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VAN ELLE HOLDINGS PLC

ARTICLES OF ASSOCIATION

Adopted on 20.10.2016

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COMPANIES ACTS 1985, 1989 AND 2006

PUBLIC LIMITED COMPANY

ARTICLES OF ASSOCIATION

OF

VAN ELLE HOLDINGS PLC

(adopted by Special Resolution of the Company

passed on 20.10.2016)

1. **TABLE A**

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

2. **DEFINITIONS AND INTERPRETATION**

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

"Aggregate Consideration" means the aggregate amount to be paid by a purchaser for all of the Shares Issued by the Company which are to be purchased pursuant to a Share Sale;

"Allocation Notice" has the meaning given in Article 10.10;

"Approved Offer" has the meaning given in Article 13.2.1;

"A Director" means the director appointed by the registered holder of the A Shares;

"A Share" means an A ordinary share of 50 pence each in the capital of the Company;

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

"Asset Sale" means any disposal by the Company of all or substantially all of its business and assets except in the case of a voluntary amalgamation or reconstruction of the Company on a solvent basis;

"Auditors" means the Company's incumbent auditors;

"Bad Leaver" means a Relevant Individual who ceases to be an employee and/or director of the Company or any member of the Group and who is not a Good Leaver. In this definition the Relevant Individual will be deemed to cease to be an employee and/or director on the Cessation Date;

"Board" means the incumbent board of Directors;

"B Share" means a B ordinary share of 50 pence each in capital of the Company;

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

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

"Buyer" has the meaning given in Article 13.1.1;

"Cessation Date" means the date on which a Relevant Individual ceases to be an employee or director of any Group Member for any reason (including death or bankruptcy) or, if the Relevant Individual is still an employee or director of a Group Member, the date on which the Relevant Individual becomes eligible for benefits under a permanent health Insurance policy;

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

"Companies Act" means the Companies Act 1985 (as amended) and the Companies Act 2006 as enacted;

"Company" means Van Elle Holdings plc;

"Compulsory Sale Notice" means a notice served on a Compulsory Seller pursuant to Article 12.2;

"Compulsory Seller" and **"Compulsory Sellers"** have the meanings given in Article 12.3;

"Connected Person" has the meaning given in section 839 of the Income and Corporation Taxes Act 1988;

"Controlling Interest" in relation to a person means the ownership by that person and his or its Connected Persons of Shares carrying the right to more than 40 per cent of the total number of votes which may be cast on a poll at a general meeting of the Company, including such rights as obtained under Article 5.6;

"C Share" means a C Ordinary share of 1 pence each in the capital of the Company;

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

"Directors" means the Company's incumbent directors,

"D Shares" means the D Shares of 15 pence each in the capital of the Company;

"Drag Along Right" has the meaning given in Article 14.1;

"Exit" means a Share Sale, Listing or Liquidation;

"Exit Date" means a Sale Date, the date when a Listing completes or becomes effective, or a Liquidation Date, as the case may be;

"Exit Proceeds" means:

(i) on a Share Sale:

- (a) the Aggregate Consideration receivable from the relevant purchasers for the Shares which are the subject of the sale on or following completion of the sale including any deferred or such other consideration as is payable, to the extent relevant; less
- (b) the aggregate costs and expenses properly incurred in connection with, and any contingent liabilities in respect of, the sale; or

(ii) on a Liquidation (including a return of capital following an Asset Sale):

- (a) the aggregate amount distributable to members following completion of the Liquidation or Asset Sale; less
- (b) the aggregate costs of the Liquidation and/or Asset Sale;

(iii) on a Listing.

(a) where conversion occurs immediately prior to a Listing, the capitalisation of the Shares (excluding any Shares issued at the time of the Listing in order to raise money for the Company for whatever reason) at the price per share at which Shares are sold (in any offer for sale, placing tender offer or otherwise) in the Listing, or if there is no such sale, the valuation of the Shares at the Exit Date made by the Company's brokers; less

(b) the aggregate costs of the Listing;

"Extra Shares" has the meaning given in Article 10.7;

"FSMA" means the Financial Services and Markets Act 2000;

"Good Leaver" means a Relevant Individual:

(a) who ceases to be an employee and/or director of any Group Member as a result of his death, permanent incapacity due to ill-health or retirement in accordance with his contract of employment; or

(b) whose contract of employment is terminated by the Company or any member of the Group other than (i) in circumstances justifying summary dismissal or (ii) for reasons determined by the Board to relate to the performance of his duties; or

(c) who is employed by and/or serves as a director of a subsidiary of the Company and that subsidiary ceases for any reason to be within the Group without the individual continuing as an employee or director of any other Group Member; or

(d) the A Director ceasing to be an employee/officer of the Company; or

(e) who does not fall within categories (a) to (c) above, but is determined by the Board in their absolute discretion to be a Good Leaver;

"Group" means the Company and its subsidiaries (as defined by section 1159 of the Companies Act 2006) from time to time and references to a **"Member of the Group"** or a **"Group Member"** will be construed accordingly;

"Liquidation" means a return of capital to shareholders on a liquidation, dissolution or the passing of a resolution for the winding-up of the Company in each case save to the extent the same arises as a result of any group reorganisation or other reconstruction, and not, for the avoidance of doubt, to include a distribution of profits, made in accordance with these articles or a Listing;

"Liquidation Date" means the date of a Liquidation;

"Listing" means:

(a) the admission of all or any of the Shares to trading on a market for listed securities operated by a recognised investment exchange (as that term is defined in FSMA), together with the admission of such Shares to the Official List of the UK Listing Authority; or

(b) the admission of such Shares to trading on AIM, a market operated by the London Stock Exchange plc and such admission becoming effective in accordance with the rules of AIM published by the London Stock Exchange plc; or

(c) the admission of such Shares to, or to trading on, any other market wherever situated, together, if necessary, with the admission of such Shares to listing on

any official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority;

"Loan Note Deed" means the deed dated on or about the Commencement Date constituting the Loan Notes to be issued by the Company;

"Loan Notes" means the Variable Rate Guaranteed Secured Subordinated Redeemable Loan Notes 2014 constituted by the Loan Note Deed;

"Long Stop Date" means the date all the Loan Notes are repaid in full;

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

"Market Value" has the meaning given in Article 11 in relation to voluntary share transfers and in Article 12.5 in relation to compulsory share transfers;

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

"Michael Ellis" means Michael Frank Ellis;

"Noteholders" means the holders from time to time of the Loan Notes;

"Other Shareholders" has the meaning given in Article 14.1;

"Proportionate Entitlement" has the meaning given in Article 10.7;

"Proposed Transferee" means a person to whom a Seller proposes to transfer Sale Shares;

"PRs" means the legal personal representatives of a deceased Member,

"Relevant Individual" means an employee or director of any Group Member;

"Sale Date" means the date of completion of a Share Sale;

"Sale Shares" means Shares which a Seller wishes to transfer;

"Seller" means any Member who wishes to transfer any Shares,

"Shareholder" means a registered holder of any Shares;

"Shareholders Agreement" means an agreement dated on 12 June 2003 and made between (1) the Company (2) the Managers and (3) Michael Ellis as subsequently amended by a supplemental deed dated 26 March 2009 and as amended further by a second supplemental deed dated on or about the Commencement Date;

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

"Share Sale" means the completion of any transaction or series of transactions whereby any person or Connected Persons or group of persons acting in concert purchases or otherwise acquires or obtains the majority of the A Shares and B Shares;

"Table A" means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No 1052) and the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000/3373) the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826);

"Total Transfer Condition" means a condition in a Transfer Notice stipulating that such Transfer Notice is conditional upon all and not some only of the Sale Shares specified in it being sold;

"Transfer Notice" means a notice in writing by a Seller of his wish to transfer any Shares;

"Transfer Price" has the meaning given in Article 10.4;

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

"Van Elle" means Van Elle Limited a company registered in England and Wales under company number 2590521.

2.2 Words and phrases which are defined or referred to in or for the purposes of the Companies Act or Table A have the same meanings in these articles unless a contrary intention appears

2.3 In these articles, unless a contrary intention appears:

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

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

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

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

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

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

2.3.4.1 any sale or other disposition of the legal or equitable interest in a Share (including any voting right attached to a Share) ("Interest");

2.3.4.2 the creation of any mortgage, charge, pledge or other encumbrance over any Interest;

2.3.4.3 any direction by a Member entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and

2.3.4.4 any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Member entitled to any such Share; and

2.3.5 reference to a **"group undertaking"** means, in relation to any undertaking, its holding company (if any) and its subsidiaries (as such terms are defined by section 1159 of the Companies Act 2006) and any other subsidiaries of its holding company.

2.4 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, whether to or in respect of Market Value of Sale Shares under Articles 11 or 12.5 or otherwise pursuant to these articles, will be referred

Immediately to the Auditors for final determination. If the Auditors decline to act in respect of any such referral, the matter will be determined by an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within five Business Days after the Auditors have declined to act, appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales. The Auditors or independent accountants (as the case may be) will act as expert and not as arbitrator and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the Auditors/independent accountants. In the absence of any such direction, such costs will be borne equally between the parties concerned. The written certificate of the Auditors/independent accountants (as the case may be) will be conclusive and binding on the Company and the Members (except in the case of fraud or manifest error)

2.5 The headings in these articles are included for convenience only and do not affect the meaning of these articles.

2.6 Where, for any purpose, an ordinary resolution of the Company is required, a special or an extraordinary resolution is also effective for that purpose, and where, for any purpose, an extraordinary resolution is required, a special resolution is also effective for that purpose.

3. **SHARE CAPITAL**

[NOT USED]

4. **SHARE RIGHTS - INCOME**

4.1 No dividends shall be declared or paid unless and until all of the sums outstanding pursuant to the Loan Notes have been repaid in full unless declared and paid with the approval of a majority of the Board and the consent of the A Director.

4.2 Subject to Article 4.1 above, Regulations 102 to 108 shall apply to the Company with regard to the payment of dividends.

5. **SHARE RIGHTS - VOTING**

5.1 The voting rights of Members set out in Article 21 are subject to:

5.1.1 the A Shareholders having the right to call a general meeting;

5.1.2 the following provisions of this Article 5; and

5.1.3 Article 12.6 (suspension of voting rights during compulsory transfer procedure).

Percentage voting rights

5.2 The A Shares shall confer 32.727% of the total voting rights of all Shares at any time and such voting rights shall be apportioned between that class in proportion to the number of A Shares held by each A Shareholder at the relevant date.

5.3 The B Shares shall confer 49.091% of the total voting rights of all Shares at any time and such voting rights shall be apportioned between that class in proportion to the number of B Shares held by each B Shareholder at the relevant date.

5.4 The C Shares shall confer 9.091% of the total voting rights of all Shares at any time and such voting rights shall be apportioned between that class in proportion to the number of C Shares held by each C Shareholder at the relevant date.

5.5 The D Shares shall confer 9.091% of the total voting rights of all Shares at any time and such voting rights shall be apportioned between that class in proportion to the number of D Shares held by each D Shareholder at the relevant date.

Swamping Rights

- 5.6 Whilst the Loan Notes remain issued and outstanding and prior to the Long Stop Date, the number of votes attaching to the A Shares will represent 100 per cent of the voting rights attaching to all Shares.

6. VARIATION AND SHARE RIGHTS

- 6.1 The rights attached to the A Shares, the B Shares, the C Shares and the D Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent of the holders of the issued Shares of that class given in accordance with Article 6.2.

- 6.2 The consent of the holders of a class of Shares may be given by:

- 6.2.1 an ordinary resolution passed at a separate general meeting of the holders of that class; or
- 6.2.2 a written resolution in any form signed by or on behalf of the holders of the majority of the nominal value of the issued Shares of that class; or
- 6.2.3 whilst the Loan Notes remain issued and outstanding and prior to the Long Stop Date a written resolution in any form signed by or on behalf of the holders of the A Shares which shall constitute the consent of the class of the A Shares, the B Shares and the C Shares,

except that any consent of the holders of a class of Shares which is required for the purposes of sections 549 (Exercise by directors of power to allot shares etc) and 551 (Power of directors to allot shares etc: authorization by company) or section 641 (Circumstances in which a company may reduce its share capital) of the Companies Act 2006, such consent shall be given by either passing a special resolution at a separate general meeting of the holders of that class or a written resolution in any form signed by or on behalf of the holders of not less than 75 per cent in the nominal value of the issued Shares of that class.

7. ISSUE AND ALLOTMENT OF NEW SHARES

- 7.1 The Company shall not increase its authorised share capital unless the prior consent of the holders of the A Shares, the B Shares, the C Shares and the D Shares is given in accordance with Article 6.2.

- 7.2 Subject to Article 7.6, and unless the Company by special resolution directs otherwise, any new Shares will be offered by the Directors for subscription to the A Shareholders in respect of each new A Share in equal proportions and to the B Shareholders in respect of each new B Share and to the C Shareholders in respect of each new C Share and to the D Shareholders in respect of each new D Share in each case in such proportions as equal (as nearly as possible) to the proportion of such Shares held by them respectively at that time. For the avoidance of doubt no new A Shares, B Shares, C Shares or D Shares shall be issued without the prior consent of the holders of the A Shares, the B Shares, the C Shares and the D Shares given in accordance with Article 6.2.

- 7.3 The offer will be made by notice specifying the number and class of Shares offered, the price per Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the Shares so offered, the Directors will offer the declined Shares in the same proportions to the holders of Shares who have accepted all the Shares initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Directors, be limited to a period of seven days after which it will (to the extent that any Shares remain unaccepted) be deemed to have been withdrawn.

- 7.4 Any A Shares not taken up at the end of the procedure set out in Articles 7.2 and 7.3 will be offered first to the B Shareholders pro rata according to their shareholdings, likewise any B Shares not taken up will be offered first to the A Shareholders pro rata according to

their shareholdings, provided that no shares will be issued on terms which are more favourable than those on which they were initially offered to the Members and likewise any C Shares and D Shares not taken up will be offered first to the A Shareholders and B Shareholders pro rata according to their shareholdings, provided that no Shares will be issued on terms which are more favourable than those on which they were initially offered to the Members.

- 7.5 Any Shares not taken up at the end of the procedure set out in Articles 7.2, 7.3 and 7.4 may be offered by the Directors to a third party and, subject to these articles and the provisions of section 80 of the Companies Act 1985, such Shares will 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 as they think fit provided that no shares will be issued on terms which are more favourable than those on which they were initially offered to the Members.
- 7.6 The provisions of Articles 7.2, 7.4 and 7.5 will apply (as if they were set out in full in this Article 7.6) to all equity securities (as defined in section 94(2) of the Companies Act 1985) of the Company which may be created from time to time.
- 7.7 The provisions of sections 89(1) and 90(1) to (6) of the Companies Act 1985 will not apply to the Company.
- 7.8 If, due to any inequality between the number of new Shares to be issued and the number of Shares held by Members entitled to have the offer of new Shares made to them, any difficulty arises in the apportionment of any such new Shares amongst the members, such difficulties will be determined by the Board

8. TRANSFERS OF SHARES - PROHIBITED TRANSFERS

General Prohibitions

- 8.1 The Directors will not register any transfer of Shares to any of the following:
- 8.1.1 any person who, in the opinion of the Directors is carrying on business directly or indirectly in competition with the Company or any member of the Group, except this restriction will not apply to any transfer of Shares pursuant to Articles 13 and 14 (*Tag Along Rights and Drag Along Rights*);
 - 8.1.2 any person who does not have legal capacity to transfer such Shares or otherwise to comply fully with the provisions of these articles.

Prohibition unless in accordance with those articles

- 8.2 Subject to Article 8.1, the Directors will not register a transfer of Shares unless:
- 8.2.1 the transfer is permitted by Article 9, (*Permitted Transfers*), or has been made in accordance with Article 10 (*Pre-emption*); and
 - 8.2.2 the proposed transferee has entered into a deed of adherence to, and in the form required by the Shareholders Agreement, (where applicable).
- 8.3 For the purpose of ensuring that:
- 8.3.1 a transfer of Shares is permitted under these articles; or
 - 8.3.2 no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given; or
 - 8.3.3 no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 13,

the Board may require any Member to procure that any person whom the Board reasonably believe(s) to have information relevant to such purpose provides the Company with such information and evidence as the Board thinks fit. Pending the provision of such information the Board will be entitled to refuse to register any relevant transfer.

8.4 Regulations 24 and 26 will not apply to the Company.

9. PERMITTED TRANSFERS

9.1 The A Shares shall be freely transferable and shall not be subject to any restrictions or rights of pre-emption contained in these articles or in any other agreement or document where such A Shares are to be transferred to an employee of Van Elle and in the event that such transfer occurs the A Shares shall automatically convert into B Shares and if such transfer occurs prior to the Long Stop Date, the transferee to whom the A Shares are transferred shall enter into a Deed of Adherence (as defined in the Shareholders Agreement).

9.2 Subject to Article 9.1 where any Shares are the subject of a Transfer Notice, no transfers of any such Shares shall be permitted pursuant to this Article 9.

9.3 Any Share may be transferred:

9.3.1 when required by, and in accordance with, Article 12 (*Compulsory Transfers*); or

9.3.2 to a Buyer in acceptance of an Approved Offer pursuant to Article 13 (*Tag Along Rights*) or Article 14 (*Drag Along Rights*), or

9.3.3 with the consent of the majority of the A Shareholders, the consent of the majority of the B Shareholders, the consent of the majority of the C Shareholders and the consent of the majority of the D Shareholders given in accordance with Article 6 2

10. PRE-EMPTION

Transfer Notices

10.1 Except in the case of a transfer pursuant to Article 9 (*Permitted Transfers*), and subject to the prohibitions on transfers set out in Article 8, a Seller must give a Transfer Notice to the Company.

10.2 Each Transfer Notice will specify:

10.2.1 the number and class of Sale Shares;

10.2.2 the identity of the Proposed Transferee (if any);

10.2.3 the price per Share at which the Seller wishes to transfer the Sale Shares; and

10.2.4 whether or not the Transfer Notice is subject to a Total Transfer Condition. In the absence of any such stipulation it will be deemed not to be so conditional. No Total Transfer Condition will apply in respect of any Transfer Notice deemed to have been given pursuant to Article 12.

10.3 No Transfer Notice will be capable of variation or cancellation without the majority consent of the Board.

Transfer Price

10.4 The Transfer Notice will constitute the Company as the agent of the Seller for the transfer of the Sale Shares in accordance with this Article 10 at the following price ("Transfer Price"):

- 10.4.1 the price as may be agreed between the Seller and the Board within 10 Business Days after the date of service or deemed service of the Transfer Notice; or
- 10.4.2 in default of agreement under Article 10.4.1 the lower of:
- 10.4.2.1 the price per Share specified in the Transfer Notice; and
 - 10.4.2.2 If the Board elects within 15 Business Days after the date of service or deemed service of the Transfer Notice to instruct the Auditors or an independent firm of chartered accountants for the purpose, the Market Value of the Sale Shares as at the date of service or deemed service of the Transfer Notice, and as determined in accordance with Articles 2.4 and 11.

Offer period

- 10.5 Within 10 Business Days after its receipt of a Transfer Notice or, where later, on the determination of the Transfer Price, the Company (in its capacity as agent for the Seller) will give notice in writing to each of the Members (other than the Seller and any other Member who has served or who is deemed to have served a Transfer Notice in respect of his entire holding of Shares pursuant to which the sale at the Transfer Price in accordance with Article 10.4). The notice will specify that the Members will have a period of up to 20 Business Days from the date of such notice within which to apply for some or all of the Sale Shares.

Pre-emption Procedure

- 10.6 If Members holding Shares of more than one class apply for some or all of the Sale Shares, the Sale Shares of a particular class specified in column (1) in the table below will be treated as offered:
- 10.6.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and
 - 10.6.2 to the extent not accepted by persons in column (2) (whether as part of their Proportionate Entitlement or as Extra Shares), to all persons in the category set out in the corresponding line in column (3) in the table below.

(1)	(2)	(3)
Class of Sale Shares	First Priority	Second Priority
B Shares	B Shareholders	A Shareholders
A Shares	A Shareholders	B Shareholders
D Shares	D Shareholders	A Shareholders
C Shares	C Shareholders	A Shareholders

- 10.7 It will be a further term of the offer that, if there is competition within any class of Shareholder for the Sale Shares offered to that class, such Sale Shares will be treated as offered among the holders of such class in proportion (as nearly as possible) to their existing holdings of Shares of that class ("Proportionate Entitlement"). However, the offer will also invite Members to indicate in their applications for Sale Shares, whether they would be willing to buy Shares in excess of their Proportionate Entitlement should any such Shares be available and, if so, how many ("Extra Shares").

Allocation of Shares

- 10.8 After the expiry of the offer period specified in Article 10.5, (or, if sooner, upon valid applications being received for all of the Sale Shares in accordance with that Article), the Board will allocate the Sale Shares as follows:
- 10.8.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each offeree will be allocated the number applied for in accordance with his application (subject to Article 10.12); or
 - 10.8.2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each offeree will be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which he has applied for; and
 - 10.8.3 applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition within any class of Shareholder, among those applying for Extra Shares in such proportions as equal (as nearly as possible) to the proportions of all the Shares of the same class held by such offerees.
- 10.9 Allocations of Sale Shares made by the Company pursuant to this Article 10 will 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 will be obliged to take more than the maximum number of Sale Shares which he has indicated to the Company he is willing to purchase.

Completion of sale and purchase of Sale Shares

- 10.10 The Company will immediately upon allocating any Sale Shares (pursuant to Article 10.8) give notice in writing ("Allocation Notice") to the Seller and to each person to whom Sale Shares have been allocated specifying:
- 10.10.1 the number of Sale Shares so allocated;
 - 10.10.2 the aggregate price payable for them;
 - 10.10.3 any additional information required by Article 10.12.1 (if applicable);
 - 10.10.4 (subject to Article 10.12.1) the place and time (being not later than five Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares will be completed.
- 10.11 Subject to Article 10.12, completion of the sale and purchase of Sale Shares in accordance with the Allocation Notice will take place at the place and time specified in the Allocation Notice when the Seller will, upon payment of the due price, transfer those Sale Shares specified in the Allocation Notice and deliver the relevant Share certificates to the persons to whom they have been allocated.
- 10.12 If the Transfer Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares:
- 10.12.1 the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 28 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares; and
 - 10.12.2 completion of the transfer in accordance with the preceding paragraphs of this Article 10 will be conditional upon all such Sale Shares being so allocated.

Default by the Seller

- 10.13 If the Seller fails by the due completion date to execute and deliver transfers in respect of any of the Sale Shares which he is due to transfer, the Board may authorise any Director to:

- 10.13.1 execute the necessary transfer(s) on the Seller's behalf, and
- 10.13.2 against receipt by the Company of the Transfer Price payable for the relevant Sale Shares (to be held on trust for the Seller without interest) (the receipt being a good discharge to the offeree who will not be bound to see to the application of it), deliver such transfer(s) to the relevant offeree(s).

The Board will authorise registration of the transfer(s), and of the offeree(s) as the holder(s) of the Sale Shares so transferred, once appropriate stamp duty has been paid. After registration, the title of such offeree(s) as registered holder(s) of such Sale Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person.

Default by the Proposed Transferee

- 10.14 If the Proposed Transferee fails to purchase the Sale Shares within the period set out in the Allocation Notice, the Seller shall remain as the registered holder of such Sale Shares.

Exhaustion of pre-emption rights - rights and restrictions with regard to sale to third party

- 10.15 Immediately after the exhaustion of any pre-emption process followed in accordance with these articles, if any Sale Shares remain unallocated, the Company will notify the Seller of that fact. The Seller may, at any time within one calendar month after receiving such notice (but not otherwise unless the pre-emption procedure set out in these articles is repeated), transfer any unsold Sale Shares to the Proposed Transferee at any price which is not less than the Transfer Price, provided that:
 - 10.15.1 the Board will refuse registration of any transfer to a Proposed Transferee who is a person to whom Shares may not be transferred by virtue of Articles 8.1.1 or 8.1.2;
 - 10.15.2 If any such transfer would, if made and registered, result in the Proposed Transferee obtaining or increasing a Controlling Interest, the Board will refuse registration of such transfer until such time as an Approved Offer has been made and the provisions of Article 13 (*Tag Along Rights*) complied with;
 - 10.15.3 if the Seller included a Total Transfer Condition in the Transfer Notice which has not been satisfied, the Seller will be entitled to transfer all (but not some only) of the Sale Shares;
 - 10.15.4 any such transfer must be in good faith and the Board may require to be satisfied (in such manner as it may reasonably think fit) that the Sale Shares are being sold at a price which is not less than the Transfer Price without any deduction, rebate or allowance whatsoever. If not so satisfied, the Board may refuse to register the transfer; and
 - 10.15.5 in the case of any deemed transfer process pursuant to Article 12, the Compulsory Seller will not be entitled to transfer any unsold Sale Shares to any third party.

11. VALUATION

Determination of "Market Value"

If the Auditors (or, by virtue of Article 2.4, independent accountants) are required to determine Market Value pursuant to Article 10.4.2.2, the provisions set out below will apply.

- 11.1 Market Value will be determined by the Auditors or, as the case may be, independent accountants, first valuing the Company as a whole.

- 11.1.1 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so,
 - 11.1.2 assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion;
 - 11.1.3 taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding;
 - 11.1.4 taking into account the rights and restrictions set out in Article 15 in respect of such Shares;
 - 11.1.5 taking account of any bona fide offer for the Company received from an unconnected third party within six months prior to the Transfer Notice being served or deemed to have been served; and
 - 11.1.6 taking into account any offer made by a Proposed Transferee for shares of the same class within six months of the date of determination
- 11.2 Having valued the Company as a whole, the Auditors or, as the case may be, independent accountants will determine the Market Value of the Shares concerned:
- 11.2.1 having deducted from the value of the Company as a whole (if not already taken into account when so valuing the Company) any amounts due to the holders of the Loan Notes (whether in respect of redemptions or arrears or accruals of interest);
 - 11.2.2 taking into account the probability at that time of a potential Exit occurring in respect of the Company; and
 - 11.2.3 disregarding whether the Shares concerned represent a majority or a minority interest but taking into account the rights or restrictions set out in Article 15 in respect of such Shares.
- 11.3 The costs and expenses of the Auditors (or independent accountants) for reporting on their opinion of the Market Value will be borne as to one half by the Seller and as to the other half by the purchasing Shareholders pro-rata to the number of Sale Shares purchased by them unless,
- 11.3.1 the Seller revokes the transfer notice under Article 10.3; or
 - 11.3.2 none of the Sale Shares are purchased by Members pursuant to Article 10
- in which case the Seller will pay all such costs and expenses.

12. COMPULSORY TRANSFERS

Circumstances which trigger compulsory transfer

- 12.1 This Article 12 applies when a Relevant Individual is a Shareholder and the Relevant Individual ceases for any reason (including death or bankruptcy) to be an employee and/or director of any member of the Group or, though still an employee or director of a member of the Group, becomes eligible for benefits under a permanent health insurance policy; and for the purposes of this Article, the Relevant Individual will cease to be an employee and/or director of a member of the Group on the Cessation Date.

Compulsory Pre-emption Procedure

- 12.2 In the circumstances where Article 12.1 applies the decision as to whether to serve a Compulsory Transfer Notice shall be taken by the Board within three months of the Cessation Date.

- 12.3 The Shares which are the subject of the Compulsory Transfer Notice will be offered for sale (other than to the Relevant Individual and/or any holder of Shares referred to in Article 12.1 (or the PRs of any deceased Member or the trustee in bankruptcy of any bankrupt Member) (each a "**Compulsory Seller**" and together "**Compulsory Sellers**") or any other Member who has served or who is deemed to have served a Transfer Notice in respect of his entire holding of Shares which is still outstanding) in accordance with the provisions of Article 10, which will apply as if set out in full in this Article except to the extent that they are varied by the following provisions of this Article 12. The Board may also determine in its absolute discretion to revoke any Transfer Notice previously given or deemed to have been given by the Compulsory Seller(s) which is still outstanding at the Cessation Date.

Sale Price - Good Leaver/Bad Leaver

- 12.4 The price for the Sale Shares will be:

12.4.1 where the circumstances set out in Article 12 1 apply:

12.4.1 1 if the Relevant Individual is a Bad Leaver, the lower of;

(a) the issue price of the Sale Shares (or, where any of the Sale Shares were acquired by a Compulsory Seller by way of transfer rather than allotment, the lower of the issue price and the amount paid by such Compulsory Seller on the transfer) plus in each case interest accrued on such sum at the rate of 3.75 per cent per annum from the date of allotment or acquisition, as appropriate, up to and including the Cessation Date; and

(b) the Market Value of the Sale Shares on the Cessation Date to be agreed or determined in accordance with Articles 2.4 and 12.5 or

12.4.1.2 if the Relevant Individual is a Good Leaver, the price will be the Market Value of the Sale Shares on the Cessation Date, to be agreed or determined as aforesaid.

- 12.5 "**Market Value**" for the purposes of Article 12 will be:

12.5.1 the price agreed between the Compulsory Seller(s) and the Board; or

12 5.2 if they fail to agree a price within 15 Business Days of the date of service of the Compulsory Transfer Notice (or within such other timetable as may be determined by the Board), the price determined by the Auditors (or independent accountant) to be the Market Value of such Shares on the Cessation Date, according to the principles set out in Articles 2.4 and 11.

Suspension of voting rights during compulsory transfer procedure

- 12.6 Unless the Board directs otherwise in writing, any Shares held by a Compulsory Seller on the Cessation Date (and any Shares issued to a Compulsory Seller after such date by virtue of the exercise of any right or option granted or arising by virtue of his holding of the Sale Shares) will cease to confer the right to be entitled to receive notice of, attend and vote at any general meeting of the Company, or any meeting of the holders of any class of Shares with effect from the Cessation Date (or, where appropriate, the date of issue of such Shares, if later), and such Shares will not be counted in determining the total number of votes which may be cast at any such meeting, or for the purposes of a written resolution of any Members or class of Members. That right will be restored immediately upon the Company registering a transfer of the Sale Shares in accordance with this Article 12.

Transmission of Shares

- 12.7 Regulations 29 to 31 shall take effect subject to Articles 12.8 and 12 9.

- 12.8 Without prejudice to Article 12.1 and 12.2 (the provisions of which, when operable, will override the provisions of this Article 12.8 and the provisions of Articles 12.7 and 12.9), a person entitled to a Share or Shares in consequence of the death, bankruptcy, receivership or liquidation of a Member or otherwise by operation of law shall be bound at any time, if called upon in writing to do so by the Directors not later than 90 days after the Directors receive notice from the person concerned that he has become so entitled, to give a Transfer Notice (without specifying a Transfer Price) in respect of all of the Shares then registered in the name of the deceased or insolvent Member in accordance with the provisions of Article 10, which will apply as if set out in full in this Article.
- 12.9 If any such person fails to give a Transfer Notice in accordance with Article 12.8 within 10 Business Days after being called upon to do so
- 12.9.1 the Board may authorise any Director to execute and deliver a transfer of the Shares concerned to a person appointed by the Directors as a nominee for the person entitled to the Shares; and
- 12.9.2 the Company may give a good receipt for the purchase price of such Shares, register the purchaser or purchasers as the holders of them and issue certificates for the same to such purchasers. After registration, the title of such purchaser or purchasers as registered holder(s) of such Shares will not be affected by any irregularity in, or invalidity of, such proceedings, which will not be questioned by any person. In any such case the person entitled to the Shares as a consequence of the death, insolvency or otherwise by operation of law will be bound to deliver up the certificates for the Shares concerned to the Company whereupon he will become entitled to receive the purchase price. In the meantime, the purchase price will be held by the Company on trust for such person without interest.

13 CHANGE OF CONTROL – TAG ALONG RIGHTS

- 13.1 With the exception of transfers of Shares pursuant to Article 9 (*Permitted Transfers*), no transfer of Shares which would result, if made and registered, in a person or persons obtaining a Controlling Interest, will be made or registered unless:
- 13.1.1 an Approved Offer is made by the proposed transferee(s) ("**Buyer**") or, at the Buyer's written request, by the Company as agent for the Buyer; and
- 13.1.2 the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it.
- 13.2 For the purposes of this Article 13 and Article 14:
- 13.2.1 "**Approved Offer**" means an offer in writing served on all Members holding Shares (including the proposing transferor), offering to purchase all the Shares held by such Members (including any Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Shares in existence at the date of such offer) which:
- 13.2.1.1 is stipulated to be open for acceptance for at least 15 Business Days;
- 13.2.1.2 offers the same consideration for each Share (whether in cash, securities or otherwise in any combination) taking into account for this purpose the entitlements as set out in Article 15;
- 13.2.1.3 includes an undertaking by or on behalf of the Buyer that, subject to compliance by the Buyer with Article 13.2.1.4, no other consideration, (whether in cash or otherwise) is to be received or receivable by any Member which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares to be sold by

such Member, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of Shares;

13.2.1.4 to the extent relevant, makes provision for the redemption of the Loan Notes in accordance with the Loan Note Deed or, if the Company is unable lawfully to effect any such redemption, makes provision for the purchase of such Loan Notes at the price at which they would have been redeemed; and

13.2.1.5 is on terms that the sale and purchase of Shares in respect of which the offer is accepted will be completed at the same time.

14. **CHANGE OF CONTROL – DRAG ALONG RIGHTS**

14.1 Whenever an Approved Offer is made, the holders of a Controlling Interest shall have the right ("**Drag Along Right**") to require (in the manner set out in Article 14.2) all of the other holders of Shares ("**Other Shareholders**") to accept the Approved Offer in full.

14.2 The Drag Along Right may be exercised by the service of notice to that effect on the Other Shareholders at the same time as, or within five Business Days following the making of the Approved Offer. Such notice will be accompanied by all documents required to be executed by the Other Shareholders to give effect to the relevant transfer.

14.3 In the event that the Other Shareholders acting reasonably believe that the Approved Offer is less than the market value of the Company, the Other Shareholders shall have the right to instruct the Auditors to undertake a valuation of the Company in accordance with Article 11 and in the event that;

14.3.1 the Auditors conclude that the Approved Offer is equal to or greater than the market value of the Company, then the remaining provisions of this Article 14 shall apply; or

14.3.2 the Auditors conclude that the Approved Offer is less than the market value of the Company, then the Other Shareholders shall be granted a period of eight weeks in which to obtain funding to match the Approved Offer and the provisions of this Article 14 shall be suspended until the sooner of the expiry of such eight weeks or the Other Shareholders matching the Approved Offer, and until such time the Other Shareholders shall not be bound to accept the Approved Offer.

14.4 On the exercise of the Drag Along Right, each of the Other Shareholders will be bound to accept the Approved Offer in respect of its entire holding of Shares and to comply with the obligations assumed by virtue of such acceptance.

14.5 If any of the Other Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of its Shares pursuant to the Approved Offer, or otherwise fails to take any action required of it under the terms of the Approved Offer, any holder of Shares or any persons so authorised by the Board may accept the offer on behalf of the Other Shareholder in question, or undertake any action required under the terms of the Approved Offer on the part of the Other Shareholder in question. In particular, such person may execute the necessary transfer(s) on that Other Shareholder's behalf; and against:

14.5.1 receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it); and

14.5.2 compliance by the Buyer and, where relevant, the Company with all other terms of the Approved Offer

deliver such transfer(s) to the Buyer (or its nominee). The Board will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the Shares so transferred. After registration, the title of the Buyer (or its nominee) as registered holder of such Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person. The Other Shareholder will in such a case be bound to deliver up its certificate for its Shares to the Company, or a statutory declaration of loss (as appropriate) whereupon the Other Shareholder will be entitled to receive the purchase price for such Shares.

15. PROCEEDS OF EXIT

15.1 Upon an Exit, the Exit Proceeds shall be distributed or paid as follows:

- 15.1.1 an amount equal to 29.05% of the Exit Proceeds shall be distributed or paid to the A Shareholders and shall be apportioned between that class in proportion to the number of A Shares held by each A Shareholder on the Exit Date;
- 15.1.2 an amount equal to 43.58% of the Exit Proceeds shall be distributed or paid to the B Shareholders and shall be apportioned between that class in proportion to the number of B Shares held by each B Shareholder on the Exit Date;
- 15.1.3 an amount equal to 15.05% of the Exit Proceeds shall be distributed or paid to the C Shareholders and shall be apportioned between that class in proportion to the number of C Shares held by each C Shareholder on the Exit Date; and
- 15.1.4 an amount equal to 12.32% of the Exit Proceeds shall be distributed or paid to the D Shareholders and shall be apportioned between that class in proportion to the number of D Shares held by each D Shareholder on the Exit Date.

16. ELECTRONIC COMMUNICATION

Regulation 1 is modified by deleting the definition given of "*electronic communication*" and substituting in its place the definition given in these articles.

17. SHARE CERTIFICATES

Regulation 6 is modified by adding after "*Every certificate shall be sealed with the seal*" the words "*or executed in such other manner as the Directors authorise, having regard to the Companies Act 2006,*".

18. LIEN

18.1 Regulation 8 is modified by the deletion of the words "*(not being a fully paid share)*"

18.2 The lien conferred by Regulation 8 will apply to all Shares, whether fully paid or not, and to all Shares registered in the name of any person under a liability (whether actual or contingent), whether he is the sole registered holder of such Shares or one of two or more joint holders of such Shares.

19. GENERAL MEETINGS

19.1 Regulation 37 is modified by the deletion of the words "*eight weeks*" and the substitution for them of the words "*28 days*", and by the insertion of the words "*or the A Director acting alone*" after the second word of that Regulation.

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

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

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

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

A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Members required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating Members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Member indicating to the chairman (in such manner as the chairman may direct) whether the Member votes in favour of or against the resolution or abstains. References in this Article 19 to Members includes their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

20. PROCEEDINGS AT GENERAL MEETINGS

20.1 Whilst the Loan Notes remain issued and outstanding and prior to the Long Stop Date, Regulation 40 is modified so that the quorum for any general meeting (other than a separate class meeting) will be the A Shareholders and, thereafter, once the Loan Notes have been redeemed in full, the quorum for any general meeting (other than a separate class meeting) will include at least one Member present in person or by proxy from each class of Shareholder and any one Member shall only represent one class of Shares.

20.2 Whilst the Loan Notes remain issued and outstanding and prior to the Long Stop Date, if any meeting is adjourned pursuant to Regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present will form a quorum, providing the A Shareholder is present at the meeting and, thereafter once the Loan Notes have been redeemed in full, the quorum at any adjourned meeting shall be the shareholders present. Regulation 41 is modified accordingly.

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

20.4 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.

20.5 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman will be entitled to a casting vote in addition to any other vote which he may have. Regulation 50 will be modified accordingly.

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

20.7 Regulation 53 is modified by the addition of the following sentence at the end: "*If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it will have effect accordingly*".

21. VOTES OF MEMBERS

21.1 Regulation 54 is modified so that:

21.1.1 a proxy will be entitled to vote whether on a show of hands or on a poll; and

21.1.2 a duly authorised representative of a corporate Member will be entitled to vote on its behalf whether on a show of hands or on a poll, and whether or not such duly authorised representative is also a Member entitled to vote

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

21.3 Regulation 59 is modified by the addition of the following sentence at the end: "*Deposit of an instrument of proxy will not preclude a Member from attending and voting at the meeting or at any adjournment of the meeting*"

21.4 Regulation 62 is modified by the deletion in paragraph (a) of the words "*deposited at*" and by the substitution for them of the words "*left at or sent by post to*" and by the insertion at the end of the penultimate sentence of the Regulation (after the word "*invalid*") of the words "*unless a majority of the Directors resolve otherwise*"

22. **NUMBER OF DIRECTORS**

Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) will be not less than five and is not subject to any maximum.

23. **ALTERNATE DIRECTORS**

23.1 The Directors may each appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director. Regulation 65 is modified so that any such appointment does not need to be approved by resolution of the Directors. In Regulation 67 the words "*but, if*" and the words which follow to the end of the Regulation are deleted

23.2 Regulation 66 is modified so that an alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of Directors and of committees of Directors of which his appointer is a member. An alternate director may waive the requirement that notice be given to him of a meeting of Directors or of a committee of Directors of which his appointer is a member, either prospectively or retrospectively.

23.3 The first sentence of Regulation 66 is modified so that an alternate director will not be entitled as such to receive any remuneration from the Company although he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as his appointer may direct by notice in writing to the Company.

23.4 An alternate director will be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.

23.5 An alternate director's appointment will determine if he resigns by written notice left at or sent to the registered office of the Company

23.6 A director, or any other person mentioned in Regulation 65, may act as an alternate director to represent more than one Director, and an alternate director will be entitled at any meeting of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he will count as only one person for the purpose of determining whether a quorum is present

23.7 Regulation 68 is modified by the addition at the end of the first sentence of the following sentence "*Any such notice may be left at or sent by post or facsimile transmission to the office or another place designated for the purpose by the Directors*".

24. **DELEGATION OF DIRECTOR'S POWERS**

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

25 APPOINTMENT AND RETIREMENT OF DIRECTORS

- 25.1 The A Shareholder may appoint the A Director by notice in writing to the Company.
- 25.2 No person will be disqualified from being appointed a Director and no Director will be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age.
- 25.3 A Director will not retire by rotation and a Director appointed to fill a vacancy or as an additional director will not retire from office at the annual general meeting next following his appointment. Regulations 73 to 77 (inclusive) and 80 will not apply to the Company, reference in Regulations 67, 78 and 84 to retirement by rotation will be disregarded and the last two sentences of Regulation 79 are deleted.
- 25.4 Save for the A Director, who may only be removed by the A Shareholders, the holder or holders of such number of Shares as give the right to a majority of votes at general meetings of the Company may, by giving notice to the Company, remove any Director from office and/or appoint any person to be a Director. The notice must be signed by or on behalf of such holder or holders (and may consist of several documents in similar form each signed by or on behalf of one or more holders) and must be left at or sent by post or fax to the registered office or such other place designated by the Directors for the purpose. Such removal or appointment will take effect when the notice is received by the Company or on such later date (if any) as may be specified in the notice.

26. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 26.1 The office of a Director will be vacated if:
- 26.1.1 he ceases to be a Director by virtue of any provision of the Companies Act or he becomes prohibited by law from being a director;
- 26.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 26.1.3 he becomes, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
- 26.1.4 he resigns his office by notice in writing to the Company;
- 26.1.5 he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the Directors resolve that his office be vacated;
- 26.1.6 he is removed from office by notice addressed to him at his last-known address and signed by the majority of his co-Directors;
- 26.1.7 he is removed from office by notice given by a member or members under Article 25.4;
- 26.1.8 being an executive Director he ceases, for whatever reason, to be employed by any member of the Group, or
- 26.1.9 the majority of the board of Directors determine that he shall be removed from office.
- 26.2 The A Director may only be removed by the A Shareholder.

27. **DIRECTOR'S GRATUITIES AND PENSIONS**

Until the Loan Notes have been redeemed in full, Regulation 87 is modified by the addition of the words: "*with the consent of the A Shareholder*" after the words "*The directors*" and before the words "*may provide benefits*" in the first sentence.

28. **BORROWING POWERS**

Until the Loan Notes have been redeemed in full the Directors may not exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to section 80 of the Companies Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party except where they have obtained the prior written consent of the A Director.

29. **PROCEEDINGS OF DIRECTORS**

- 29.1 Whilst the Loan Notes remain issued and outstanding and prior to the Long Stop Date, any of the decisions taken by the Board shall require the consent of the A Director.
- 29.2 In the case of an equality of votes, the chairman will have a second or casting vote. Regulation 88 will be modified accordingly.
- 29.3 Regulation 88 is modified by the exclusion of the third sentence and the substitution for it of the following sentences: "*Every Director will receive notice of a meeting, whether or not he is absent from the United Kingdom. A Director may waive the requirement that notice be given to him of a meeting of Directors or a committee of Directors, either prospectively or retrospectively*".
- 29.4 Whilst the Loan Notes remain issued and outstanding and prior to the Long Stop Date, the quorum necessary for the transaction of business at any meeting of the Directors will be solely the A Director and, thereafter, once the Loan Notes have been fully redeemed, shall be four. If any meeting of the Directors is inquorate then it will be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present will constitute a quorum, providing whilst the Loan Notes remain issued and outstanding and prior to the Long Stop Date, the A Director is present at the adjourned meeting and, thereafter, once the Loan Notes have been fully redeemed, the quorum at any adjourned meeting shall be the Directors present
- 29.5 At the Commencement Date the A Director shall be appointed by the Board to be the chairman of the Board
- 29.6 Any Director or alternate may participate in a meeting of the Board or a committee of the Directors by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear and speak to each other throughout the meeting, and any Director or member of a committee participating in a meeting in this manner is deemed to be present in person at such meeting and will be counted when reckoning a quorum.
- 29.7 Without prejudice to the obligation of any Director to disclose his interest in accordance with sections 177 and 182 of the Companies Act 2006, a Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty provided that he has first obtained the consent of the Board. The Director will be counted in the quorum present when any such resolution is under consideration and if he votes, his vote will be counted.

30. **DIVIDENDS**

Until the Loan Notes have been redeemed in full, Regulation 103 is modified by the addition of the following words: "*with the consent of the A Shareholder*" after the words "*the directors*" in the first sentence.

31. **NOTICES**

31.1 Any notice or other document to be served or delivered to or by any person pursuant to these articles (other than a notice calling a meeting of the Directors) shall be in writing and shall be delivered in accordance with Article 31.2.

31.2 Any notice or other document may only be served on, or delivered to, any Member by the Company or by any other Member:

31.2.1 personally,

31.2.2 by sending it through the post in a prepaid envelope addressed to the Member at his registered address (whether such address is in the United Kingdom or otherwise);

31.2.3 by delivery of it by hand to or leaving it at that address in an envelope addressed to the Member; or

31.2.4 except in the case of a share certificate and only if an address has been specified by the Member for such purpose, by Electronic Communication

31.3 In the case of joint holders of a Share, all notices and other documents shall be given to the person named first in the register in respect of the joint holding, and notice so given shall be sufficient notice to all joint holders.

31.4 Any notice or other document may only be served on, or delivered to, the Company by anyone:

31.4.1 by sending it through the post in a prepaid envelope addressed to the Company or any officer of the Company at its registered office or such other place in the United Kingdom as may from time to time be specified by the Company;

31.4.2 by delivering it by hand to its registered office or such other place in the United Kingdom as may from time to time be specified by the Company; or

31.4.3 if an address has been specified by the Company for such purpose (and in the case of an appointment of a proxy such address has been specified in a document or other communication referred to in Regulation 62), by Electronic Communication.

31.5 Any notice or other document (other than the appointment of a proxy).

31.5.1 addressed to the recipient in the manner prescribed by these articles shall, if sent by post, be deemed to have been served or delivered:

31.5.1.1 (if prepaid as first class) 24 hours after it was posted; and

31.5.1.2 (if prepaid as second class) 48 hours after it was posted;

31.5.2 not sent by post, but delivered by hand to or left at an address in accordance with these articles, shall be deemed to have been served or delivered on the day it was so delivered or left,

31.5.3 sent by Electronic Communication shall be deemed to have been served or delivered 48 hours after it was sent, and in proving such service it shall be sufficient to produce (in the case of a fax) a transaction report or log generated

by a fax machine which evidences the fax transmission and (in the case of an e-mail) a confirmation setting out the total number of recipients sent to or each recipient to whom the message was sent as the case may be.

31.6 Regulations 111, 112 and 115 will not apply to the Company.

32. **INDEMNITIES**

Subject to the provisions of the Companies Act but without prejudice to any indemnity to which he may otherwise be entitled every Director, alternate director, secretary and other officer or employee of the Company will be indemnified out of the assets of the Company against any liability (other than any liability arising out of the Shareholders Agreement) sustained or incurred by him in defending any proceedings whether civil or criminal relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Companies Act in which relief is granted to him by the court. Regulation 118 will not apply to the Company.