

No: 4620480


**INHEALTH GROUP LIMITED**  
**Written Resolutions of the Company**  
**pursuant to Section 381A of the Companies Act 1985**

The undersigned, being the sole member of the Company who at the date of this resolution would be entitled to attend and vote at a general meeting of the Company **HEREBY PASSES** the following resolutions as written resolutions of the Company:-

**RESOLUTIONS**

**THAT:-**

- 1 the draft regulations contained in the document attached hereto marked "A" be and are hereby approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company;
- 2 the authorised share capital of the Company be and is hereby increased from £5,000,000 to £5,002,003 by the creation of an additional:
  - 2.1 445 "A" Ordinary Shares of £1;
  - 2.2 668 "B" Ordinary Shares of £1; and
  - 2.3 890 "C" Ordinary Shares of £1("the Additional Shares") each having the respective rights and being subject to the respective restrictions set out in the new Articles of Association of the Company; and
- 3 in accordance with Section 80 of the Companies Act 1985, the directors of the Company be and are hereby generally and unconditionally authorised to issue the Additional Shares such authority to expire on the fifth anniversary of the date hereof.

  
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For and on behalf of InHealth Group Holdings plc

Dated: 30 JUNE 2006



**THE COMPANIES ACT 1985**

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**COMPANY LIMITED BY SHARES**

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**NEW**

**ARTICLES OF ASSOCIATION**

(Adopted by Written Resolution passed  
on 30 June 2006)

- of -

**INHEALTH GROUP LIMITED**

Macfarlanes  
10 Norwich Street  
London EC4A 1BD

RIC/RPB/591328/2976133.1  
9 June 2006

# THE COMPANIES ACT 1985

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## COMPANY LIMITED BY SHARES

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### NEW

### ARTICLES OF ASSOCIATION

(Adopted by Written Resolution passed  
on 30 June 2006)

- of -

### INHEALTH GROUP LIMITED

#### 1 Introduction

- 1.1 The Regulations contained or incorporated in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) Amendment Regulations 1985 and The Companies Act 1985 (Electronic Communications) Order 2000 (called "Table A" in these Articles) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" where it first appears in the last paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation.
- 1.3 Regulations 40, 54, 73 to 77 (inclusive), 80, 94 to 98 (inclusive) and 118 of Table A shall not apply to the Company.

#### 2 Definitions

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

**Act:** the Companies Act 1985;

**A Ordinary Shares:** A Ordinary Shares of £1 each in the capital of the Company;

**the A Ordinary Shareholders:** the Members for the time being holding A Ordinary Shares;

**A Percentage:** 4.45%, subject to adjustment in accordance with Article 6.4;

**the Board:** the Board of directors of the Company;

**B Ordinary Shares:** B Ordinary Shares of £1 each in the capital of the Company;

**the B Ordinary Shareholders:** the Members for the time being holding B Ordinary Shares;

**B Percentage:** 6.68%, subject to adjustment in accordance with Article 6.4;

**business day:** any day other than a Saturday, a Sunday or any other day which is a public holiday in England;

**Change of Control:** the Company becoming controlled by a person or persons who are not themselves controlled directly or indirectly by or connected with the Company's existing ultimate controller, other than as a result of a Share Sale or a Flotation;

**company:** includes any body corporate;

**Compulsory Seller:** as defined in Article 9.1;

**Controlling Shareholder:** the registered holder for the time being of more than one half in nominal value of the issued Ordinary Shares (and includes, for the avoidance of doubt, any member holding all of the issued Ordinary Shares)

**C Ordinary Shares:** C Ordinary Shares of £1 each in the capital of the Company;

**the C Ordinary Shareholders:** the Members for the time being holding C Ordinary Shares;

**Cost:** in respect of each Sale Share, the acquisition cost of such Sale Share on the first occasion on which that Sale Share was acquired by the relevant Employee or one of his Related Parties (excluding any acquisition from that Employee or one of his Related Parties);

**C Percentage:** 8.9%, subject to adjustment in accordance with Article 6.4;

**Employee:** an individual who is employed by, or is a director of, the Company or any of its subsidiaries or an individual whose services are otherwise made available to the Company or any of its subsidiaries (and "employment" shall be construed accordingly to include such an arrangement);

**employee benefit trust:** a trust established for the purpose of enabling or facilitating transactions in Shares between, and/or the acquisition of beneficial ownership of Shares by, any of the following persons:

- (a) the bona fide employees or former employees of the Company or of any subsidiary of the Company; or

- (b) the wives, husbands, civil partners, widows, widowers, surviving civil partners, children or stepchildren under the age of eighteen of any such employees or former employees;

**Family Members:** in relation to any person, the spouse, civil partner, parents and every child and remoter descendant of that person (including stepchildren and adopted children);

**Family Trust:** in relation to any person, trusts established by that person in relation to which only such person and/or Family Members of that person are capable of being beneficiaries thereof;

**financial year and financial period:** a financial year (as defined by the Act) of the Company;

**Flotation:** the effective admission of ordinary shares of the Company or any holding company of the Company to trading on the London Stock Exchange plc's market for listed securities or on its Alternative Investment Market or to trading on any other investment exchange;

**Leaver Value:** shall be the amount which would be payable for a Share of the relevant class in accordance with Article 4.2 in the event of a Share Sale at a Sale Value calculated by reference to the formula determined by the Board and notified to the Employee prior to the issue of the Shares the value of which is to be determined, as determined by the Company's then auditors or any other firm of accountants appointed for the purpose by the Board (or, if the Board have not appointed either the auditors or an alternative firm of accountants within 3 months following the Relevant Date, appointed by the Employee at the cost of the Company), acting as experts;

**Member:** a holder of Shares;

**a member of the same group:** as regards any company, a company which is for the time being a holding company or a subsidiary (as defined in section 736 of the Companies Act 1985 as amended) of that company or of any such holding company;

**Ordinary Shares:** Ordinary Shares of £1 each in the capital of the Company;

**the Ordinary Shareholders:** the Members for the time being holding Ordinary Shares;

**the Prescribed Price:**

- (a) subject to (b) and (c), if an Employee ceases to be an Employee or becomes bankrupt prior 1 June 2007 or if the Employee is dismissed for cause at any time, the lower of (a) Cost and (b) the Leaver Value;
- (b) if an Employee ceases to be an Employee by reason of redundancy (as defined in the Employment Rights Act 1996) or as a result of the Company giving notice without reasonable cause, the Leaver Value;

- (c) if an Employee ceases to be an Employee by reason of ill health, permanent disability or death, 75% of the Leaver Value;
- (d) if an Employee ceases to be an Employee for any reason other than redundancy, dismissal for cause or as a result of the Company giving notice without reasonable cause, ill health, disability or death on or after 1 September 2007, 50% of the Leaver Value;

**Realisation Date:**

- (a) in the case of a Flotation, the date on which dealings commence in respect of the shares the subject of the Flotation;
- (b) in the case of a Share Sale, the date of completion of the Share Sale;
- (c) in the case of a Trade Sale, the date of completion of the Trade Sale;
- (d) in the case of a Change of Control, the date of completion of the transaction resulting in the Change of Control;

**Related Party:** in respect of any person:

- (a) any Family Member of that person;
- (b) the trustee(s) of a Family Trust of that person;
- (c) the personal representatives of that person, or of any Family Member of that person;
- (d) any nominee of any of the above;

**Relevant Date:** the date on which the Employee in question ceased to be an Employee or became bankrupt;

**Relevant Shares:** the Shares originally transferred or issued to a Family Member of an Employee or to the trustees of a Family Trust of an Employee, and any additional Shares issued to such person or persons by way of capitalisation or acquired by such person or persons on the exercise of any right or option granted or arising by virtue of the holding of the Relevant Shares or any of them;

**Sale Value:**

- (a) on a Share Sale:
  - (i) the aggregate amount of all cash consideration payable to the holders of Shares in consideration for the transfer of those Shares; plus
  - (ii) the aggregate value of all non-cash consideration payable to the holders of Shares in consideration for the transfer of those Shares (as determined by the Company's then auditors or any other firm of accountants or professional valuers appointed by the Board or, if the Board have not appointed either the auditors

or an alternative firm within 1 month following the date of the Share Sale, appointed by any Member at the cost of the Company for the purpose);

- (b) on a Flotation, the value of the entire issued share capital of the Company as determined by the Company's then auditors or any other firm of accountants or professional valuers appointed by the Board or, if the Board have not appointed either the auditors or an alternative firm of accountants or professional valuers within 1 month following the date of the Flotation, appointed by any Member at the cost of the Company for the purpose (in each case, "the valuers"). The value shall be based on the market capitalisation of the Company (or, as the case may be, any holding company of the Company whose shares are listed as set out in the prospectus, listing particulars or other equivalent document issued in connection with the Flotation) on admission, adjusted to exclude any assets or liabilities of the company whose shares are listed which are not assets of the Company or a subsidiary of the Company (as determined by the valuers);

- (c) on a Trade Sale:

- (i) the aggregate amount received by the Company or any subsidiary of the Company in consideration for the transfer of assets in such Trade Sale; plus
- (ii) the aggregate value of all non-cash consideration payable to the Company or any subsidiary of the Company in consideration for the transfer of assets in such Trade Sale; plus
- (iii) the value of any retained business of the Company following such Trade Sale (valued on the higher of a net assets basis or by reference to the EBITDA multiple determined by the Board prior to the issue of the shares being valued)

in each case, as determined by the Company's then auditors or any other firm of accountants or professional valuers appointed by the Board or, if the Board have not appointed either the auditors or an alternative firm within 1 month following the date of the Trade Sale, appointed by any Member at the cost of the Company for the purpose;

- (d) on a Change of Control:

the value of the entire issued share capital of the Company as determined by the Company's then auditors or any other firm of accountants or professional valuers appointed by the Board or, if the Board have not appointed either the auditors or an alternative firm within 1 month following the date of the Change of Control, appointed by any Member at the cost of the Company for the purpose (in each case, the "valuers"). The value shall be calculated by reference to the consideration payable in connection with the Change of Control, adjusted to exclude any assets or liabilities acquired in connection with the Change of Control which are not assets or liabilities of the Company or any of its subsidiaries (as determined by the valuers);

**Share Sale:**

- (a) the sale of all of the issued Shares not already held by the proposed purchaser to a single purchaser (or to one or more purchasers as part of a single transaction); or
- (b) the sale of less than all of the issued Shares in circumstances where the purchaser or purchasers is or are (or will upon the agreement or agreements for such sale or any offer to purchase becoming unconditional be) entitled to acquire the issued Shares not agreed to be acquired pursuant to such agreement or agreements or offer in accordance with the provisions of Part XIII A of the Act or the Takeovers Directive (Interim Implementation) Regulations 2006 or pursuant to the provisions of Article 11;

in each case, excluding a sale to a purchaser who is (directly or indirectly) controlled by or connected with the Company's existing ultimate controller;

**the Sale Shares:** as defined in Article 9.1;

**Shares:** shares of any class in the Company;

**A Threshold:** £100 million to be reduced on a pound for pound basis by the aggregate of (i) the amount paid in dividends or otherwise distributed to the Ordinary Shareholders after the date of adoption of these Articles and (ii) the amount of capital returned in respect of Ordinary Shares after the date of adoption of these Articles and increased by the amount (including premium) used to subscribe for Ordinary Shares or any shares ranking ahead of the A Ordinary Shares after the date of adoption of these Articles;

**B Threshold:** £150 million to be reduced on a pound for pound basis by the aggregate of (i) the amount paid in dividends or otherwise distributed to the Ordinary Shareholders after the date of adoption of these Articles and (ii) the amount of capital returned in respect of Ordinary Shares after the date of adoption of these Articles and increased by the amount (including premium) used to subscribe for Ordinary Shares or any shares ranking ahead of the B Ordinary Shares after the date of adoption of these Articles;

**C Threshold:** £200 million to be reduced on a pound for pound basis by the aggregate of (i) the amount paid in dividends or otherwise distributed to the Ordinary Shareholders after the date of adoption of these Articles and (ii) the amount of capital returned in respect of Ordinary Shares after the date of adoption of these Articles and increased by the amount (including premium) used to subscribe for Ordinary Shares or any shares ranking ahead of the C Ordinary Shares after the date of adoption of these Articles;

**a Trade Sale:** a sale or series of sales (whether by the sale of assets or shares in its subsidiaries) by the Company (or any subsidiary of the Company), directly or indirectly, of 50% or more of the business and assets of the Company and its subsidiaries to a purchaser or purchasers who are not controlled (directly or indirectly) by or connected with the Company or its ultimate controller.



- 2.2.1 the term “**transfer**” shall, unless the context otherwise requires, include:
- 2.2.1.1 a sale or disposal of any legal or equitable interest in a Share, whether or not by the Member registered as the holder of that Share;
- 2.2.1.2 any renunciation or other direction by a Member entitled to an allotment or transfer of Shares that such Shares be allotted, issued or transferred to another person;
- 2.2.2 any reference to an “interest” in the context of any transfer of Shares shall include any interest in shares as defined by section 208 of the Act; and
- 2.2.3 any persons who are “connected” for the purposes of section 839 of the Income and Corporation Taxes 1988 shall be connected for the purposes of these Articles.
- 2.2.4 The valuers appointed for the purposes of the determination of Sale Value shall act as experts and not as arbitrators.

### **3 Share capital**

The share capital of the Company at the date of adoption of these Articles is £5,002,003 divided into 5,000,000 Ordinary Shares, 445 A Ordinary Shares, 668 B Ordinary Shares and 890 C Ordinary Shares.

### **4 Share rights**

The Ordinary Shares, A Ordinary Shares, B Ordinary Shares and C Ordinary Shares shall have, and be subject to, the following rights and restrictions:

#### **4.1 Income**

- 4.1.1 Sums distributed by the Company in or in respect of any financial year shall be paid to the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them.
- 4.1.2 No dividends or other distributions shall be paid on the A Ordinary Shares, the B Ordinary Shares or the C Ordinary Shares.
- 4.1.3 Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 4.1 and in Regulation 103 of Table A the words from “If the share capital is divided....” to the end of the Regulation shall be deleted.

#### **4.2 Share Sale**

- 4.2.1 On a Share Sale, the Sale Value shall be allocated between the Ordinary Shareholders, A Ordinary Shareholders, B Ordinary Shareholders and the C Ordinary Shareholders in the following order of priority:-

- 4.2.1.1 firstly, in an amount equal to the A Threshold to the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them;
- 4.2.1.2 secondly, any amount above the A Threshold but equal to or less than the B Threshold shall be apportioned as to the A Percentage among the A Ordinary Shareholders in proportion to the number of A Ordinary Shares held by them respectively and as to the balance to the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively;
- 4.2.1.3 thirdly, any amount above the B Threshold but equal to or less than the C Threshold shall be apportioned as to the B Percentage among the B Ordinary Shareholders in proportion to the number of B Ordinary Shares held by them respectively and as to the balance among the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively;
- 4.2.1.4 fourthly, any amount above the C Threshold shall be apportioned as to the C Percentage among the C Shareholders in proportion to the number of C Ordinary Shares held by them respectively and as to the balance among the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively.

4.2.2 Any non-cash consideration payable for shares in respect of a Share Sale shall be distributed among the Members such that each Member receives cash and non-cash consideration in the same proportion as the others PROVIDED THAT in the event the A Ordinary Shareholders, B Ordinary Shareholders and/or C Ordinary Shareholders receive or become entitled to receive any non-cash consideration other than (i) loan notes or equivalent instruments or (ii) shares or other securities which are listed on the London Stock Exchange plc's main market or its Alternative Investment Market or traded on any other investment exchange, they shall each be entitled to require the Controlling Shareholder to purchase such assets from them for cash at the value attributed to such assets by the Share Sale.

#### 4.3 Trade Sale or Change of Control

In the event of a Trade Sale or a Change of Control all of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares in issue on the Realisation Date shall automatically be transferred to the Controlling Shareholder (or to such other person or persons as it shall nominate by prior notice in writing) on the Realisation Date. The Controlling Shareholder shall be required to pay to each of the A Shareholders, the B Shareholders and the C Shareholders within 30 days following the determination of the amount payable, against delivery of the certificate(s) for the shares transferred by them, a cash amount for the shares transferred by them equal to the amount which would have been payable to them for such shares in accordance with Article 4.2 as a result of a Share Sale as at that date at the relevant Sale Value. Any transfers pursuant to the provisions of this Article 4.3 shall be of the entire legal and beneficial interest in the Shares free from all encumbrances and together with all rights attaching thereto. Any stock transfer forms required to be completed in order to effect the transfer of

shares pursuant to this Article may be signed either by the selling shareholder or by any director of the Company on behalf of the selling shareholder. After the name of the purchaser has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

#### 4.4 **Flotation**

In the event of a Flotation, all of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares in issue on the Realisation Date shall on that date automatically be transferred to the company whose shares are to be listed pursuant to the Flotation (or in the case of a Flotation of the Company, to the Controlling Shareholder) in consideration for such number of listed ordinary shares in the company whose shares are to be listed as have a value, at the share price on Admission, equal to the amount which would have been payable for the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares in accordance with Article 4.2 as a result of a Share Sale as at that date at the relevant Sale Value. Any transfers pursuant to the provisions of this Article 4.4 shall be of the entire legal and beneficial interest in the Shares free from all encumbrances and together with all rights attaching thereto. Any stock transfer forms required to be completed in order to effect the transfer of shares pursuant to this Article may be signed either by the selling shareholder or by any director of the Company on behalf of the selling shareholder. After the name of the purchaser has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

#### 4.5 **Capital**

*On a return of capital on liquidation the capital returned to shareholders shall be applied:*

- 4.5.1 firstly, in an amount equal to the A Threshold to the Ordinary Shareholders in proportion to the number of A Ordinary Shares held by them;
- 4.5.2 secondly, any amount above the A Threshold but equal to or less than the B Threshold shall be apportioned as to the A Percentage among the A Ordinary Shareholders in proportion to the number of A Ordinary Shares held by them respectively and as to the balance to the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively; and
- 4.5.3 thirdly, any amount above the B Threshold but equal to or less than the C Threshold shall be apportioned as to the B Percentage among the B Ordinary Shareholders in proportion to the number of B Ordinary Shares held by them respectively and as to the balance to the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively; and
- 4.5.4 fourthly, any amount above the C Threshold shall be apportioned as to the C Percentage among the C Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively and as to the balance among the Ordinary Shareholders in proportion to the number of Ordinary Shares held by them respectively.

4.6 **Voting**

4.6.1 On a show of hands every Ordinary Shareholder who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote and on a poll every Ordinary Shareholder who is present in person or by a proxy or (being a corporation) by a representative shall have one vote for every Ordinary Share of which he is the holder.

4.6.2 The A Ordinary Shareholders, the B Ordinary Shareholders and the C Ordinary Shareholders shall not be entitled to vote at general meetings of the Company in respect of the A Ordinary Shares, the B Ordinary Shares or the C Ordinary Shares held by them.

5 **Issue of new shares**

5.1 Subject to this Article and to the provisions of section 80 of the Act, the Shares shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper.

5.2 The provisions of sections 89 and 90 of the Act shall not apply to the Company.

6 **Variation of class rights**

6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern, or during or in contemplation of a winding up, with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class or, in the case of the A Ordinary Shares, the B Ordinary Shares or the C Ordinary Shares, in accordance with Article 6.2. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply mutatis mutandis except that:

- (a) the necessary quorum shall be at least two persons holding or representing by proxy one third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum; and
- (b) the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively.

6.2 Subject to section 125(3) of the Act and to Article 6.5, the special rights attaching to the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares as classes may be varied or abrogated by an ordinary resolution of the Company in general meeting.

6.3 The rights attached to any class of Shares shall not (unless otherwise provided by the rights attached to the Shares of that class) be deemed to be varied by the creation or issue of further Shares ranking in some or all respects *pari passu* therewith or in priority thereto or by the purchase or redemption by the Company of any of its own Shares.

- 6.4 In the event any further A Ordinary Shares, B Ordinary Shares or C Ordinary Shares are created, issued and allotted, the A Percentage, the B Percentage or the C Percentage (as the case maybe) shall be increased such that the value of the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares already in issue is not reduced.
- 6.5 The following matters shall require the consent in writing of the holders of three fourths of the issued shares of the class in question or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class:
- 6.5.1 any amendment to the A Percentage, the B Percentage or the C Percentage or the A Threshold, the B Threshold or the C Threshold which could reduce the amount payable to the holders of the A Ordinary Shares, the B Ordinary Shares or the C Ordinary Shares;
- 6.5.2 any amendment to the definitions of Leaver Value or Prescribed Price which would reduce the amount payable to a leaver;
- 6.5.3 any amendment to the definition of Sale Value which would reduce the amount of the Sale Value;

provided in each case that an adjustment or amendment made in the event of a share capital reorganisation or variation of share capital with a view to ensuring that the value of the issued A Ordinary Shares, B Ordinary Shares or C Ordinary Shares is not increased by such event shall not require such consent.

To every such separate meeting convened for the purposes of this Article 6.5, all the provisions of these Articles relating to general meetings of the Company shall apply mutatis mutandis except that:

- (a) the necessary quorum shall be at least two persons holding or representing by proxy one third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum; and
- 6.6 (b) the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively.

## **7 Transfer of shares**

- 7.1 Shares may be transferred only in accordance with the provisions of Articles 8 to 11 (to the extent applicable); any other transfer shall be void.
- 7.2 The directors shall be required (subject only to Article 7.3 and to Regulation 24 of Table A) to register promptly any transfer of Shares made in accordance with the provisions of Articles 8 to 11 (to the extent applicable), but shall not register any transfer of Shares not so made.
- 7.3 In addition to the circumstances set out in Regulation 24 of Table A in which the directors may refuse to register the transfer of a Share, the directors may also refuse to register the transfer of a Share to a bankrupt, a minor or a person of unsound mind.

- 7.4 For the purpose of ensuring that a transfer of Shares is authorised under these Articles or that no circumstances have arisen by reason of which Shares should have been offered under Article 9, the directors may from time to time require any Member or past Member or the personal representatives or trustee in bankruptcy, receiver or liquidator of any Member, or any person named as transferee in any instrument of transfer lodged for registration to provide to the Company such information as the directors reasonably think fit regarding any matter which they consider relevant.

## **8 Permitted transfers**

### **8.1 Permitted transfers**

Subject to the provisions of Article 7, any Shares may at any time be transferred:

- 8.1.1 with the prior written consent of the Controlling Shareholder, by an Employee (not being a holder of the Shares concerned as a trustee) during his lifetime to a Family Member of that Employee to whom the Employee is transferring the entire legal and beneficial interest in the Shares concerned; or
- 8.1.2 by an Ordinary Shareholder to a member of its group or to a person or persons with whom it is connected;
- 8.1.3 with the prior written consent of the Controlling Shareholder, by an Employee to trustees of a Family Trust of that Employee to whom the Employee is transferring the entire legal and beneficial interest in the Shares concerned; or
- 8.1.4 by any Member, with the prior written consent of the Controlling Shareholder, to the trustee(s) or nominee for the time being of an employee benefit trust; or
- 8.1.5 by the trustee(s) or nominee for the time being of an employee benefit trust, with the prior written consent of the Controlling Shareholder, to any beneficiary of such employee benefit trust; or
- 8.1.6 by any member, with the prior written consent of the Controlling Shareholder; or
- 8.1.7 by a Member in pursuance of a sale of Sale Shares (whether alone or in combination with other sales of Shares) in accordance with Article 9; or
- 8.1.8 by any Member in consequence of acceptance of an offer made to that Member pursuant to Article 10 or pursuant to a notice given under Article 11;
- 8.1.9 by any Member in accordance with the provisions of Article 4.3 or 4.4.

### **8.2 Transfers by trustees of Family Trusts**

Where Shares have been transferred under Article 8.1.3 or under Article 8.2.1 or 8.2.2 to trustees of a Family Trust of an Employee, or been issued to trustees of a Family Trust of an Employee, the trustees and their successors may transfer all or any of the Relevant Shares as follows:

8.2.1 on any change of trustees, the Relevant Shares may be transferred to the trustees for the time being of the Family Trust concerned;

8.2.2 pursuant to the terms of such Family Trust or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Relevant Shares may be transferred to the trustees for the time being of any other Family Trust of the same Employee or to any Family Member of the relevant Employee or deceased or former Employee who has become entitled to the Shares proposed to be transferred.

### 8.3 **Relevant Shares passing to third parties**

8.3.1 In the event that:

8.3.1.1 any Relevant Shares held by trustees cease to be held on a Family Trust of the Employee from whom shares were originally acquired by such trustees (otherwise than where an authorised transfer of those Shares has been made); or

8.3.1.2 a person holding Relevant Shares ceases to be a Family Member of the Employee from whom Shares were originally acquired by such person, whether directly or indirectly through a series of two or more transfers; or

8.3.1.3 a person holding Relevant Shares who is a Family Member of the Employee from whom Shares were originally acquired by such person, whether directly or indirectly through a series of two or more transfers, becomes bankrupt;

the Member holding the Relevant Shares shall forthwith notify the Company in writing that that event has occurred and the Member shall (if required to do so by the Board by notice in writing) procure the transfer of all Relevant Shares to the Employee from whom Shares were originally acquired by the relevant Family Member or the relevant trustees of a Family Trust (as the case may be) and provide evidence of such transfer to the Company not later than 20 business days after the date of the Board's notice.

8.3.2 If a Member, having become bound to procure the transfer any Shares under the provisions of this Article 8.3 shall fail to do so the Directors may authorise any individual to execute on behalf of and as agent or attorney for the relevant Family Member or trustees any necessary instruments of transfer and shall register the relevant Employee as the holder of the Shares. After the name of the transferee has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

## 9 **Compulsory transfer**

9.1 If any Employee ceases to be an Employee or becomes bankrupt any Shares held by such Employee (if a Member) and any Shares which were previously held by such Employee and have been subsequently transferred or transmitted to another Member (whether directly or as a result of a series of transfers) shall automatically be transferred to the Controlling Shareholder (or to such other

person or persons as it shall nominate in writing) at the Prescribed Price. The Controlling Shareholder shall pay or procure the payment to the transferors the Prescribed Price in cash within 30 business days of determination of the Prescribed Price (against delivery of the certificates for the shares).

- 9.2 Any transfers pursuant to the provisions of this Article 9 shall be of the entire legal and beneficial interest in the Shares free from all encumbrances and together with all rights attaching thereto. Any stock transfer forms required to be completed in order to effect the transfer of shares pursuant to this Article may be signed either by the transferors or by any director of the Company as agent or attorney for and on behalf of the transferors. If a Member shall fail to deliver the certificates for any shares transferred pursuant to this Article 9 (or an indemnity in a form acceptable to the directors) the Company shall hold the Prescribed Price on trust for the selling Member, but shall not be bound to earn or pay interest thereon. After the name of the purchaser has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

## 10 **Tag-along Rights**

- 10.1 Subject to Article 10.6, Article 10 applies when a transfer (other than an Excluded Transfer) of Shares ("the Specified Shares") would, if registered, result in a person, or such person and any other person(s):
- 10.1.1 who in relation to him is a connected person, as defined in section 839 of the Income and Corporation Taxes Act 1988; or
- 10.1.2 with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers
- (each a "member of the purchasing group") acquiring a Controlling Interest in the Company.
- 10.2 No transfer to which Article 10 applies may be registered unless the proposed transferee has made an offer to buy all of the issued Shares (including or excluding the Specified Shares, and including any Ordinary Shares issuable on the exercise of any then outstanding subscription or conversion rights) for a price per share calculated in accordance with Article 4.2.
- 10.3 The proposed transferee's offer shall be open for acceptance for at least 15 days;
- 10.4 The offer may be subject to one or more conditions, including a condition the satisfaction of which is dependent upon the number and/or percentage of the Ordinary Shares in respect of which the offer is accepted.
- 10.5 For the purposes of Articles 10 and 11:
- 10.5.1 "**Excluded Transfer**" means a transfer made under Articles 8.1.1 to 8.1.5;
- 10.5.2 "**Controlling Interest**" means a holding of Shares having the right to exercise more than 50 per cent of the votes which may be cast on a poll at a general meeting of the Company on all, or substantially all, matters.



- 10.6 At the option of the holders of the Specified Shares the provisions of this Article 10 shall not apply where the provisions of Article 11 are proposed to be operated.

11 **Drag Along Rights**

- 11.1 If a proposed transfer (other than an Excluded Transfer) of Shares (also "the Specified Shares") would, if registered, result in members of the purchasing group (defined as in Article 10) holding a Controlling Interest in the Company, the proposed transferee of the Specified Shares may give notice in writing to each holder of Shares, other than:

- 11.1.1 the holders of the Specified Shares; and

- 11.1.2 members of the purchasing group

("the Minority Shareholders") requiring them within 5 business days of the date of the notice to sell and transfer all (but not some of) of their holdings of Shares to the proposed transferee. The transfer shall be on terms no less favourable to the Minority Shareholders than those agreed between the holders of the Specified Shares and the proposed transferee, provided that:

- 11.1.3 a Minority Shareholder shall not be required to give any warranties or indemnities in the context of the transaction other than warranties that such Minority Shareholder has (i) title to the Shares to be sold and transferred by him and (ii) capacity to enter into the transaction contemplated; and

- 11.1.4 a Minority Shareholder shall not be required to sell and transfer his holding of Shares prior to the date on which the Specified Shares are transferred to the proposed transferee;

- 11.1.5 the consideration payable for the Specified Shares shall be calculated in accordance with Article 4.2.

- 11.2 If within a period of six months following the date of a notice given under Article 11.1, Shares are issued to any person (whether on exercise of any subscription or conversion rights or otherwise) the transferee of the Specified Shares may serve a further notice on each holder of such shares (also a "Minority Shareholder") requiring him to sell and transfer all his shares to a person specified in the notice on the same terms as are provided for in Article 11.1.

- 11.3 A notice given under Article 11.1 or 11.2 shall be accompanied by all documents required to be executed by the relevant Minority Shareholder to give effect to the required sale and transfer.

- 11.4 If any Minority Shareholder shall fail to:

- 11.4.1 transfer his Shares (for the purposes of this Article 11.4, "Minority Shares") as required by Article 11.1 or 11.2; or

- 11.4.2 execute any document required to be executed in order to give effect to the provisions of Article 11.1 or 11.2,

the directors may authorise any individual to execute on behalf of and as attorney or agent for the Minority Shareholder any necessary transfer or other document and shall register the proposed transferee as the holder of the Minority Shares. The Company's receipt of the consideration for the Minority Shares shall be a good discharge to the proposed transferee, and the Company shall thereafter hold the same on trust for the Minority Shareholder. After the name of the proposed transferee has been entered in the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

- 11.5 While Article 11 applies to a Minority Shareholder's shares, those shares may not be transferred other than under Article 11.

## 12 **General meetings**

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. One member holding more than one half in nominal value of the issued Ordinary Shares for the time being and present in person or by proxy or representative shall constitute a quorum and shall be deemed for this purpose to constitute a valid meeting but, save in such a case two members holding Ordinary Shares present in person or by proxy or representative shall be a quorum.

## 13 **Directors**

- 13.1 In its application to the Company, Regulation 64 of Table A shall be modified by the deletion of the word "two" and the substitution of the word "one".
- 13.2 The Controlling Shareholder shall have the right at any time and from time to time to appoint one or more persons to be a Director or Directors of the Company. Any such appointment shall be effected by notice in writing to the Company by the Controlling Shareholder and the Controlling Shareholder may in like manner at any time and from time to time remove from office any Director (whether or not appointed by him or it pursuant to this Article).
- 13.3 In its application to the Company, Regulation 65 of Table A shall be modified by the deletion of the words "approved by resolution of the Directors and".
- 13.4 In its application to the Company, Regulation 78 of Table A shall be modified by the deletion of the words "... and may also determine the rotation in which any additional Directors are to retire".
- 13.5 In its application to the Company, Regulation 79 of Table A shall be modified by the deletion of the second and third sentences.
- 13.6 In its application to the Company, Regulation 84 of Table A shall be modified by the deletion of the third and final sentences.
- 13.7 In its application to the Company, Regulation 81 of Table A shall be modified by the deletion of paragraph (e) and the substitution of the following paragraph:-

"(e) he is removed from office under the provisions of Article 8 of the Company's Articles of Association."

14                   **Proceedings of Directors**

14.1               The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number. A sole Director shall have authority to exercise all powers and discretions vested in the Directors and, in its application to the Company, Regulation 89 of Table A shall be modified accordingly.

14.2               A Director may vote at a meeting of the Directors, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts or which may conflict with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors. The provisions of Regulation 86 of Table A shall be taken to apply equally to any disclosure to be made under the provisions of this Article.

15                   **Execution of documents**

In its application to the Company Regulation 101 of Table A shall be modified by the addition of the following sentence:

“Any instrument expressed to be executed by the Company and signed by two directors, or by one director and the secretary, by the authority of the directors or of a committee authorised by the directors shall (to the extent permitted by the Act) have effect as if executed by affixing the seal.”

16                   **Indemnity**

Subject to section 310 of the Act:-

16.1               every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation to his office, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or otherwise in relation to his office;

16.2               the Company may purchase and maintain insurance for any such Director or other officer 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.

17                   **Electronic Communications**

17.1               Any Director who participates in the proceedings of a meeting by means of an electronic communication by which all the other Directors present at such meeting (whether in person or by alternate or by means of electronic communication) may hear at all times such Director and such Director may hear at all times all other Directors present at such meeting (whether in person or by

alternate or by means of electronic communication) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.

- 17.2 In their application to the Company, Regulations 60 and 61 of Table A shall be modified by the addition of the following sentence:-

"The appointment of a proxy may be contained in an electronic communication sent to such address (including any number) as may be notified by or on behalf of the Company for that purpose and may be in such form as the Directors may approve including requirements as to the use of such discrete identifier or provision of such other information by a member so as to verify the identity of such member and as to the authenticity of any electronic signature thereon."

- 17.3 In its application to the Company, Regulation 62 of Table A shall be modified by the addition of the following sentences:-

"In the event that more than one appointment of a proxy relating to the same share is so delivered or received for the purposes of the same meeting, the appointment last delivered or received (whether in writing or contained in an electronic communication) shall prevail in conferring authority on the person named therein to attend the meeting and vote.

An appointment of proxy contained in an electronic communication found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid."

- 17.4 In its application to the Company, Regulation 115 of Table A shall be modified by the addition of the following after the words "after the time it was sent" at the end of the third sentence:-

"notwithstanding that the Company is aware of the failure in delivery of such electronic communication. Without prejudice to such deemed delivery, if the Company is aware of the failure in delivery of an electronic communication and has sought to give notice by such means at least three times, it shall send the notice in writing by post within 48 hours of the original attempt".