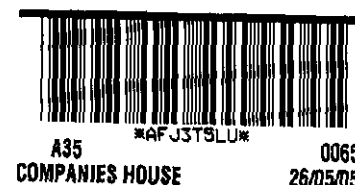


ZOOBIOTIC LIMITED
Company Number: 5084328



Pursuant to Section 381A of the Companies Act 1985 ("the Act") the undersigned, being the sole member of the Company who at the date of this Resolution is entitled to attend and vote at a general meeting of the Company on the following Resolutions resolve:

ORDINARY RESOLUTIONS

1. THAT the 100 ordinary shares of £1.00 each in the issued and unissued share capital of the Company be sub-divided into 10,000 ordinary shares of £0.01 each in the capital of the Company;
2. THAT all the ordinary shares of £0.01 each in the issued and unissued share capital of the Company be re-designated as Founder Ordinary Shares of £0.01 each in the capital of the Company, each such shares having the rights and being subject to the restrictions set out in the articles of association;
3. THAT the authorised share capital of the company be increased from £100 to £16,250 by the creation of 1,290,000 Founder Ordinary Shares of £0.01 each and by the creation of 325,000 cumulative convertible participating preferred ordinary shares of £0.01 each ("Preferred Ordinary Shares") such shares having the rights and being subject to the restrictions set out in the articles of association;

SPECIAL RESOLUTIONS

4. THAT pursuant to section 80 of the Act the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £16,430, which authority shall be to the exclusion of and in substitution for any existing authority to allot relevant securities of the company (which is hereby revoked), and which authority shall expire a date falling 5 years of the date hereof;
5. THAT by virtue of Section 95 of the Act, Section 89(1) and Section 90(1) to (6) of that Act shall not apply to any issue of equity securities pursuant to the authority conferred by Resolution 4 and the directors are hereby empowered to issue and allot

equity securities as if the said Section 89(1) and Section 90(1) to (6) do not apply to any such issue and allotment PROVIDED THAT this power shall expire on the date falling 5 years from the date hereof and shall be limited to the issue and allotment of equity securities having an aggregate nominal value of £16,250; and

6. THAT the Articles of Association of the Company contained in the document attached and marked "B" for the purposes of identification be approved and adopted in substitution for and to the exclusion of the existing Articles of Association of the Company.

Signed:

For and on behalf of

Bro Morgannwg NHS Trust

Date: 13th May 2005

Company No. 05084328

THE COMPANIES ACTS 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

**NEW
ARTICLES OF ASSOCIATION**

(adopted by special resolution passed on 13th May 2005)

of

ZOOBIOTIC LIMITED

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PRELIMINARY



1. TABLE A

- 1.1 The regulations contained in Table A, save in so far as they are expressly excluded or varied by these Articles, and the regulations contained in these Articles shall together constitute the regulations of the Company.
- 1.2 The regulations of Table A numbered 24, 40, 73 to 77 (inclusive), 80, 96, 101 and 118 do not apply to the Company.

2. INTERPRETATION

- 2.1 In these articles unless the context otherwise requires each of the following words and expressions shall have the following meanings:

“acting in concert” shall have the meaning set out in the City Code on Takeovers and Mergers for the time being;

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

“Approved Option” means any option or right to subscribe for Equity Shares granted by the Company and approved by an Investor Majority;

“Auditors” means the auditors to the Company for the time being;

“Board” means the board of directors of the Company for the time being or, as the context may require, any duly authorised committee;

“Business Day” means any day except Saturday, Sunday or any Bank Holiday in England or Wales;

“Controlling Interest”	an interest (within the meaning of schedule 13 Part I and section 24 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company;
“connected with”	shall be determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988;
“Directors’ Emoluments”	in respect of each Financial Year an amount equal to emoluments (including salary, fees and bonuses, sums paid by way of expenses allowance (so far as they are chargeable to United Kingdom income tax), the estimated money value (for the purposes of United Kingdom income tax) of any other benefits received otherwise than in cash, and any company contributions paid, or treated as paid, under any pension scheme) paid or payable in respect of the relevant Financial Year to any person who was or would be at the time of such payment interested in shares of the Company and a director or former director or any person connected with any such director or former directors (other than an Investor Director);
“Employee Trust”	means any trust established by the Company for the benefit of employees or any of the persons referred to in section 743 of the Act and which has been approved by Finance Wales and P-UK;
“Equity Shares”	means the Ordinary Shares, the Founder Ordinary Shares and the Preferred Ordinary Shares;
“Equity share capital”	shall have the meaning set out in section 744 of the Companies Act 1985 (as amended);

“Family Member”	means the wife or husband (or widow or widower), children and grandchildren (including step and adopted children and grandchildren) of a member of the Company;
“Family Shares”	means, in relation to a member of the Company, any Shares for the time being held by that member or any of his Family Members or trustees of his Family Trust;
“Family Trust”	means, in relation to a member of the Company, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members;
“Financial Year”	means an accounting period of 12 months (save for the first) in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;
“Finance Wales”	Finance Wales Investments Limited (registered in England and Wales with company number 0183368);
“Founder Dividend”	means the dividend payable to the holders of the Founder Shares;
“Founder Ordinary Shares”	means the Founder Ordinary Shares of £0.01 each of the Company having the rights set out in Article 4 ;

“Group”	means the Company and its subsidiary undertakings from time to time and references to “member of the Group” or to “Group Member” shall be construed accordingly;
“holder”	means, in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share;
“Issue Price”	means, in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium;
“Investment Agreement”	means the agreement entered into by the holders of Shares and the Company on the Investment Date;
“Investment Date”	means the date of the adoption of the Articles;
“Investor Director”	means a director appointed pursuant to Article 19 ;
“Investor Group”	means (in relation to each Investor): <ul style="list-style-type: none"> (a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a “Relevant Person”); or (b) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser; or (c) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser; or

(d) any nominee or trustee of any Relevant Person; or

(e) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person;

“Investor Majority”

means the holder(s) of 75% of the Preferred Ordinary Shares;

“Investors”

means Finance Wales and P-UK and shall include any permitted assignee of the same;

“Lansdales”

means Lansdales Limited a company incorporated in England and Wales (Registered Number: **01892191**) whose registered office is at The Bradus, Gwehelog, Usk, Gwent, NP15 1RE;

“Listing”

means the admission by the Financial Services Authority in its capacity as the UK Listing Authority of any part of the share capital of the Company to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any part of the share capital of the Company to trading on the Alternative Investment Market of London Stock Exchange plc or the admission by any recognised investment exchange (within the meaning of section 285 of the Financial Services and Markets Act 2000) of any part of the share capital of the Company, and, in each case, such admission becoming effective;

“Loan Notes”	the loan notes issued by the Company to the Investors on the Investment Date;
“Net Profits”	<p>means the net consolidated profit of the Group on ordinary activities calculated on the historical cost accounting basis and in accordance with the accounting practices, policies and bases of the Company, consistently applied, which are generally accepted in the United Kingdom and as shown in the audited consolidated profit and loss account of the Company for the relevant Financial Year:</p> <ul style="list-style-type: none"> (a) before provision for, or deducting the amount of, any dividends payable on any shares or any other distribution; (b) before provision for the transfer of any sum to reserve or writing off goodwill; (c) after exceptional items; and (d) before deducting corporation tax (and any other tax levied upon or measured by reference to profits or gains) on such profits (including deferred tax); and (e) plus a sum equal to the amount by which Directors’ Emoluments are in excess of £325,000;
“New Shares”	means those shares issued pursuant to Article 4.6 ;
“Ordinary Shares”	means the ordinary shares of £0.01 each in the capital of the Company having the rights set out in Article 4 ;
“Preferred Ordinary Shares”	means the preferred ordinary shares of £0.01 each of the Company having the rights set out in Article 4 ;

“Preferred Dividend”	means the dividend payable to the holders of the Preferred Ordinary Shares;
“P-UK”	PUK Investments Limited (registered in England and Wales with company number 5322924)
“Sale”	means the transfer (other than a transfer permitted under Articles 8.1, 8.2, 8.3(a) and 8.3(b)) of any interest in the shares of the Company to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest;
“Shares”	means the Ordinary Shares, the Founder Ordinary Shares and the Preferred Ordinary 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);
“the Trust”	Bro Morgannwg NHS Trust;

- 2.2 Words and expressions defined in or having a meaning provided by the Act (but excluding any statutory modification not in force on the date of adoption of these articles) shall, unless the context otherwise requires, have the same meanings when used in these Articles.

SHARE RIGHTS

3. AUTHORISED SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these articles is £16,250 divided into 0 Ordinary Shares, 1,300,000 Founder Ordinary Shares of £0.01 each and 325,000 Preferred Ordinary Shares of £0.01.

4. **RIGHTS ATTACHED TO SHARES**

The rights attached to the Shares are as follows:

4.1 **Dividends**

The profits of the Company available by law for distribution in respect of any Financial Year shall be applied in the following manner and order of priority:

- (a) First, in respect of each Financial Year beginning 1 April 2005 the Company shall, without resolution of the Board or the Company in general meeting and before application of any profits to reserve or any other purpose, pay to the members holding Preferred Ordinary Shares a cumulative preferential net cash dividend which is equal to **5** per centum of Net Profits for the relevant Financial Year. Each Preferred Dividend shall be paid 3 months after the end of the relevant Financial Year of the Company or 14 days after the date on which the audited accounts of the Company for the relevant Financial Year are signed by the directors, whichever is earlier.
- (b) Secondly, in respect of each Financial Year beginning 1 April 2005 the Company shall (subject to the payment of the Preferred Dividend including any accrued Preferred Dividend and monies due under the conditions of the Loan Notes), without resolution of the Board or the Company in general meeting and before application of any profits to reserve or any other purpose, pay to the members holding Founder Ordinary Shares a cumulative preferential net cash dividend which is equal to **10** per centum of Net Profits for the relevant Financial Year. Each Founder Dividend shall be paid 3 months after the end of the relevant Financial Year of the Company or 14 days after the date on which the audited accounts of the Company for the relevant Financial Year are signed by the directors, whichever is earlier.
- (c) Thereafter dividends shall be paid in accordance with **Article 4.1(g)**.
- (d) For so long as there are Preferred Ordinary Shares or Founder Ordinary Shares in issue, the Company shall require the Auditors at the Company's expense to prepare a statement of the Net Profits for each Financial Year of the Company within 3 months of the end of the relevant Financial Year.

- (e) If the Company fails to pay a Preferred Dividend or Founder Dividend on a date specified in this **Article 4.1** other than in circumstances described in **Article 4.1(f)**, interest thereon shall accrue from that date until payment at the rate of 6.5 per cent per annum above the base rate of Barclays Bank plc for the time being, compounded on 31st December, 31st March, 30th June and 30th September in each year.
- (f) Where the Company is precluded by the Act or otherwise from paying in full any Preferred Dividend or Founder Dividend on any date specified in this **Article 4.1**, then in respect of any such dividend which would otherwise require to be paid pursuant to these Articles on that date;
 - (i) the Company shall pay, on that date, to the holders of such Shares on account of that dividend the maximum sum (if any) which can then, consistently with the Acts be paid by the Company; and
 - (ii) as soon as the Company is no longer precluded from doing so, the Company shall in respect of such Shares pay on account of the balance of that dividend for the time being remaining outstanding, and until all arrears, accruals and deficiencies of such dividends have been paid in full, the maximum amount of such dividends which can, consistently with the Act properly be paid by the Company at that time.
- (g) Subject to the payment of the Preferred Dividend and Founder Dividend any remaining profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of members of the Company in general meeting be applied in distributing the balance of such profits amongst the holders of the Preferred Ordinary Shares, Founder Ordinary Shares and the Ordinary Shares then in issue *pari passu* according to the number of such Shares held by them respectively as if they constituted one class of share.
- (h) The Company shall procure the distribution to the Company in respect of each financial year, whether by way of dividend, reduction of capital, liquidation of subsidiaries or otherwise, of sufficient of the profits of its subsidiaries to enable the Company to pay Preferred Dividend and Founder Dividend.

4.2 Capital

On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied as follows:

- (a) first, in paying to each member holding Preferred Ordinary Shares;
 - (i) all unpaid arrears and accruals of the Preferred Dividend and any further dividend on the Preferred Ordinary Shares held by him calculated down to and including the date the return of capital is made (such arrears and accruals being payable irrespective of whether the relevant dividend has become due and payable in accordance with the articles) and;
 - (ii) an amount equal to the Issue Price of all the Preferred Ordinary Shares held by him;
- (b) secondly, in paying to each member holding Founder Ordinary Shares;
 - (i) all unpaid arrears and accruals of the Founder Dividend and any further dividend on the Founder Ordinary Shares held by him calculated down to and including the date the return of capital is made (such arrears and accruals being payable irrespective of whether the relevant dividend has become due and payable in accordance with the articles) and;
 - (ii) an amount equal to the Issue Price of all the Founder Ordinary Shares held by him;
- (c) thirdly, in paying to each holder of Ordinary Shares, first, any dividends thereon which have been declared but are unpaid and, secondly, an amount equal to the Issue Price of each Ordinary Share held by him; and
- (d) thereafter, in distributing the balance of such assets amongst the holders of the Ordinary Shares, Founder Ordinary Shares and the Preferred Ordinary Shares (*pari passu* as if they constituted one class of Share) in proportion to the numbers of the Ordinary Shares, Founder Ordinary Shares and the Preferred Ordinary shares held by them respectively.

4.3 Conversion

- (a) The members holding Preferred Ordinary Shares may at any time convert all the Preferred Ordinary Shares into the same number of fully paid Ordinary Shares by notice in writing given to the Company signed by the holders of not less than 75 per cent of the Preferred Ordinary Shares. The conversion shall take effect immediately upon the date of delivery of that notice to the Company (unless the notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when those conditions have been fulfilled) and the Company and members shall do all acts necessary to procure that conversion. For the avoidance of doubt, such Preferred Ordinary Shares shall be converted into Ordinary Shares of the same nominal value.
- (b) In this **Article 4.3**, the “**conversion date**” means the date and time on which Preferred Ordinary Shares are to be converted into Ordinary Shares in accordance with this **Article 4.3**.
- (c) Each member holding Preferred Ordinary Shares shall deliver the certificate(s) for those shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the conversion date whereupon the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares arising on conversion.
- (d) The Preferred Ordinary Shares shall rank for an apportioned part of the Preferred Dividend attributable to the Financial Year of the Company in which the conversion date falls, calculated on a daily basis down to and including the conversion date. The Company shall accordingly deliver to each holder of Preferred Ordinary Shares on the conversion date, in cleared funds, an amount equal to the aggregate of:
 - (i) all arrears and accruals of the Preferred Dividend attributable to Financial Years ending on or before the conversion date, whether declared or earned and payable under these Articles or not; and

- (ii) the Preferred Dividend from the date of the commencement of the then current Financial Year of the Company down to and including the conversion date, whether declared or earned and payable under these articles or not. "Net Profits" for this purpose shall be the net profits of the Group, calculated on the same basis as "Net Profits", by reference to the unaudited consolidated management accounts of the Company for the period from the start of the then current Financial Year to the latest practicable date prior to the conversion date.
- (e) The Ordinary Shares arising on conversion shall rank *pari passu* in all respects with the issued Ordinary Shares and shall entitle the holders of them to all dividends and other distributions declared, made or paid by reference to a record date on or after the conversion date on the Ordinary Shares.

4.4 Voting

The holders of the Ordinary Shares, Founder Ordinary Shares and the Preferred Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and the holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, have one vote each for every Share of which he is the holder.

4.5 Leaver

If a person gives a Deemed Transfer Notice pursuant to **Article 11** as a result of a Transfer Event described in **Article 11.1(a)** occurring, then such person shall from the date of such Deemed Transfer Notice cease to have any of the rights described in:

- (a) **Article 4.1 (dividends)**; and
- (b) **Article 4.5 (voting)**.

4.6 Anti-dilution of Preferred Ordinary Shares

If, during the period up to and including the second anniversary of the date of Completion, the Company proposes to issue any shares in the capital of the Company other than pursuant to any option granted in accordance with the terms of any share option scheme adopted by the Company (in accordance with the Investment Agreement) at a price per share (the "**Third Party Price**") of less than the Issue Price for the Preferred Ordinary Shares then the Company shall procure (to the extent that it is lawfully able to do so) the issue to the holders of the Preferred Ordinary Shares by way of capitalisation of the Company's share premium account or otherwise in respect of any Preferred Ordinary Shares held by them of such number of additional Preferred Ordinary Shares in the capital of the Company as would result in the holders of Preferred Ordinary Shares and their respective successors and assignees having subscribed for such Preferred Ordinary Shares at the Third Party Price rather than the original Issue Price paid in respect of such Preferred Ordinary Shares ("**Down Round**").

5. **SALE OF THE SHARE CAPITAL OF THE COMPANY**

In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale the selling holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling holders in the same order of priority as a return of capital as set out in **Article 4.2**.

6. **VARIATION OF RIGHTS**

Whenever the share capital of the Company is divided into different classes of share, the special rights attached to any such class may only 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 more than three-fourths of the issued shares of that class. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply.

TRANSFER OF SHARES

7. GENERAL

7.1 No transfer of any share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these articles. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles.

7.2 For the purposes of these articles the following shall be deemed (but without limitation) to be a transfer by a holder of shares in the Company:

7.2.1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and

7.2.2 any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing.

8. PERMITTED TRANSFERS

Notwithstanding the provisions of any other article, the transfers set out in this **Article 8** shall be permitted without restriction and the provisions of **Article 9** (Voluntary Transfers) and **10** (Change of Control) shall have no application.

8.1 Permitted transfers by Investors

(a) Any Investor holder being a body corporate shall be entitled to transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a “**Group Company**”) but if a Group Company whilst it is a holder of shares in the Company shall cease to be a Group Company in relation to the body corporate first holding the relevant shares it shall, within 15 business days of so ceasing, transfer the shares held by it to such body corporate or any Group Company

of such body and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to **Articles 9 and 11**.

- (b) A member of an Investor Group may transfer shares to another member of that Investor Group.

8.2 Permitted Transfers by non-Investors

- (a) Subject to **Articles 8.2(a) to 8.2(e)** inclusive, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:-
 - (i) a Family Member of his; or
 - (ii) trustees to be held under a Family Trust in relation to that individual or their Family Members.
- (b)
 - (i) Any holder of Shares being a body corporate, but not being an Investor (the "**Corporate Transferor Party**"), shall be entitled to transfer all or any of its shares to any other body corporate (the "**Corporate Transferee Party**"), provided always that such Corporate Transferee Party is ultimately controlled, by a 75% majority, by the same person(s) as the Corporate Transferor Party, but if the Corporate Transferee Party, whilst it is a holder of shares in the Company shall cease to be ultimately controlled, by a 75% majority, by the same person(s) as the Corporate Transferor Party then, within 15 business days of so ceasing, such Corporate Transferee Party shall be deemed to have given a Transfer Notice pursuant to **Articles 9 and 11**.
 - (ii) Any holder of Shares being a body corporate, but not being an Investor (the "**Transferor Party**"), shall be entitled to transfer all or any of its shares to any persons(s) or entity acting as trustee of a trust (the "**Transferee Party**"), provided always that (a) such Transferee Party shall enter into a Deed of Adherence pursuant to **clause 9.3 and 9.4** of this Agreement; and (b) such Transferee Party's beneficiaries (the "**Beneficiaries**") shall be the same persons(s) as the holders of shares in the Transferor Party, but if the Beneficiaries of the Transferee Party, whilst it is a holder of shares in the Company, shall cease to be the same person(s) as the holders of shares in the Transferor Party, then, within 15 business days of so ceasing, such

Transferee Party shall be deemed to have given a Transfer Notice pursuant to **Articles 9 and 11**.

- (iii) The Trust shall be entitled to transfer all or any of its shares to another body (whether incorporated or not) where such transfer arises from any requirement placed on the Trust by statute, regulation or other governmental or non-governmental requirement outside the control of the Trust, or by virtue of arrangements relating to the holding of shares and other investments by NHS Trusts or where such body is ultimately controlled by the Trust
- (c) Subject to **Article 8.2(d)**, no Shares shall be transferred under **Article 8.2(a)** by any person who previously acquired those Shares by way of transfer under **Article 8.2(a)** save to another individual who is a Family Member of the original holder of such Shares.
- (d) No transfer of Shares shall be made by a holder under **Article 8.2(a)** if the proposed transfer will result in 10 percent or more of the shares originally held by the member being held by that holder's Family Trusts and Family Members.
- (e) Where Shares are held by trustees under a Family Trust:-
 - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved in writing by the Investor Director;
 - (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 8.2(a)** if he had remained the holder of them; and
 - (iii) if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Articles 8.2(d)(ii)**, the trustees shall be deemed to have given a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 11**.
- (f) If:-
 - (i) any person has acquired Shares as a Family Member of a holder by way of one or more permitted transfers; and

- (ii) that person ceases to be a Family Member of that holder

that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Shares then held by that person pursuant to **Article 11**.

- (g) If the personal representatives of a deceased holder are permitted under these articles to become registered as the holders of any of the deceased holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under **Article 8.2** to any person to whom the deceased holder could have transferred such Shares under this article if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this **Article 8**.

8.3 Permitted Transfers by all Shareholders

- (a) Any holder may at any time transfer any shares in accordance with the provisions of the Act to the Company.
- (b) Any holder may at any time transfer all or any of his shares to any other person with the prior written consent of the other holders of Shares.
- (c) Any shares may be transferred pursuant to **Article 9** (Voluntary Transfer) and **10** (Change of Control).

9. VOLUNTARY TRANSFERS

- 9.1 Except as permitted under **Article 8** any holder who wishes to transfer shares (the "**Vendor**") shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:

- 9.1.1 the number and class(es) of shares ("**the Sale Shares**") which he wishes to transfer;

- 9.1.2 the name of any third party to whom he proposes to sell or transfer the Sale Shares;

- 9.1.3 the price at which he wishes to transfer the Sale Shares (the “**Transfer Price**”); and
- 9.1.4 whether or not the Transfer Notice is conditional upon all, and not part only, of the Sale Shares so specified being sold pursuant to the offer hereinafter mentioned (“**a Total Transfer Condition**”) and, in the absence of such stipulation, it shall be deemed not to be so conditional.
- 9.2 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the Deemed Transfer Notice (as defined in **Article 11.2**) shall be treated as having specified:
- 9.2.1 that all the shares registered in the name of the Vendor shall be included for transfer;
- 9.2.2 that (subject to **Article 11**) the price for the shares shall be as agreed between the Board and the Vendor or, failing agreement, shall be fair value as determined by the Auditors pursuant to **Article 12**; and
- 9.2.3 that a Total Transfer Condition shall not apply.
- 9.3 No Transfer Notice once given or deemed to be given in accordance with these Articles shall be withdrawn unless the Vendor is obliged to procure the making of an offer under **Article 10** and is unable so to procure. In that event the Vendor shall be entitled to withdraw such Transfer Notice, without liability to any person, prior to completion of any transfer.
- 9.4 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares at the Transfer Price.
- 9.5
- (a) The Company shall forthwith upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price give notice in writing to each of the holders of Shares informing them that the Sale Shares are available and of the Transfer Price. Such notice shall invite each holder to state, in writing within 20 business days from the date of such notice (which

date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares.

- (b) The Sale Shares shall be offered to each shareholder on terms that, in the event of competition, the Sale Shares offered shall be sold to the holders accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares (the “**Proportionate Entitlement**”). It shall be open to each such holder to specify if he is willing to purchase shares in excess of his Proportionate Entitlement (“**Excess Shares**”) and, if the holder does so specify, he shall state the number of Excess Shares.
- (c) Within 3 days of the expiry of the offers to be made pursuant to **Article 9.5(a)** (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in **Article 9.5(a)**), the Board shall allocate the Sale Shares in the following manner:
 - (i) if the total number of shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or
 - (ii) if the total number of shares applied for is more than the available number of Sale Shares, each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) in the order of priorities set out in **Article 9.5(b)**; applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares **PROVIDED THAT** such holder shall not be allocated more Excess Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an “**Allocation Notice**”) to the Vendor and each of the persons to whom Sale Shares have been allocated (a “**Member Applicant**”) and shall

specify in the Allocation Notice the place and time (being not later than 14 days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

- 9.6 Subject to **Article 9.7**, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance. If he makes default in so doing, the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.
- 9.7 If the Vendor shall have included in the Transfer Notice a Total Transfer Condition and if the total number of shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 10 business days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this **Article 9** shall be conditional upon such provision as aforesaid being complied with in full.
- 9.8 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 9** the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares (which have not been sold)

to any person or persons at any price not less than the Transfer Price PROVIDED THAT:

- 9.8.1 if the Vendor stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Vendor shall not be entitled, save with the written consent of all the other shareholders of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;
- 9.8.2 any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer; and
- 9.8.3 for the avoidance of doubt, the Board shall refuse registration of the proposed transferee if such transfer obliges the Vendor to procure the making of an offer in accordance with **Article 10.1**, until such time as such offer has been made and, if accepted, completed.

10. **CHANGE OF CONTROL**

- 10.1 (a) Subject to **Article 10.1(b)** if the effect of any transfer of shares by a Vendor would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a 40% or more of the issued share capital, the Vendor shall procure the making, by the proposed transferee of the Vendor's shares, of a Come Along Offer to all of the other holders of Shares of the Company. Every holder or recipient of such offer, on receipt of a Come Along Offer, shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Come Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers.

- (b) The provisions of **Article 10.1(a)** and **10.2(a)** shall not apply to any transfer of shares:
 - (i) pursuant to **Article 8** (other than **Article 8.3(c)**);
 - (ii) to any person who was holder of Shares at the date of the adoption of these articles.
 - (c) “**Come Along Offer**” means an unconditional offer, open for acceptance for not less than 20 business days, to purchase all Shares held by the recipients of a Come Along Offer or Shares which recipients may subscribe for free from all liens, charges and encumbrances at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 10.1(a)** (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and on the proposed date of completion of such transfer of shares.
 - (d) In the event of disagreement, the calculation of the relevant Come Along Offer price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any such party) whose decision shall (in the absence of fraud or manifest error) be conclusive and binding on the Company and upon all its members for the purposes of these articles.
- 10.2 (a) If not less than three of the Trust, Lansdales, Finance Wales and P-UK (in this **Article 10.2**, the “**Vendors**”) wish to transfer their shares in the Company (the “**Offer**”) to any person (the “**Purchaser**”), then the Vendors shall also have the option to require all of the other holders of Shares to transfer all their shares in the Company to the Purchaser, or as the Purchaser

directs, by giving notice (the “**Drag Along Notice**”) to that effect to all such other holders (the “**Called Shareholders**”) specifying that the Called Shareholders are, or will, in accordance with this **Article 10.2**, be required to transfer their shares pursuant to this **Article 10.2** free from all liens, charges and encumbrances and the price (the “**Proposed Price**”) at which such shares are proposed to be transferred.

- (b) If the Called Shareholders (or any of them) shall make default in transferring their shares pursuant to this **Article 10.2**, the provisions of **Article 9.6** (references therein to the Vendor, Sale Shares, Allocation Notice and Member Applicant being read as references to the holder making such default, the shares in respect of which such default is made, the Drag Along Notice and the Purchaser respectively) shall apply to the transfer of such shares *mutatis mutandis* but the *Transfer Price* shall be the price offered for such shares as set out in this **Article 10.2** and the provisions of **Article 9.7** shall not apply.

11. **COMPULSORY TRANSFERS**

11.1 In this **Article 11**, a “**Transfer Event**” means, in relation to any member:

- (a) a member who is an individual:
 - (i) becoming bankrupt; or
 - (ii) dying;

and any Investor Director notifying the Company within 3 months of the *matters coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article;*

- (b) a member making any arrangement or composition with his creditors generally and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article;
- (c) a member which is a body corporate:

- (i) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
- (ii) having an administrator appointed in relation to it; or
- (iii) *entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or*
- (iv) having any equivalent action taken in any jurisdiction;

and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purpose of this article;

- (d) a member who is or was previously a director or employee of a member of the Group ceasing to hold such office or employment and as a consequence no longer being a director or employee of any member of the Group and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article;
- (e) a member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member; and
- (f) failure by a member to make a transfer of shares required by **Articles 8.1(a)** or **8.2(e)** and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article.

- 11.2 Upon the happening of any Transfer Event, the member in question and any other member who has acquired Shares from him under a permitted transfer pursuant to **Article 8.2** (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them and which in the case of a transferee of shares were the Shares received directly or indirectly from the member who is the immediate subject of the Transfer Event (a “**Deemed Transfer Notice**”). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

Notwithstanding any other provision of these articles, if an Investor Director so notifies the Board in relation to any Shares, any member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of 3 months after the date of the Sale Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the holder of those Shares.

- 11.3 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with **Article 9** as if they were Sale Shares in respect of which a Transfer Notice had been given save that:
- (a) a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of notification to the Company by the Investor Director that the relevant event is a Transfer Event;
 - (b) subject to **Article 11.4**, the Sale Price shall be a price per Sale Share agreed between the Vendor, the Board and not less than three of the Trust, Lansdales, Finance Wales and P-UK or, in default of agreement, within 21 days after the date of the Transfer Event, the Fair Value;
 - (c) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable;

- (d) the Vendor may retain any Sale Shares for which Purchasers are not found or, after the expiry of the relevant Offer Notice and with the prior written approval of not less than three of the Trust, Lansdales, Finance Wales and P-UK, sell all or any of those Sale Shares to any person (including any member) as any price per Sale Share which is not less than the Sale Price; and
- (e) the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.

11.4 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within **Article 11.1(d)** shall be their Fair Value:

11.5 For the purpose of **Article 11.1(d)** the date upon which a member ceases to hold office or employment as described therein shall be:

- (a) where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
- (b) where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice;
- (c) save as provided in **Article 11.5(a)** where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance;
- (d) where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event; and

- (e) where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Article 11.5(a) to 11.5(d)** above, the date on which the action or event giving rise to the termination occurs.

11.6 “**Fair Value**” for the purposes of these articles means as agreed between the Board (with the approval of not less than three of the Trust, Lansdales, Finance Wales and P-UK) and the Vendor or, in the absence of agreement within 21 days of the Transfer Event, by the Auditors in accordance with **Article 12**.

12. **VALUATION OF SHARES**

12.1 In the event that the Auditors are required to determine the price at which shares are to be transferred pursuant to these articles, such price shall be the amount the Auditors shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 12** is required), certify in writing to be the price which, in their opinion, represents a fair value for such shares as between a willing vendor and a willing purchaser as at the date the Transfer Notice or deemed Transfer Notice is given. In making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these articles (and shall assume that the entire issued share capital of the Company is being sold) and comprises only of Ordinary Shares.

12.2 In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be conclusive and binding on the Company and upon all of its holders for the purposes of these articles.

12.3 The costs of the Auditors shall be borne by the Company unless, in the case of a determination required pursuant to the provisions of **article 9.2**, the amount determined by the Auditors is less than that suggested by the Board in which event the costs of the Auditors shall be borne by the Vendor.

13. **COMPLIANCE**

13.1 For the purpose of ensuring (i) that a transfer of shares is duly authorised under these articles or that (ii) no circumstances have arisen whereby a Transfer Notice is

required to be or ought to have been given under these articles or (iii) whether an offer is required to be or ought to have been made under article 12, the Board may require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the holder's name.

- 13.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice is required to be or ought to have been given, or that no offer is required to be or ought to have been made under **Article 10**, or that as a result of such information and evidence the Board is reasonably satisfied that such Transfer Notice is required to be or ought to have been given, or that an offer is required to be or ought to have been made under **Article 10**:

13.2.1 where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the holder of the relevant shares in respect of such shares; or

13.2.2 where the purpose of the enquiry by the Board was to establish whether an offer is required to be or ought to have been made under **Article 10**, then the shares held by or on behalf of the person or persons connected with each other or acting in concert with each other who has or have (as the case may be) obtained 40% or more of the issued share capital as referred to in **Article 10.1**, such shares shall cease to entitle the relevant holder or holders (or any proxy) to voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such shares or to any further shares issued in right of such shares or in pursuance of an offer made to the relevant holders to the extent that will result in such person or persons aforesaid only being able to control that percentage of the

voting rights attaching to the Ordinary Shares that such person or persons were in a position to control prior to the obligation to procure the making of an offer arising.

GENERAL

14. ISSUE OF SHARES

- 14.1 All new Equity Shares shall, before they are issued whether for cash or otherwise, be offered for subscription to the registered holders of the Equity Shares (which for these purposes shall be treated as one class of share (in proportion, as nearly as may be, to their respective holdings of Equity Shares.
- 14.2 The offer referred to in **Article 14.1** shall be made by notice specifying the number and class of shares offered, the proportionate entitlement of the relevant member, the price per share and limiting a period (not being less than 14 days) “**the First Offer Period**” within which the offer, if not accepted will be deemed to be declined.
- 14.3 After the expiration of the First Offer Period, the Board shall offer shares which have been declined or are deemed to have been declined to the persons who have within that period accepted all the shares offered to them. Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing a period “**the Second Offer Period**” of not less than 14 days whether he is willing to take any, and if so what maximum, number of the shares so offered.
- 14.4 At the expiration of the Second Offer Period, the Board shall allot the shares so offered to or amongst the persons who have notified their willingness to take such shares and in, the event of competition, in proportion as nearly as may be to the number of Equity Shares held by such persons respectively as the case may be. The Board shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article. No member shall be obliged to take more than the maximum number of shares he has indicated his willingness to take.
- 14.5 Any shares not accepted by the foregoing procedure shall be at the disposal of the Board who may allot, grant options over, otherwise dispose of them to such persons

at such time and generally on such terms and conditions as they determine provided that no shares shall be issued at a discount and provided further that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the members.

- 14.6 Sections 89 and 90 of the Act shall not apply to the Company.
- 14.7 No shares shall be allotted on the terms that the right to take up the shares the allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a share may direct that such share may be allotted or issued to any other person.
- 14.8 Shares issued to a member by reference to his holding of a class of the Equity Shares shall on issue be designated a share of such class and any Equity Share as the Board with the prior approval of an Investor Majority shall determine.
- 14.9 In Regulation 2 the words “**ordinary resolution**” shall be omitted and the words “**special resolution**” shall be substituted for them.
- 14.10 Notwithstanding any other provision of these Articles, the Board shall be bound to offer to each Investor such a proportion of any shares forming part of the Equity Share capital of the Company which the Board determine to issue as the aggregate nominal value of Equity Shares for the time being held by such Investor bears to the total issued Equity Shares immediately before the issue of the shares. Any shares issued to an Investor pursuant to such offer shall be issued upon no less favourable terms and conditions than those issued to any other person and so that such shares shall at the request of the Investor be registered in the name or names of any one or more members of its group of companies from time to time.

15. **GENERAL MEETINGS**

- 15.1 No business shall be transacted at any general meeting unless a quorum of holders is present at the time when the meeting proceeds to business and for its duration. Two persons, being holders present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting. If a meeting is adjourned under regulation 41 of Table A 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 that adjourned meeting, the holders then present shall form a quorum, and regulation 41 of Table A shall be modified accordingly.

- 15.2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 46 of Table A shall be modified accordingly.

16. WRITTEN RESOLUTIONS

In the case of a corporation which holds a share or shares in the capital of the Company, the signature of any director or the secretary of such corporation shall be sufficient for the purposes of any resolution in writing as is referred to in regulation 53 of Table A, and regulation 53 of Table A shall be modified accordingly.

17. RETIREMENT OF DIRECTORS

The Directors shall not be liable to retire by rotation and, accordingly, the second and third sentences of regulation 79 of Table A shall not apply to the Company; in regulation 78 of Table A, the words "Subject as aforesaid" and the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted.

18. REMOVAL OF DIRECTORS

- 18.1 The office of any Director shall be vacated if:

18.1.1 (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company and he does not remain an employee of any other Group Member; or

18.1.2 (other than in the case of an Investor Director) all the other Directors request his resignation in writing;

and the provisions of regulation 81 of Table A shall be extended accordingly.

19. INVESTOR DIRECTORS AND OBSERVERS

- 19.1 For the purposes of these Articles the expression “**the Investor Director**” shall, apply to directors appointed pursuant to **Articles 19.2, 19.3 and 19.4** and, where the context so permits, include a duly appointed alternate of such a director.
- 19.2 For so long as Finance Wales hold:
- 19.2.1 5% or more of the entire issued share capital in the Company, Finance Wales shall have the right to appoint any person to be a director with the title of Investor Director (and from time to time remove such Investor Director from office).
- 19.2.2 less than 5% of the entire issued share capital in the Company, Finance Wales shall not have a right to appoint any directors with the title of Investor Director.
- 19.3 For so long as P-UK hold:
- 19.3.1 5% or more of the entire issued share capital in the Company, P-UK shall have the right to appoint any person to be a director with the title of Investor Director (and from time to time remove such Investor Director from office).
- 19.3.2 less than 5% of the entire issued share capital in the Company, P-UK shall not have a right to appoint any directors with the title of Investor Director.
- 19.4 For so long as the Trust hold Founder Ordinary Shares the Trust shall have the right to appoint 2 directors with the title of Investor Director (and from time to time remove such Investor Director from office).
- 19.5 For so long as the Lansdales holds:
- 19.5.1 15% of the entire issued share capital in the Company, Lansdales shall have the right to appoint two directors with the title of Investor Director (and from time to time remove such Investor Director from office);
- 19.5.2 5% or more, but less than 15% of the entire issued share capital in the Company, Lansdales shall have the right to appoint one director with the title of Investor Director (and from time to time remove such Investor Director from office);
- 19.5.3 less than 5% of the entire issued share capital, Lansdales shall not have a right to appoint any directors with the title of Investor Director.

- 19.6 There shall not be more than six directors bearing the title of Investor Director in office at any time.
- 19.7 Any appointment or removal of an Investor Director shall be in writing served on the Company signed by Finance Wales, P-UK, the Trust or Lansdales (as appropriate) and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 19.8 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the registered office of Finance Wales or P-UK, the Trust or Lansdales (as appropriate). The third sentence of regulation 88 shall not apply.
- 19.9 Upon written request by Lansdales, the Trust, Finance Wales or P-UK (as appropriate) the Company shall procure that their nominated Investor Director is forthwith appointed as a director of any other member of the Group, to any committee of the Board or the board of any member of the Group.
- 19.10 Regulation 81(e) shall not apply to an Investor Director or the Chairman.
- 19.11 Each of Finance Wales, P-UK, the Trust and Lansdales shall have the right to nominate an observer to attend all meetings of the Board and the Company ("**the Observer**"). The Observer shall have the right to attend but not speak (unless invited to do so by the Chairman of such meeting) or vote at such meetings.

20. **ALTERNATE DIRECTORS**

- 20.1 The appointment by any Investor Director of an alternate director shall not be subject to approval by a resolution of the Board and regulation 65 of Table A shall be modified accordingly. In regulation 67 of Table A the words "but, if" and the words following them (to the end of that regulation) shall be deleted.
- 20.2 An alternate director shall not be entitled (as such) to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in

writing to the Company from time to time, direct, and the first sentence of regulation 66 of Table A shall be modified accordingly.

- 20.3 A Director, or any such other person as is mentioned in regulation 65 of Table A, as modified by **Article 20.1** may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Board (or of any committee 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 shall count as only one for the purpose of determining whether a quorum is present at (and during) any such meeting.

21. PROCEEDINGS OF DIRECTORS

- 21.1 The quorum for meetings of the Board shall be four directors one of whom must be the Investor Director nominated by Finance Wales (if appointed), one of whom must be the *Investor Director nominated by P-UK (if appointed)* and one of whom must be an Investor Director nominated by either of Lansdales or the Trust (if appointed)
- 21.2 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 21.3 Except with the prior written consent of the Investor Directors (or, in the event that there is no Investor Director, the prior written consent of an Investor Majority), a Director shall not vote on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever, save in respect of the matters specified in paragraphs (a) to (d) (inclusive) of regulation 94 of Table A which shall be modified accordingly. Reference in regulation 98 to the "Chairman" shall be construed as a reference to the "Investor Director" for so long as one is appointed.

22. THE SEAL

- 22.1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to

which the seal is affixed and, unless otherwise so determined, it shall be signed by a Director and by the secretary or a second Director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal.

- 22.2 The Company may exercise the powers conferred by section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

23. INDEMNITY

Subject to the provisions of the Acts, every Director or other officer of the Company (other than the Auditors) shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, *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 in which relief is granted to him by any court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.* 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 proper execution of the duties of his office or in relation thereto. This **Article 23** shall only have effect in so far as its provisions are not avoided by section 310 of the Companies Act 1985. The Board shall have power to purchase and maintain for any Director or other officer of the Company and the Auditors insurance against any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

24. BORROWING POWERS

The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Acts, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

25. **LIEN**

The lien conferred by regulation 8 of Table A shall attach to all Shares, whether or not fully paid up and to all shares registered in the name of any person indebted or under liability to the Company (whether he shall be the sole registered holder of such share(s) or shall be one of two or more joint holders).