is also to be construed as a reference to any statutory provision of which that statutory provision is a re-enactment or consolidation or to any later statutory provision which re-enacts or consolidates it.

2.4 In these Articles an “**Investor Consent**” or an “**Investor Direction**” means the giving of a prior written consent or direction by the holders of not less than 75% in nominal value of the Ordinary Shares in issue from time to time.

2.5 A reference in these Articles to the transfer of any share shall mean the transfer of either or both of the legal and beneficial ownership in such share and/or an agreement and/or the grant of an option to acquire either or both of the legal and beneficial ownership in such share and the following shall be deemed (but without limitation) to be a transfer of a share:

2.5.1 any direction (by way of renunciation or otherwise) by a Member entitled to an allotment or issue of any share in the equity share capital of the Company that such share be allotted or issued to some person other than himself;

2.5.2 any sale or other disposition of any legal or equitable interest in a share in the equity share capital of the Company (including any voting right attached thereto) or the granting of any mortgage or charge or any other security interest over any share and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing; and

2.5.3 any grant of a legal or equitable mortgage or charge over any share.

3 SHARE CAPITAL AND RIGHTS

3.1 The authorised share capital of the Company at the date of adoption of these Articles is £861,111 divided into 1,000,000 Ordinary Shares, 111,100 Ordinary ‘B’ Shares and 850,000 Preferred Shares.

3.2 The holders of the Preferred Shares shall have the right to receive notice of and attend all general meetings of the Company but shall not have the right to speak or vote at a general meeting of the Company unless:

3.2.1 a resolution is to be proposed which varies, modifies, alters or abrogates any of the rights, privileges, limitations or restrictions attaching to the Preferred Shares; or

3.2.2 a resolution is to be proposed for the winding up of the Company or for the appointment of an administrator or the approval of a voluntary arrangement or if a receiver or administrative receiver shall have been appointed over the Company or over any of its assets and shall not have been discharged.

3.3 Whenever the holders of the Preferred Shares are entitled to vote at a general meeting of the Company upon any resolution proposed at such a general meeting, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every holder of Preferred Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for each Preferred Share held by him.

3.4 The Preferred Shares shall confer the right upon Members holding Preferred Shares to receive a fixed cumulative preferential dividend (the "**Preference Dividend**"). The Preference Dividend shall be:

3.4.1 up until (and including) the second anniversary of the adoption of these Articles, an amount equal to 5 per cent of the subscription price (inclusive of any premium) paid for each Preferred Share then outstanding; and

3.4.2 after the second anniversary of the adoption of these Articles, an amount equal to 7.5% of the subscription price (inclusion of any premium) paid for each Preferred Share then outstanding,

in respect of each financial year of the Company until redemption of such Preference Share and proportionately for any part of a financial year. Subject to the provisions of the Act, the accrued Preference Dividend shall be paid each year on 15 January and 15 July (or within 3 Business Days of such dates).

3.5 The Ordinary Shares carry the right to a dividend from time to time and the right to attend and vote at general meetings, subject to the provisions of these Articles.

3.6 The Ordinary 'B' Shares rank *pari passu* with the Ordinary Shares in all respects except that the Ordinary 'B' Shares do not carry the right to vote at any general meeting.

3.7 Subject to Article 3.8, the Members holding Preferred Shares may at any time after the second anniversary of the adoption of these Articles by notice in writing given to the Company convert all or any of their Preferred Shares on the basis that 55,000 Preferred Shares shall convert into 8,108 Ordinary Shares and 5,491,822 Deferred Shares provided that no Member holding Preferred Shares may convert less than 55,000 Preferred Shares at a time and every conversion must be of a number of Preferred Shares divisible by 55,000. Subject to Article 3.9, the conversion shall take place ten Business Days following the date of delivery of the notice of conversion to the Company (or, if later, as specified in the notice). In the event of any variation in the share capital of the Company (including, without limitation, a rights issue, a capitalisation issue, a subdivision or consolidation of share capital or a reduction of share capital), the number of Ordinary Shares and Deferred Shares into which each 55,000 Preferred Shares may be converted pursuant to this Article 3.7 shall be

adjusted by the Company in such manner as the Auditors shall confirm in writing as being in their opinion fair and reasonable.

- 3.8 In the event that the Company is unable to pay the Preference Dividend when it falls due, Members holding Preferred Shares may exercise their conversion rights in accordance with Article 3.7 notwithstanding the fact that the second anniversary of the adoption of these Articles may not have passed.
- 3.9 In this Article 3, "**conversion date**" means the date and time on which Preferred Shares are to be converted in accordance with Article 3.7. Each Member holding Preferred Shares shall deliver the certificate(s) for those shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate(s)) to the Company on or before the conversion date. Upon receipt of the surrendered share certificate(s) (or an appropriate indemnity), the Company shall then issue to those Members certificates for the Ordinary Shares and Deferred Shares arising on conversion.
- 3.10 The Ordinary Shares arising on conversion of the Preference Shares shall rank *pari passu* in all respects with the issued Ordinary Shares and shall entitle the holders of them to all dividends and other distributions declared, made or paid by reference to a record date on or after the conversion date on the Ordinary Shares save that any entitlement to dividend attributable to such new Ordinary Shares in respect of the financial year of the Company in which the conversion date falls shall accrue on a daily basis as from (but excluding) the conversion date.
- 3.11 The Company may at any time by giving notice in accordance with Article 3.13.1 to the Members holding Preferred Shares redeem for cash at the Redemption Price all or any of the Preferred Shares provided that the Company may not redeem less than 55,000 Preferred Shares at a time and every redemption must be of a number of Preferred Shares divisible by 55.
- 3.12 On a Listing or on a Trade Sale (but conditionally upon such listing being obtained or such Trade Sale taking place) the Company shall redeem all of the Preferred Shares then in issue for cash at the Redemption Price.
- 3.13 In this Article 3, "**redemption date**" means the date and time on which Preferred Shares are to be redeemed in accordance with Article 3.11 or 3.12. Any Preferred Shares to be redeemed pursuant to Article 3.11 or 3.12 shall be redeemed on the redemption date upon, and subject to, the following terms and conditions:
- 3.13.1 the Company shall give the Member(s) holding Preferred Shares written notice of redemption not later than ten Business Days prior to the redemption date which notice shall be irrevocable and shall fix the time and place for such redemption and shall specify the Preferred Shares to be redeemed, such Preferred Shares to be redeemed amongst the Member(s) holding Preferred Shares for the time being in the proportion in which their holding of Preferred Shares bears to the total number of Preferred Shares outstanding prior to each such redemption. At the time and place so fixed the registered holders of the Preferred Shares to be redeemed shall be bound to deliver to the Company the share certificate(s) for such Preferred Shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share

certificate(s)) for cancellation upon which event the Company shall pay to the relevant Member(s) the Redemption Price payable in respect of the redemption of each Preferred Share redeemed by such Member(s) respectively.

- 3.13.2 if any Member holding Preferred Shares whose shares are liable to be redeemed under Article 3.11 or 3.12 shall fail or refuse to deliver up the share certificate(s) for his Preferred Shares, the Company may retain the redemption monies payable until delivery up of the share certificate(s) (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate(s)) and shall within ten Business Days after such delivery pay the redemption monies due to the relevant Member. No Member holding Preferred Shares shall have any claim against the Company in respect of interest on monies retained pursuant to this Article 3.13.2.
- 3.14 On a return of capital on liquidation, winding up, or otherwise (except on a redemption or purchase by the Company of any of its shares) a holder of Preferred Shares shall be entitled, out of the assets available for distribution to shareholders of the Company, to repayment of the original issue price of £1 per Preferred Share held in priority to any distribution or repayment of capital upon any Ordinary Shares or Ordinary 'B' Shares to a holder of any Ordinary Shares or, as the case may be, Ordinary 'B' Shares.
- 3.15 On a winding up or other return of capital, if the assets of the Company available for distribution to result in the holders of such shares being entitled to more than £1,000,000 per share then, in those circumstances, before any excess over the £1,000,000 per share is distributed, the holders of the Deferred Shares shall be entitled to receive an amount per share equal to the nominal value of each Deferred Share.
- 3.16 The issue of Deferred Shares upon the conversion of Preferred Shares in accordance with Article 3.7 shall be deemed to confer an irrevocable authority on the Company to purchase the Deferred Shares so created (in accordance with the provisions of the Act) for a sum equal to the nominal value of each Deferred Share as soon as possible after conversion.
- 3.17 The holders of the Deferred Shares shall have the rights set out in Articles 3.14 and 3.15 but otherwise shall not have any other rights.
- 3.18 Subject to Articles 9.8 and 7.3, notwithstanding any other provisions of these Articles, the directors of the Company may, in their sole discretion, refuse to register a transfer of any Preferred Shares or Ordinary 'B' Shares, without giving any reason therefor. Notwithstanding any other provisions of these Articles, the directors of the Company may, in their sole discretion, refuse to register a transfer of any relevant Ordinary Shares pending any determination as to whether a Manager may be a Bad Leaver.

4 PURCHASE OF OWN SHARES

To the extent permitted by the Act, the Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

5 ISSUE OF SHARES

- 5.1 Subject to the provisions of the Act and the provisions of these Articles, (including (without limiting the generality of the foregoing) Article 5.2) all unissued shares in the equity share capital of the Company shall be at the disposal of the directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons at such times, and on such terms as they think proper.
- 5.2 Pre-emption.
- 5.2.1 All new Ordinary Shares which are offered for subscription shall be offered for subscription to the holders of Ordinary Shares in the proportion that the aggregate nominal value of the Ordinary Shares for the time being held respectively by each such holder bears to the aggregate nominal value of all the issued Ordinary Shares.
- 5.2.2 Such offer shall be made by written notice specifying the number of Ordinary Shares to which the holder is entitled and limiting a time period (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
- 5.2.3 After the expiration of such time period or on the receipt within such time period of confirmation from the holder to whom such notice is given that he declines to accept all or any part of the Ordinary Shares so offered, the other holders of the Ordinary Shares shall be entitled to subscribe for the declining holder's portion of such issue on a pro rata basis.
- 5.2.4 To the extent that any of the Ordinary Shares so offered thereafter remain not accepted, the directors may dispose of the same in such manner as they may think most beneficial to the Company provided that, in the case of Ordinary Shares not accepted as aforesaid, such Ordinary Shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Members.
- 5.2.5 If, owing to the inequality in the number of new Ordinary Shares to be issued and the number of Ordinary Shares held by Members entitled to have the offer of new Ordinary Shares, any difficulty shall arise in the apportionment of any such new Ordinary Shares amongst the Members such difficulties shall (in the absence of direction by the Company) be determined by the directors, subject to section 80 of the Act.
- 5.3 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- 5.4 Subject to the provisions of the Shareholders' Agreement, the directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares in the equity share capital of the Company up to the amount of the authorised share capital of the Company as at the date of adoption of these Articles at any time or times during the period of five years from the date of adoption of these Articles and the directors may, after that period, allot any shares or grant any

such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.

- 5.5 The lien conferred by regulation 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.
- 5.6 The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

6 TRANSFERS - GENERAL

- 6.1 Save as expressly provided or contemplated in these Articles, none of the Members shall transfer, sell, create or otherwise dispose of any interest in or over any of its Ordinary Shares:
- 6.1.1 unless the transfer:
- 6.1.1.1 is permitted by Article 7 (Permitted Transfers); or
- 6.1.1.2 is made in accordance with Article 8 (Pre-Emption), Article 9 (Compulsory Transfers), Article 10 (Tag-Along) or Article 11 (Drag-Along).
- 6.1.2 if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind.
- 6.2 An obligation to transfer an Ordinary Share under the Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Ordinary Share free from any lien, charge or other encumbrance.
- 6.3 No transfer of Ordinary Shares may be made in accordance with Article 7.1 to the Trustees of a Family Trust unless the Board is satisfied in its sole discretion:
- 6.3.1 with the terms of the instruments constituting the relevant Family Trust and in particular with the powers of the trustee including but not limited to the express power to give warranties and indemnities upon any disposal of the trust property;
- 6.3.2 with the identity of the trustees and the procedures for the appointment and removal of trustees; and
- 6.3.3 with the restrictions on changes to the terms of the trust instrument and on distributions by the trustees.

7 PERMITTED TRANSFERS

- 7.1 Any Manager or other Member who is an individual may at any time transfer any Ordinary Share to a Family Member over the age of 18 or (subject to Article 6.3) to the trustees of a Family Trust.
- 7.2 Any Member who is a trustee of a Family Trust may at any time transfer any Ordinary Share to:
- 7.2.1 the new or remaining trustees of the Family Trust upon any change of trustees; and
 - 7.2.2 any person becoming entitled to that Ordinary Share under the terms of that Family Trust.
- 7.3 Any Member which is a body corporate may at any time transfer any Ordinary Shares or Preferred Shares held by it to a Member of the same Group. Where Ordinary Shares or Preferred Shares have been transferred in accordance with this Article 7.3 (whether directly or by a series of such transfers) from a Member or former Member (the “**Transferor**”) to a Member of the same Group as the Transferor (the “**Transferee**”) and subsequent to such transfer the Transferee shall cease to be a Member of the same Group as the Transferor then the Transferee shall forthwith transfer all the Ordinary Shares or Preferred Shares held by it to the Transferor or to another Member of the same Group as the Transferor.
- 7.4 Each of the Members irrevocably waives all rights of pre-emption or otherwise pursuant to the Articles which it may have in respect of a Permitted Transfer.
- 7.5 A transfer of any Ordinary Share or Preferred Share pursuant to this Article 7 shall only be treated as a Permitted Transfer if it is a transfer of entire legal and beneficial interest in such share, free from any lien, charge or other encumbrance (save for any interested beneficiaries under the relevant Family Trust, where applicable).
- 7.6 If a Member ceases to be a Family Member of any Manager or other individual to whom shares are transferred by any Member holding shares as at the date of adoption of these Articles, then such former Family Member shall be obliged to transfer all shares held by him to the relevant Manager or individual. If such former Family Member shall not, within five Business Days, have complied with the provisions of this Article 7.6 and executed and delivered transfers in respect of the shares held by him and delivered certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then such former Family Member hereby irrevocably appoints each director from time to time of the Company as its attorney to execute and do all such deeds, documents and things in the name of and on behalf of such former Family Member as may reasonably be requested and/or required to give full effect to the provisions of this Article 7.6.

8 PRE-EMPTION

- 8.1 Except in the case of a transfer pursuant to Article 7 (Permitted Transfers), Article 9 (Compulsory Transfers), Article 10 (Tag-Along) or Article 11 (Drag Along), a Member who wishes to transfer any Ordinary Shares (the “**Seller**”) shall give notice

in writing of such wish to the Company (the "**Transfer Notice**") copied to the Members. Each Transfer Notice shall:

- 8.1.1 specify the number of Ordinary Shares which the Seller wishes to transfer (the "**Sale Shares**");
 - 8.1.2 specify the identity of any person to whom the Seller wishes to transfer the Sale Shares (the "**Proposed Transferee**");
 - 8.1.3 specify the price per share (the "**Sale Price**") at which the Seller wishes to transfer the Sale Shares;
 - 8.1.4 be deemed to constitute the Company the Seller's agent for the sale of the Sale Shares at the Sale Price in the manner prescribed by these Articles; and
 - 8.1.5 not be varied or cancelled (without Investor Consent or save where a Minimum Transfer Condition is not satisfied).
- 8.2 The Seller may provide in the Transfer Notice that unless buyers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such shares ("**Minimum Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this Article, if the Transfer Notice contains a Minimum Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers (including the Company, by way of redemption) for the minimum number specified in the Minimum Transfer Condition.
- 8.3 The Company shall on or before the fifth Business Day following receipt of the Transfer Notice give notice in writing, offering for sale the Sale Shares at the Sale Price, to each of the Members ("**Offer Notice**"). The notice shall specify that the Members shall have a period of 15 Business Days from the date of such notice within which to apply for some or all of the Sale Shares.
- 8.4 The Sale Shares shall be offered to each Member on terms that, in the event of competition, the Sale Shares offered shall be allocated to the Members accepting the offer in proportion (as nearly as may be) to their existing holdings of Ordinary Shares (the "**Proportionate Allocation**"). In his application for Sale Shares a Member may, if he so desires, indicate that he would be willing to purchase a particular number of Ordinary Shares in excess of his Proportionate Allocation ("**Extra Shares**").
- 8.5 Following receipt of applications from Members (other than the Seller) for the Sale Shares in accordance with Articles 8.3 and 8.4, the Company shall allocate the Sale Shares as follows:
- 8.5.1 if the total number of Sale Shares applied for is equal to the available number of Sale Shares, each Member shall be allocated the number applied for in accordance with his application;
 - 8.5.2 if the total number of Sale Shares applied for is less than the available number of Sale Shares, each Member shall (subject to Article 8.2) be allocated the number applied for in accordance with his application and the Company may,

in its sole discretion, elect to redeem all or part of such then remaining available Sale Shares as it may determine; or

- 8.5.3 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each Member shall firstly be allocated his Proportionate Allocation or such lesser number of Sale Shares for which he has applied and then secondly any applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Members applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the Ordinary Shares held by such Members.
- 8.6 Allocations of Sale Shares made by the Company pursuant to this Article shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares that he has indicated to the Company he is willing to purchase.
- 8.7 The Company shall forthwith upon allocating any Sale Shares give notice in writing (a "**Sale Notice**") to the Seller and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable therefor. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within five Business Days after the date of the Sale Notice whereupon the Seller shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and deliver to the Company the relevant share certificates or an indemnity in the form acceptable to the Board in respect of lost certificates.
- 8.8 Save in the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 8.7 the Company may receive such purchase money and may nominate and authorise any director to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause the name of the proposed transferee to be entered in the register of members as the holder of such Sale Shares and shall hold the purchase money on trust (without interest) for the Seller. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 8.7, the Company may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Seller.
- 8.9 If all the Sale Shares are not sold under the pre-emption provisions contained in Articles 8.1 to 8.8 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller and the Seller may at any time, within three calendar months after the date of such notification, transfer to the Proposed

Transferee any unsold Sale Shares at any price not less than the Sale Price, provided that:

- 8.9.1 if the Seller stipulated in the Transfer Notice a Minimum Transfer Condition which has not been satisfied, the Seller shall not be entitled to sell any Sale Shares; and
- 8.9.2 any such sale shall be a sale in good faith and any party to the Shareholders' Agreement may require to be satisfied (in such manner as it may reasonably think fit) that the Sale Shares are being sold for not less than the Sale Price without any deduction, rebate or allowance whatsoever and if not so satisfied (such satisfaction and confirmation of such satisfaction not to be unreasonably withheld or delayed) may require the directors to refuse to register the transfer.

9 COMPULSORY TRANSFERS

- 9.1 In this Article 9, a "**Transfer Event**" occurs, in relation to any Member, if that Member:
 - 9.1.1 shall make or offer or purport to make any arrangement or composition with its creditors generally;
 - 9.1.2 being a body corporate (provided that the body corporate is not deemed to be subject to Article 9.7):
 - 9.1.2.1 shall have a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets;
 - 9.1.2.2 shall have an administrator appointed in relation to it;
 - 9.1.2.3 shall enter into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
 - 9.1.2.4 shall have any equivalent action in respect of it taken in any jurisdiction;
 - 9.1.3 being an individual (provided that this Article 9.1.3 and Articles 9.2 to 9.6 shall not apply if the individual shall also be or be deemed to be a Bad Leaver, in which event Article 9.7 shall apply):
 - 9.1.3.1 shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction; or
 - 9.1.3.2 shall die;
 - 9.1.3.3 shall suffer from a mental disorder and shall be admitted to hospital or shall become subject to any court order referred to in Regulation 81(c); or
 - 9.1.3.4 shall be a Good Leaver prior to any Listing;

and within the following 12 months (or, in the case of Article 9.1.3.4, the earlier of the following 12 months or Listing) the Board shall resolve that such event is a Transfer Event in relation to that Member for the purposes of this Article;

9.1.3.5 shall attempt to deal with or dispose of any Ordinary Share or interest in it otherwise than in accordance with the provisions of these Articles.

- 9.2 Upon the occurrence of a Transfer Event the Member in respect of whom it is a Transfer Event (the “**Defaulting Member**”) and any other Member who has acquired Ordinary Shares from him under a Permitted Transfer (directly or by means of a series of two or more Permitted Transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Ordinary Shares then held by such Member(s) (a “**Deemed Transfer Notice**”). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice except for Ordinary Shares which have then been validly transferred pursuant to that Transfer Notice. For the purpose of this Article 9.2, any Ordinary Shares received by way of rights or on a capitalisation by any person to whom Ordinary Shares may have been transferred (directly or by means of a series of two or more Permitted Transfers) shall also be treated as included within the Deemed Transfer Notice.
- 9.3 Any Member holding Ordinary Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Ordinary Shares on and from the date of the relevant Deemed Transfer Notice until the entry in the register of members of the Company of another person as the holder of those Ordinary Shares.
- 9.4 The Ordinary Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Articles 8.1 to 8.8 (but not for the advance of doubt Article 8.9) as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Seller the person who is deemed to have given the Deemed Transfer Notice save that:
- 9.4.1 the Transfer Price shall be a price per Sale Share agreed between the Seller and the Members (other than the Seller and its Permitted Transferees) or, in default of agreement within 15 Business Days after the deemed notification under Article 9.2 that the same is a Transfer Event, the Market Value;
 - 9.4.2 a Deemed Transfer Notice shall be deemed not to contain a Minimum Transfer Condition and shall be irrevocable;
 - 9.4.3 the Seller may retain any Sale Shares for which purchasers are not found; and
 - 9.4.4 the Sale Shares shall be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Ordinary Shares after that date.
- 9.5 For the purposes of this Article 9 and Article 11, “**Market Value**” shall be such amount as the Valuer shall state in writing to be in its opinion the fair selling value of the Sale Shares on the open market, having regard to the fair value of the business of

the Company as a going concern and on the basis of an arm's length transaction as between a willing buyer and a willing seller. For the purposes of assessing Market Value, the Valuer shall disregard the proportion the Sale Shares represent of the entire issued share capital of the Company. The cost of obtaining the certificate of the Valuer shall be borne by the Defaulting Member. The Valuer shall be given by the Board, and shall take account of, all information which a prudent purchaser of the entire issued share capital of the Company might reasonably require if such buyer were proposing to purchase it from a willing seller by private treaty and at arm's length. The Valuer's decision shall (in the absence of fraud or manifest or clerical error) be final and binding.

- 9.6 Once a Deemed Transfer Notice shall under this Article 9 be deemed to have been served in respect of any Ordinary Share, then no Permitted Transfer under Article 7 may be made in respect of such Ordinary Share unless and until an Offer Notice shall have been served in respect of such Ordinary Share and the period of allocation permitted under Article 9 shall have expired without such allocation.
- 9.7 If any Manager ceases for any cause to be an Employee of any Group Company in circumstances where he is a Bad Leaver, such Manager (or any Permitted Transferee to whom he has transferred any Ordinary Shares, directly or indirectly) shall be deemed to have given a Transfer Notice (as referred to in Article 8.1) in respect of such number of Ordinary Shares issued or transferred to him, or those Ordinary Shares so transferred to and remaining registered in the name of his Permitted Transferee (together "**Leaver Shares**"), for such value and to such persons in accordance with the provisions of the following sentence. If the Manager is a Bad Leaver the relevant Transfer Notice shall be irrevocable and contain all relevant Leaver Shares at a total price equivalent to the lower of (a) the aggregate of the subscription price and any price actually paid by the Manager for each of the Leaver Shares in such Transfer Notice and (b) the Market Value of the Leaver Shares, and subject to the provisions of this Article 9.7, the provisions of Article 8 (except for Articles 8.2 and 8.9) shall apply mutatis mutandis. Where any Member holds Ordinary Shares on trust, directly or indirectly, for the benefit of, or is a Permitted Transferee (under Article 7.1 or 7.2) directly or indirectly from, a Manager or any Family Member of a Manager, such Member (or any Permitted Transferee to whom he has transferred any Ordinary Shares, directly or indirectly) shall, in the event that the relevant Manager ceases for any cause to be an Employee of any Group Company, be deemed to have given a Transfer Notice pursuant and subject to the provisions of this Article 9.7 where such Manager is a Bad Leaver (and where such Manager is a Good Leaver the relevant Member shall be deemed to have given a Deemed Transfer Notice) and references to 'Manager' in this Article 9.7 shall be deemed to also refer to such Member, mutatis mutandis, as may be applicable.
- 9.8 If a Manager is a Good Leaver and is deemed to have given a Deemed Transfer Notice, references in this Article 9 to Ordinary Shares for the purposes of such Deemed Transfer Notice shall be deemed to also include any Ordinary 'B' Shares which such Manager may hold. The directors of the Company shall not refuse registration of any transfer of any such Ordinary 'B' Shares included in such notice.

- 9.9 For the purposes of this Article 9 only, the term "Member" shall include a holder of Ordinary 'B' Shares and the term "Ordinary Shares" shall include Ordinary 'B' Shares.

10 **TAG-ALONG**

- 10.1 No sale or transfer of any Ordinary Shares to any person and any persons acting in concert with such person which would result if made and registered in that person and any person acting in concert with such person obtaining a Controlling Interest in the Company (the "**Specified Shares**") shall be made or registered without Investor Consent unless, before the transfer is lodged for registration, the proposed transferee or his nominees and the persons acting in concert with the proposed transferee make an offer (stipulated to be open for acceptance for at least 21 days) on no less favourable terms to all the holders of the Ordinary Shares and to all the holders of the Ordinary 'B' Shares and to all the holders of the Preferred Shares to purchase the Ordinary Shares, Ordinary 'B' Shares and Preferred Shares held by them respectively at the Specified Price (as defined in Article 10.2.1) which offer the holders of the Ordinary Shares, Ordinary 'B' Shares and Preferred Shares shall then be bound, within the period limited for acceptance, either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer).

- 10.2 In this Article 10 the following expressions shall have the following meanings:

- 10.2.1 the "**Specified Price**" shall mean, in the case of the Preferred Shares £1 per share and, in the case of Ordinary Shares and Ordinary 'B' Shares, a price per share at least equivalent to the value of the consideration offered per share by the proposed transferee or transferees or any third party (as the case may be) or his or their nominees for the Specified Shares to the holder(s) thereof together with:

- 10.2.1.1 an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder(s) of the Specified Shares or any Member of the same Group of the said holder(s) which having regard to the substance of the transaction can reasonably be regarded as an addition to the consideration for the Specified Shares; and

- 10.2.1.2 an amount equal to all and any arrears and other amounts due or owing on the relevant Ordinary Shares and Ordinary 'B' Shares;

- 10.2.2 "**Controlling Interest**" shall mean an interest (within the meaning of Schedule 13 Part 1 to and section 324 of the Act) in Ordinary Shares conferring in aggregate more than seventy per cent of the total voting rights conferred by all the Ordinary Shares in the equity share capital of the Company for the time being in issue and conferring the right to vote at all general meetings; and

- 10.2.3 "**acting in concert**" shall have the meaning ascribed to it in the City Code on Takeovers and Mergers (as amended from time to time) except that none of the original parties to the Shareholders' Agreement shall be deemed to be acting in concert with any other party to the original Shareholders' Agreement.

- 10.3 In the event of a disagreement the calculation of the Specified Price shall be referred to the Valuer (acting as expert and not as arbitrator and the Arbitration Act 1996 shall not apply and whose decision shall in the absence of manifest or clerical error be final and binding).

11 DRAG-ALONG

- 11.1 In this Article 11 a "**Qualifying Offer**" shall mean an offer in writing by or on behalf of any person (the "**Offeror**") to all the holders of Ordinary Shares, to all the holders of Ordinary 'B' Shares and to all the holders of Preferred Shares to acquire all their Ordinary Shares, Ordinary 'B' Shares and Preferred Shares for a specified amount of consideration, being not less than Market Value in the case of Ordinary Shares and Ordinary 'B' Shares and being not less than £1 per share in the case of the Preferred Shares, and otherwise on arm's length terms.
- 11.2 If the holders of not less than (i) 75 per cent in nominal value of the Ordinary Shares then in issue (together the "**Accepting Members**") wish to accept the Qualifying Offer, then the provisions of this Article shall apply.
- 11.3 The Accepting Members shall give written notice to the remaining holders of the Ordinary Shares, Ordinary 'B' Shares and Preferred Shares (the "**Other Members**") of their wish to accept the Qualifying Offer and the Other Members shall (provided that the Accepting Members accept the Qualifying Offer) become bound to accept the Qualifying Offer. The Other Members shall not be obliged to enter into any obligations or give any covenants, undertakings, warranties or indemnities, other than to sell their shares.
- 11.4 If any Other Member shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Member shall be entitled to, and shall be entitled to authorise and instruct such person as he thinks fit to, execute the necessary transfer(s) and indemnities on the Other Member's behalf and, against receipt by the Company (on trust for such Member) of the consideration payable for the relevant Ordinary Shares or Ordinary 'B' Shares or Preferred Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 11.5 As security for the obligations in this Article, each Member irrevocably appoints each holder from time to time of Ordinary Shares in the Company as its attorney to execute and do all such deeds, documents and things in the name of and on behalf of such Member as may reasonably be required to give full effect to the provisions of this Article.

12 COMPLIANCE

- 12.1 For the purpose of ensuring compliance with the provisions of Articles 6 to 11 inclusive ("**Compliance**"), the Company shall immediately on an Investor Direction and may with Investor Consent require any Member to procure that:

12.1.1 he; or

12.1.2 any proposed transferee; or

12.1.3 such other person as is reasonably believed to have information and/or evidence relevant to Compliance;

provides to the Company any information and/or evidence relevant to Compliance and until such information and/or evidence is provided:

12.1.3.1 the Company shall refuse to register any relevant transfer (otherwise than with an Investor Consent); and/or

12.1.3.2 if such Member is not a Defaulting Member, he shall (upon an Investor Direction) forthwith be treated as a Defaulting Member.

13 ANNUAL GENERAL MEETINGS

13.1 The Board shall procure that the annual general meeting of the Company in respect of each of its financial years shall be convened to take place not later than 30 Business Days after the date of the Auditors' report relating to the Accounts for the relevant financial year.

13.2 The Board shall cause to be laid before each annual general meeting the Accounts for the relevant financial year, together with the respective reports thereon of the directors and the Auditors.

14 PROCEEDINGS OF MEMBERS

14.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business and for its duration. Three persons (including a duly authorised representative or proxy for BRIT Insurance Holdings PLC) entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation shall be a quorum.

14.2 If within half an hour from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the Members present may decide and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Member or Members present shall constitute a quorum.

14.3 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded at any general meeting by the Chairman, or by any Member present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a Member entitled to vote.

- 14.4 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting and Regulation 62 shall be modified accordingly.
- 14.5 When a poll has been demanded it shall be taken immediately following the demand.
- 14.6 The Chairman of the meeting shall, in the case of an equality of votes, whether on a show of hands or on a poll, not be entitled to exercise any second or casting vote.
- 14.7 With respect to any such resolution in writing as is referred to in Regulation 53, in the case of a corporation which holds an Ordinary Share, the signature of any director or the secretary thereof shall be sufficient for the purposes of Regulation 53.

15 NUMBER AND APPOINTMENT OF DIRECTORS

- 15.1 Each Management Shareholder Party, for so long as he remains a Shareholder Party or a beneficiary of a trust that is a Shareholder Party and for so long as he is a director of any Group Company, shall be entitled (but not obliged) to appoint and maintain the appointment of one director, subject to the following provisions of this Article 15.1. Any appointment of a director proposed by a Management Shareholder Party pursuant to this Article 15.1 shall be subject always to Investor Consent. For such period of time as a Management Shareholder Party, or any trust of which the Management Shareholder Party is a beneficiary, is entitled to appoint a director pursuant to Article 15.2, the provisions of this Article 15.1 shall not apply to such Management Shareholder Party.
- 15.2 For so long as any Shareholder Party is the registered holder of 40% or more of the Voting Power from time to time, such Shareholder Party shall be entitled at any time and from time to time to appoint two persons as non-executive directors of the Company, to remove those persons from office and (for whatever reason and however such persons were removed from office) to appoint other persons in their place. In the event that a Shareholder Party's registered shareholding is less than 40% but 20% or more of the Voting Power from time to time the Shareholder Party shall only be entitled to appoint or remove one director and, in the event that its Voting Power falls below 20%, such entitlement shall cease with immediate effect provided that in such circumstances a Shareholder Party shall be entitled to appoint a representative to attend and speak at, but not vote at, any meeting of the Board until such time as such Shareholder Party's Voting Power falls below 5% of the Voting Power.
- 15.3 Immediately after a Shareholder Party (or former Shareholder Party) ceasing to hold the percentage of Voting Power required to appoint the number of directors appointed by him who remain in office or, in the case of a Management Shareholder Party ceasing to be a Shareholder Party or a beneficiary of a trust that is a Shareholder Party, the Shareholder Party (or former Shareholder Party) shall forthwith remove the relevant number of directors appointed by him in accordance with Article 15.5, failing which the director most recently appointed by him shall be removed from office immediately and, in the case of directors appointed by him at the same time, the director selected by lot drawn by the directors and, if he is no longer entitled to

appoint any director, all of the directors appointed by him shall be removed from office by the Board or Company immediately.

- 15.4 The Board shall comprise a minimum of four directors and a maximum of eight directors, including those appointed pursuant to Articles 15.1 and 15.2.
- 15.5 Any appointment or removal of a director pursuant to Articles 15.1, 15.2 and 15.3 shall be made by notice in writing to the Company, signed by the relevant appointor, and any such notice shall take effect at the time it is served on the Company (provided that, in accordance with Article 15.1, any notice of appointment pursuant to Article 15.1 shall not take effect until such time as Investor Consent to such proposed appointment may be given).

16 ALTERNATE DIRECTORS

- 16.1 A director (other than an alternate director) may appoint any other director or any other person whomsoever, to be an alternate director and may remove from office an alternate director so appointed.
- 16.2 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 16.3 Any director who is appointed an alternate director shall be entitled to vote at a meeting of the Board on behalf of the director so appointing him in addition to being entitled to vote in his own capacity as a director and shall also be considered as two directors for the purpose of making a quorum of directors unless he is the only individual present.

17 PROCEEDINGS OF DIRECTORS

- 17.1 Subject to Article 17.3, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any three directors shall constitute a quorum provided that all of the directors for the time being appointed pursuant to Article 15.2 are part of such quorum, and a quorum of directors must be present throughout all meetings of the Board. The Chairman of the meeting shall not have a second or casting vote, in the case of an equality of votes.
- 17.2 Any director or alternate director may validly participate in a meeting of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of directors is not physically present in the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.

- 17.3 The Company shall give not less than 5 Business Days' notice in writing to each director of every proposed meeting of the directors which shall be held at least once a quarter during normal business hours and in or within easy reach of London, unless otherwise agreed by all the directors. Every such notice shall set out in reasonable detail the nature of the business to be transacted at such meeting and no business shall be transacted at any such meeting except for that specified in the notice of the meeting. Any of the above requirements in this Article may be waived in writing and/or by email by all the directors. The Company shall send to each of the directors as soon as practicable after each meeting of the directors a copy of the minutes of the meeting.
- 17.4 The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

18 RETIREMENT BY ROTATION

The directors shall not be liable to retire by rotation and the words "by rotation or otherwise" and "and deemed to have been reappointed" in Regulation 67, "other than a director retiring by rotation" in Regulation 76, "(other than a director retiring by rotation at the meeting)" in Regulation 77, "and may also determine the rotation in which any additional directors are to retire" in Regulation 78, the last two sentences of Regulation 79 and the last sentence of Regulation 84 shall not apply to the Company.

19 INDEMNITY

Subject to the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

20 INSURANCE

The Board shall have the power to purchase and maintain for any director or other officer insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

21 GENERAL

- 21.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a

director and by the secretary or second director. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.

- 21.2 The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.
- 21.3 Without prejudice to Regulations 112 to 116 (inclusive), the Company may give notice to a Member by electronic means provided that:-
- 21.3.1 the Member has given his consent in writing to receiving notice communicated by electronic means and in such consent has set out an address to which the notice shall be sent by electronic means; and
- 21.3.2 the electronic means used by the Company enables the Member concerned to read the text of the notice.
- 21.4 A notice given to a Member personally or in a form permitted by Article 21.3 above shall be deemed to be given on the earlier of the day on which it is delivered personally and the day on which it was despatched by electronic means, as the case may be.
- 21.5 Regulation 115 shall not apply to a notice delivered personally or in a form permitted by Article 21.3 above.
- 21.6 For the purposes of Articles 21.3 to 21.5 (inclusive) "electronic" means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy and "by electronic means" means by any manner only capable of being so actuated.
- 21.7 The directors may exercise the powers of the Company conferred by its Memorandum of Association in relation to the payment of pensions, gratuities and other benefits and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.