

5587424

COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CULLUM CAPITAL VENTURES LIMITED

adopted by a special resolution of the Company on
11 February 2011

WEDNESDAY



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Company No. 05587424

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CULLUM CAPITAL VENTURES LIMITED

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1. PRELIMINARY

These Articles together with the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as such regulations are excluded or varied hereby. The first sentence of regulation 24 and regulations 73 to 77 (inclusive), 80, 82, 87 and 118 of Table A shall not apply to the Company.

2. DEFINITIONS AND INTERPRETATION

2.1 In these Articles the following words and expressions shall (except where the context otherwise requires) have the following meanings.

the Act	the Companies Act 1985 (as amended) and every other statutory modification or re-enactment thereof for the time being in force,
Acquisition Price	has the meaning set out in Article 10.4.1,
Allocation Notice	has the meaning set out in Article 9.6,
Auditors	the auditors from time to time of the Company,
Bad Leaver	has the meaning set out in Article 10.4.2;
Beneficial Owner	the beneficial owner of any Shares from time to time;

Board	all the Directors of the Company from time to time;
Business Day	a day other than a Saturday or Sunday upon which banks are open for business in London,
Cessation Date	has the meaning set out in Article 10 1,
Compulsory Vendors	has the meaning set out in Article 10 1,
Connected Person	has the meaning set out in Article 11 3 1,
Declined Shares	has the meaning set out in Article 6 1 2,
Deemed Notice Date	has the meaning set out in Article 10 2;
Deferred Share	means a deferred share of £1 each in the capital of the Company
Directors	the directors from time to time of the Company,
EBIT	means (in respect of the Relevant Period) the consolidated profits before tax of the Company before deduction of interest and taxation but after the deduction of any extraordinary or exceptional items;
EBITA	means (in respect of the Relevant Period) EBIT after adding back any amortisation of goodwill (to the extent deducted in calculating EBIT) and transaction costs,
Employee Benefit Trust	any trust which may be established from time to time for the benefit of employees (which may include past employees of the Company and/or any other member of the Group),
Equity Shares	the Ordinary Shares and any shares derived therefrom whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise for the time being in issue,

Equity Shareholder	mean a registered holder of any Equity Shares,
Extra Shares	has the meaning set out in Article 9 4 2
Fair Price	has the meaning set out in Article 10 4 3,
Family Trust	a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations and no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his Privileged Relations,
Final Loan Note Default Date	has the meaning set out in Article 10 6,
Good Leaver	has the meaning set out in Article 10 4 4,
Group	the Company and its subsidiary undertakings from time to time and references to a "member of the Group" or a "Group member" shall be construed accordingly,
Group Undertaking	has the meaning set out in Article 8 1 1,
Listing	shall mean any of: <ul style="list-style-type: none"> (a) the admission of all or any of the issued Equity Shares to trading on a market for listed securities operated by the Stock Exchange, together with the admission of such Equity Shares to the Official List of the UK Listing Authority, or

(b) the admission of such Equity Shares to the Alternative Investment Market of the Stock Exchange, or

(c) the admission of such Equity Shares to any other market wherever situated, together, if necessary, with the admission of such Equity Shares to listing on such official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority, as may in the circumstances be appropriate,

and "listed" shall be construed accordingly,

Loan Notes	the £10,275,740 unsecured loan notes 2016 of the Company constituted by a deed entered into on or around the date of adoption of these Articles,
Loan Note Subscription Default	a failure by any Shareholder to comply with a request issued by the Board to subscribe for further Loan Notes in each case in accordance with the provisions of clause 4.1 and 4.2 of the Shareholders Agreement;
Minimum Period	means the period ending 60 months from the date of adoption of these Articles,
Offer	has the meaning set out in Article 9.3,
Ordinary Shares	means an ordinary share of £1 in the capital of the Company,
Ordinary Shareholder	means a registered holder of Ordinary Shares
Other Leaver	has the meaning set out in Article 10.4.5,
Original Member	has the meaning set out in Article 8.3,
Original Undertaking	has the meaning set out in Article 8.1.1,

PRs	the legal personal representative(s) of a deceased Shareholder,
Price	has the meaning set out in Article 9 1;
Privileged Relation	the parent or spouse of the Beneficial Owner or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the Beneficial Owner or of any such lineal descendant,
Proportionate Entitlement	has the meaning set out in Article 9 4 2
Proposing Transferor	has the meaning set out in Article 8 3,
Qualifying Offer	has the meaning set out in Article 11 1,
Realisation	means the first to occur of a Share Sale or a Listing,
Relevant Individual	has the meaning set out in Article 10 1,
Relevant Period	means the 12 month period ending on the last day of the last complete calendar month prior to [the date of] completion of a Realisation,
Retiring Shareholder	has the meaning set out in Article 9 1,
Sale Notice	has the meaning set out in Article 9 1,
Shareholder	a registered holder of any Equity Shares,
Shareholders Agreement	means the shareholders agreement dated on or around the date of adoption of these Articles and made between the Company (1) PG Cullum and Others (2);
Shares	any shares in the capital of the Company from time to time of any class;
Share Sale	the completion of any transaction whereby any person or group of persons acting in concert (as

defined by the City Code on Takeovers and Mergers) purchases not less than 90 per cent in nominal value of the Equity Shares,

Shortfall Period means the period (if any) by which a Realisation occurs prior to the end of the Minimum Period,

Specified Price has the meaning set out in Article 11 3 2,

Stock Exchange the London Stock Exchange plc

Total Transfer Condition has the meaning set out in Article 9 1,

Towergate Group means Towergate Partnership Limited (No 3405221) and its subsidiary companies from time to time and references to a "Towergate Group member" or "member of the Towergate Group" shall be construed accordingly,

Transferee Undertaking has the meaning set out in Article 8 1 1,

Trustee in Bankruptcy the trustee in bankruptcy of a Shareholder,

UK Listing Authority means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of 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, and

Valuer has the meaning set out in Article 10 4 6

2 2 Words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa.

2 3 Clause headings are for ease of reference only and do not affect the construction or interpretation of these Articles

- 2 4 References to persons shall include bodies corporate, unincorporated associations and partnerships
- 2 5 Words and expressions defined in or for the purposes of the Act or Table A shall have the same meanings in these Articles unless the context otherwise requires
- 2 6 Without prejudice to the provisions of section 738 of the Act, the expressions "**paid up**" or "**paid up value**" as used in relation to any part of the share capital of the Company shall mean the total nominal amount paid up, or credited as paid up, on the relevant shares, excluding any premium paid up or credited as paid up thereon

3. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £1,147,500 divided into 1,147,500 Ordinary Shares

4. SHARE RIGHTS

The rights and restrictions attaching to the Shares shall be as follows

4 1 As regards income

4 1.1 The Company shall pay to the Ordinary Shareholders out of the profits available for distribution a non-cumulative dividend of such amount as the Company shall determine (but not exceeding the amount recommended by the Directors) on the capital from time to time paid up or credited as paid up on each Ordinary Share

4 1.2 Any dividend payable under these Articles shall belong to and be paid to the Ordinary Shareholders in proportion to their holdings of Ordinary Shares

4 1.3 The holders of Deferred Shares shall not be entitled to receive any dividends or participate in any profits of the Company

4 2 As regards capital

On a return of assets whether in a winding-up or reduction of capital or otherwise (except in the case of the redemption of shares of any class or the purchase by the Company of its own shares), the assets and retained profits of the Company available

for distribution among the members of the Company after payment of all liabilities (including the redemption in full of the Loan Notes) shall be applied as follows:

- 4 2 1 first in paying to the Ordinary Shareholders the amounts credited as paid up on the Ordinary Shares held by them,
- 4 2 2 second in paying to the Ordinary Shareholders the sum of one hundred thousand pounds per Share,
- 4 2 3 thirdly in paying to the holders of the Deferred Shares the amounts credited as paid up on such Shares, and
- 4 2 4 finally in distributing the balance of such assets and retained profits amongst the Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the Ordinary Shares held by them.

4 3 As regards voting

- 4 3 1 The holders of the Deferred Shares shall not have the right to receive notice of and/or to attend and vote at any general meetings of the Company.
- 4 3 2 Save as otherwise provided in these Articles, regulation 54 of Table A shall apply to the voting rights of the members of the Company

5. MODIFICATION OF RIGHTS

- 5.1 Subject to the Act, all or any of the special rights for the time being attached to any class of Shares for the time being in issue may, from time to time (whether or not the Company is being wound up), be altered or abrogated with the written consent of the holders of not less than three-quarters of the issued Shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such Shares
- 5 2 To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply except that:
 - 5 2 1 the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued Shares of the class (provided that where all the Shares of a class are registered in the name of one holder that holder present in person or by proxy may constitute a meeting);

5 2 2 every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him,

5 2 3 any holder of Shares of the class present in person or by proxy may demand a poll, and

5 2 4 at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of Shares held by him) shall be a quorum

6. ISSUE OF NEW SHARES

6 1 Subject to Article 4

6 1 1 any Shares for the time being unissued and any new Shares from time to time created shall before they are issued be offered by the Directors for subscription to the holders of the Equity Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of Equity Shares. The offer shall be made by notice specifying the number and class of Shares offered and the price per share and limiting a time (not being less than 10 Business Days) within which the offer if not accepted will be deemed to be declined,

6 1 2 after the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that he/they decline(s) to accept the Shares offered or any of them, the Directors shall offer the Shares declined ("**Declined Shares**") in like manner (save that the minimum period for acceptance may be five Business Days) to the other holders of Equity Shares who have agreed to subscribe for all the Shares initially offered to them inviting such holders to apply for such number of the Declined Shares as they may specify in their application;

6 1 3 after the expiry of the relevant offer period prescribed by Article 6 1 2, the Board will within five Business Days allocate the Declined Shares as follows

6 1 3 1 if the total number of Declined Shares applied for is equal to or less than the available number of Declined Shares, each offeree will be allocated the number applied for in accordance with his application,
or

6 1 3 2 if the total number of Declined Shares applied for is greater than the available number of Declined Shares, applications will be satisfied pro rata by reference to the proportion that the number of Equity Shares held by each such applicant for Declined Shares bears to the total number of Equity Shares held by all such applicants;

6 1 4 allocations of Declined Shares made by the Company pursuant to Article 6 1 3 will constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Declined Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Declined Shares which he has indicated to the Company he is willing to purchase

6 2 In the event that all or any of the Shares to which Article 6 1 applies are not subscribed for in accordance with the provisions of such Article 6 1 the Directors may offer such Shares to a third party of whom they approve and subject to these Articles and the provisions of section 80 of the Act such Shares shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that

6 2 1 no Shares shall be issued at a discount,

6 2 2 no Shares to which Article 6 1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under Article 6 1 unless the procedure set out in Article 6 1 is repeated in respect of such Shares, and

6 2 3 no Shares shall be issued at a price less than that at which they were offered to the members of the Company in accordance with Article 6 1 1 and so that (if the Directors are proposing to issue such Shares wholly or partly for non-cash consideration) the cash value of such consideration for the purposes of this sub-paragraph shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its members

6 3 The provisions of Articles 6 1 and 6 2 shall mutatis mutandis apply to all equity securities (as defined in section 94(2) of the Act) of the Company from time to time created

6 4 The provisions of sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company

7. TRANSFERS OF SHARES - GENERAL

7 1 The Directors may in their reasonable discretion decline to register the transfer of any Shares (including the transfer of any Shares otherwise permitted under Article 8) to 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, save that this restriction will not apply to

7 1 1 any transfers pursuant to a Qualifying Offer in accordance with Article 11 1 1, or

7 1 2 any transfers pursuant to Article 11 5

7 2 Without prejudice to the provisions of Regulation 24 of Table A (as modified hereby) and subject to Article 7 1, the Directors shall not register any transfer of Shares

7 2 1 to any person who does not have legal capacity to transfer Shares, or

7 2 2 which is otherwise not a transfer permitted by, in accordance with, or required by the provisions of these Articles, and

in either case

7 2 3 unless the proposed transferee has entered into a deed of adherence to, and in the form required by the Shareholders Agreement

7 3 For the purposes of ensuring that a transfer of Shares is duly authorised under the provisions of these Articles or that no circumstances have arisen whereby a Shareholder may be bound or be required to give or is deemed to have given a Sale Notice (as defined in Article 9 1) or for the purpose of ascertaining when a Sale Notice should have been or is deemed to have been given hereunder the Directors may from time to time require any member or the PRs of any deceased member or the trustee in bankruptcy of any member or the receiver, administrative receiver,

administrator or liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within 5 Business Days after request the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) may resolve to require by notice in writing that a Sale Notice be given in respect of the Shares concerned. If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a Shareholder may be bound or required to give or be deemed to have given a Sale Notice, the Directors may resolve by notice in writing to require that a Sale Notice be given in respect of the Shares concerned. A resolution of the Directors hereunder shall be binding upon the Shareholders concerned who shall be bound to give a Sale Notice in respect of the Shares concerned forthwith upon receipt of the said notice from the Directors.

- 7.4 In any case where the Directors have duly required a Sale Notice (as defined in Article 9.1) to be given in respect of any Shares and such Sale Notice is not duly given within a period of one week such Sale Notice shall be deemed to have been given at the expiry of the said period and the provisions of these Articles relating to Sale Notices shall take effect accordingly.
- 7.5 A Sale Notice given or deemed to be given pursuant to this Article or Article 8 or 10 shall not be capable of revocation nor may it specify that unless all relevant Shares are sold by the Company pursuant to the Sale Notice, none shall be so sold. Subject as provided to the contrary in this Article or Article 8 and/or 10, the provisions of Article 9 shall apply to any Sale Notice given or deemed to be given under or pursuant to this Article or Article 8 or 10.
- 7.6 In any case where a Shareholder (or his personal representatives) has (or have) been required to give or has been deemed to have given a Sale Notice pursuant to the provisions of this Article or Article 8 or 10 and subsequently becomes the holder of (or is deemed pursuant to Article 10 to be the holder of) further Shares by virtue of the holding of any Shares comprised in such Sale Notice (whether by way of rights or bonus issue, conversion, transfer or otherwise howsoever) a majority of the Directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Sale Notice.

pursuant to this Article or Article 8 or 10 (as appropriate) in respect of such further Shares

8. PERMITTED TRANSFERS OF SHARES

8.1 Group transfers

8.1.1 Any Shares held by an undertaking ("**Original Undertaking**") may be transferred to any other undertaking ("**Transferee Undertaking**") provided always that each and any such Transferee Undertaking is a subsidiary or holding company (or a subsidiary of such holding company) of that Original Undertaking ("**Group Undertaking**")

8.1.2 In the event that any Transferee Undertaking ceases to be a Group Undertaking in relation to the Original Undertaking then such Transferee Undertaking shall forthwith transfer any Shares held by it to the Original Undertaking or to an undertaking which in relation to the Original Undertaking is a Group Undertaking

8.1.3 In the event of any default of Articles 8.1.1 and 8.1.2 above the Original Undertaking or (as the case may be) the Transferee Undertaking shall be deemed to have served a Sale Notice (as defined in Article 9.1) in respect of all such Shares provided always that the price shall be the issue price (including any premium)

8.2 Nominees

8.2.1 Any Shares may be transferred by their Beneficial Owner to a person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only

8.2.2 Where any Shares have been transferred to a nominee pursuant to Article 8.2.1 any such nominee may transfer any Shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only

8.2.3 Where a person to whom any Shares have been transferred as a nominee pursuant to this Article 8.2 ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the

Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default thereof he shall be deemed to have given a Sale Notice (as defined in Article 9 1) in respect thereof provided that the price shall be the issue price (including any premium)

8.3 To Privileged Relations and trustees

8 3 1 Any Shares may be transferred by a Beneficial Owner who is an individual

8 3 1 1 to a Privileged Relation of such Beneficial Owner,

8 3 1 2 to trustees to be held upon Family Trusts

8 3 2 Where any Shares have been transferred to Privileged Relations or trustees pursuant to Article 8 3 1 the Privileged Relation or the trustees (as the case may be) may transfer any such Shares to a person or persons shown to the reasonable satisfaction of the Directors to be

8 3 2 1 the trustees for the time being (on a change of trustee) of the family trusts in question, and/or

8.3 2 2 the Beneficial Owner or any Privileged Relation of the Beneficial Owner

In any case where a member proposing to transfer Shares under this Article 8 3 ("**Proposing Transferor**") holds those Shares as a result of an earlier transfer authorised under this Article 8 3 from another member ("**Original Member**") the Proposing Transferor may only transfer those Shares to a person to whom the Original Member could have transferred such Shares under this Article 8 3

8 4 Where Shares are held by trustees of a Family Trust and any such Shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 8 3 2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 8 3 2 and in default thereof the trustees shall be deemed to have given a Sale Notice (as defined in Article 9 1) in respect of the Shares in question provided that the price shall be the issue price (including any premium)

8.5 Shareholder consent

Any Equity Shares and/or any interest therein may be transferred at any time to any person with the written consent of the holders of not less than 85 per cent in nominal value of the issued Equity Shares for the time being

8.6 Employee Benefit Trust

Subject to the provisions of Article 7 1 hereof and regulation 24 of Table A (as modified hereby), any Shares may be transferred free of restriction by the trustees of any Employee Benefit Trust to any beneficiary thereof or to any replacement trustees.

8.7 Tag along/drag along

The restrictions on transfer contained in these Articles shall not apply to any transfer made pursuant to a Qualifying Offer in accordance with Article 11 1 1 or to any transfer in accordance with the provisions of Article 11 5

8.8 Deferred Shares

Subject to the provisions of Article 7 1 hereof and regulation 24 of Table A (as modified hereby), any Deferred Shares may be transferred free of restriction to any person being a holder (or prospective holder) of any Equity Shares

9. PRE-EMPTION RIGHTS ON TRANSFER

9 1 Subject to Articles 7 and 8 and 9 10, any member wishing to transfer all or any Shares held by him ("**Retiring Shareholder**") shall first give a notice ("**Sale Notice**") in writing to the Company specifying (except as otherwise provided in Articles 8 or 10)

9 1.1 the number and class of the Shares he wishes to transfer ("**Sale Shares**"),

9 1 2 the name of the third party (if any) to whom he proposes to transfer the Sale Shares, and

9 1 3 the price per Share at which the Retiring Shareholder wishes to transfer the Sale Shares

The Sale Notice shall constitute the Company as the agent of the Retiring Shareholder for the sale of the Sale Shares at the price stated therein ("Price"). A Sale Notice (other than a deemed Sale Notice) may require that unless all the Shares comprised in it are sold, none shall be sold ("**Total Transfer Condition**"). A Sale Notice once given pursuant to this Article 9.1 may not be varied or cancelled without the consent of the Board.

9.2 The following provisions of this Article 9.2 will apply where a Sale Notice is given or is deemed to be given in respect of any Equity Shares

9.2.1 within 10 Business Days

9.2.1.1 in the case of a Sale Notice given under Article 9.1, of the receipt by the Company of that Sale Notice, and

9.2.1.2 in the case of a deemed Sale Notice, of the determination of the Price,

the Board may direct the Company (in its capacity as agent for the Retiring Shareholder) immediately to offer at the Price such number of Sale Shares as it may determine to such of the following categories of persons and in such numbers as in each case the Board may specify

9.2.1.3 the trustees of any Employee Benefit Trust,

9.2.1.4 the Company pursuant to the provisions of part V of the Act, and/or

9.2.1.5 if the Retiring Shareholder is a director or employee or consultant of any member of the Group, and is not continuing as such, to any proposed replacement director or employee or consultant,

9.2.2 if any offeree of the Sale Shares pursuant to this Article 9.2 applies for any of them within 10 Business Days after the date of the offer, the Company will, subject to compliance by the relevant offeree with the terms of the offer, allocate to such offeree the number of Sale Shares applied for by the 15th Business Day after the date of the offer

9.2.3 If all of the Sale Shares are so allocated, the provisions of Articles 9.3 to 9.8 will not apply. If none or some only of the Sale Shares are so allocated, the

provisions of Articles 9 3 to 9 8 will have effect as if reference to Sale Shares was to those Sale Shares not allocated in accordance with this Article 9 2 3

9 3

9 3 1 Subject to Article 9 2, within 10 Business Days of (a) in the case of a Sale Notice given under Article 9 1, the receipt by the Company of a Sale Notice or (b) in the case of a deemed Sale Notice, the Price being agreed, the Company shall (as agent for the Retiring Shareholder), by notice in writing, offer the Sale Shares for sale at the Price to all persons holding Equity Shares (other than the Retiring Shareholder and any other holder of Shares who has served or is deemed to have served a Sale Notice in respect of any part of his holding of Shares pursuant to which the sale of such Shares has not then been concluded) entitled to first refusal thereof in accordance with Articles 9 4 and 9 5 ("**Offer**")

9 3 2 The Offer shall specify that the persons to whom the shares are offered will have a period of 15 Business Days from the date of such notice within which to apply for some or all of the Sale Shares.

9.4 Pre-emption procedure

9 4 1 In accordance with Article 9 3, it will be a term of any Offer made pursuant to Article 9 3 that the Sale Shares will be treated as offered to all persons holding Equity Shares of whatever class (pari passu as if the same constituted one class of Share)

9 4 2 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 to whom the relevant offer has been made in proportion (as nearly as possible) to their existing holdings of Shares of that class ("**Proportionate Entitlement**") However, the offer will also invite the offerees to indicate in their application 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**")

9.5 Allocation of Shares

9 5 1 After the expiry of the relevant offer period specified in Article 9 3, the Board will within five Business Days allocate the Sale Shares (or the balance of the Sale Shares (as the case may be)) as follows:

9 5 1 1 if the total number of Sale Shares applied for pursuant to the relevant offer (including Extra Shares) 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 9 8), or

9 5 1 2 if the total number of Sale Shares applied for pursuant to the relevant Offer 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

9 5 1 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 the Equity Shareholders applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the Equity Shares held by such offerees.

9 5 2 Allocations of Sale Shares made by the Company pursuant to this Article 9 5 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

9.6 The Company shall, immediately upon allocating the Sale Shares give notice ("**Allocation Notice**") thereof to the Retiring Shareholder and each person to whom Sale Shares have been allocated. The Retiring Shareholder shall then become bound to sell and transfer the Sale Shares to the respective purchasers, free from all liens, charges, encumbrances and third party rights, and together with all rights attaching thereto at the date of sale

9 6 1 The Allocation Notice shall state the name and address of each of the purchasers and the number of Shares to be purchased by him and the

aggregate price payable and (subject to Article 9 7) shall designate a place and a time (being not less than three nor more than 10 Business Days following the date of the notice) for completion of the sale of the Shares comprised in such notice,

9 6.2 subject to Article 9 7, completion of the sale and purchase of the Sale Shares will take place at the place and time specified in the Allocation Notice when the Retiring Shareholder will, upon payment of the due price, deliver executed stock transfer form(s) in respect of those Sale Shares specified in the Allocation Notice, and deliver the relevant share certificates to the person(s) to whom they have been allocated, and

9 6 3 if a Sale Notice validly states that the Retiring Shareholder is not willing to sell part only of his Shares, (such that a Total Transfer Condition applies), no transfer of any of the Sale Shares shall take effect unless the Company shall have found purchasers for all such Shares Any offer made by the Company in respect of Shares comprised in such a Sale Notice shall state as a condition of the offer that it is not capable of being accepted unless acceptances are received in respect of all the Shares comprised in the relevant Sale Notice

9 7 If the Sale Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares

9 7 1 the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 15 Business Days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares, and

9 7 2 completion of the transfer in accordance with the preceding paragraphs of this Article 9 7 will be conditional upon all such Sale Shares being so allocated

9 8 If the Company shall not within the said time limits find purchasers for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 9 3 and (if applicable) Article 9 7, the Company shall promptly give notice in writing thereof to the Retiring Shareholder who shall be at liberty at any time within two months after the date of such notice to transfer such Sale Shares for which purchasers have not

been found or in respect of which the sale was not completed as aforesaid to any person he may wish provided that

9 8 1 the proposed purchaser is approved by the Board (who shall be entitled to withhold such approval without giving any reason),

9.8 2 such sale is completed at the Price or any higher or (subject as provided below) lower price and that otherwise the terms of payment of the purchase price are no more favourable to the purchaser than those offered to the Shareholders or other persons hereunder;

9 8 3 no Sale Shares shall be sold at a lower price than the Price without the Retiring Shareholder first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 9 shall mutatis mutandis apply in respect of such further Sale Notice save that the Price shall be such lower price,

9 8 4 if the Sale Notice states that the Retiring Shareholder is not willing to transfer part only of the Sale Shares he shall not be entitled to sell part only of such Shares hereunder, and

9 8 5 the Directors may call for such evidence as they shall reasonably request in order to satisfy themselves that the consideration for any sale hereunder is as stated in the transfer without any rebate, allowance or deduction to the purchaser and if not so satisfied they may refuse to register a transfer hereunder

9 9 If any Shareholder shall fail or refuse to transfer any Shares which he shall have become bound to transfer in accordance with the provisions of these Articles, the Directors may authorise some person to execute and deliver on his behalf a transfer or transfers of such Shares to the purchaser or purchasers and the Company may give a good receipt for the purchase price of such Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto The Shareholder shall in such case be bound to deliver up his certificate for the Shares to the Company whereupon the Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Shareholder but without interest. If such certificate shall comprise any Shares which

the Shareholder has not become bound to transfer as aforesaid, the Company shall issue to the Retiring Shareholder a balance certificate for such Shares

9.10 Loan Notes

Where the Retiring Shareholder is also the holder of Loan Notes, a transfer of Equity Shares will only be permitted if at the same time such Retiring Shareholder transfers to the relevant transferee(s) such proportion of the Loan Notes then held by such Retiring Shareholder as the aggregate number of Equity Shares which he proposes to transfer bear to the aggregate number of Equity Shares then held by him

10. COMPULSORY TRANSFERS AND TRANSFERS ON DEATH OR BANKRUPTCY

10.1 If an employee or director or consultant of any member of the Group or any member of the Towergate Group ("**Relevant Individual**") ceases, for any reason (including death), to be a Relevant Individual and is not otherwise continuing as a Relevant Individual (the date of such cessation being the "**Cessation Date**") and

10.1.1 the Relevant Individual is a holder of any Equity Shares (whether solely or jointly with any other person), and/or

10.1.2 the Relevant Individual has established a Family Trust which holds any Equity Shares, and/or

10.1.3 any holder of Shares holds any Equity Shares as the nominee of such Relevant Individual, and/or

10.1.4 any Equity Shares are held by a Privileged Relation of such Relevant Individual, and/or

10.1.5 any Equity Shares are held by a company any part of the issued share capital of which is beneficially owned by such Relevant Individual and/or a Privileged Relation and/or the trustees of a Family Trust of the Relevant Individual (as the case may be),

there shall, unless the Board determines otherwise within three months of the Cessation Date, be deemed (in accordance with Article 10.2) to have been served a Sale Notice by each of the holders of the Equity Shares referred to in this Article 10.1 (or their PRs in the case of their death) or the Trustee in Bankruptcy in the case of

their bankruptcy ("**Compulsory Vendors**") in respect of all their respective holdings of Equity Shares (howsoever acquired) and any other Equity Shares to which he is or they are or may become entitled whether as a result of his or their holding of Equity Shares or otherwise (all of which Shares shall together constitute the Sale Shares for the purposes of Article 9)

10 2 A Sale Notice deemed to have been given under Article 10 1 shall be deemed to have been given three months after the Cessation Date ("**Deemed Notice Date**")

10 3 The price for the Sale Shares shall be as follows

10 3 1 if the Relevant Individual is a Bad Leaver, the lower of

10 3 1.1 the Acquisition Price, and

10 3 1 2 the Fair Price,

10 3 2 if the Relevant Individual is a Good Leaver, the price shall be the higher of

10 3 2.1 the Acquisition Price, and

10 3 2 2 the Fair Price, and

10 3 3 if the Relevant Individual is an Other Leaver

10 3 3.1 in respect of the relevant percentage (as defined below) of the Sale Shares, the price shall be the lower of

(a) the Acquisition Price, and

(b) the Fair Price, and

10 3 3 2 in respect of the remaining percentage of the Sale Shares, the price shall be the higher of

(a) the Acquisition Price, and

(b) the Fair Price

The "relevant percentage" and "remaining percentage" for the purpose of this Article 10 3 3 shall be determined in accordance with the date of cessation of

the employment or directorship or consultancy of the Relevant Individual as set out below

A	B	C
Date of Cessation of Employment or Directorship or Consultancy	relevant percentage	remaining percentage
Up to and including the first anniversary of the date upon which Shares to which Article 10.1 relate were first acquired	100%	0%
After the first anniversary of the date upon which the Shares to which Article 10.1 relate were first acquired up to and including the second anniversary of such date	75%	25%
After the second anniversary of the date upon which the Shares to which Article 10.1 relate were first acquired up to and including the third anniversary of such date	50%	50%
Thereafter	25%	75%

10.4 For the purposes of Article 10.3

10.4.1 "Acquisition Price" means the price paid for the Ordinary Shares upon issue (including any premium paid thereupon),

- 10 4 2 **"Bad Leaver"** means a Relevant Individual ceasing to be a Relevant Individual as a result of such person being summarily dismissed (including summary dismissal after the date of any notice of resignation served by such person (if any)),
- 10 4 3 **"Fair Price"** means the price per Sale Share as at the Cessation Date as agreed between the Compulsory Vendor(s) and the Directors or, in the absence of such agreement, the price as at such date certified in writing by the Valuer as being in its opinion the fair value of the Sale Shares as between a willing seller and a willing buyer provided that the Valuer, in determining the fair value of any such Shares shall (i) determine the sum which a willing buyer would offer to a willing seller for the whole of the issued share capital of the Company and (ii) divide the resultant figure by the number of issued Equity Shares and outstanding options or rights to acquire shares (assuming exercise in full), but so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the Sale Shares or in relation to any restrictions on the transferability of the Sale Shares and provided further that the Valuer shall take into account any bona fide offer from any third party to purchase any of the Sale Shares,
- 10 4 4 **"Good Leaver"** means a Relevant Individual who ceases to be a Relevant Individual as a result of
- 10 4 4 1 his death; or
- 10 4 4 2 his resignation or dismissal either by reason of permanent incapacity or his reaching normal retirement age,
- 10 4 5 **"Other Leaver"** means a person who ceases to be a Relevant Individual and does not otherwise continue as a Relevant Individual but is not a Bad Leaver or a Good Leaver, and
- 10 4 6 **"Valuer"** means the Auditors (or in the event of their being unwilling or unable to act or, at the option of the Company, an independent firm of chartered accountants nominated by the President of the Institute of Chartered Accountants in England and Wales (or his equivalent from time to time) in each case acting as an expert and not as an arbiter)

- 10.5 The provisions of Article 10.1 shall lapse and cease to have any further force or effect immediately prior to but conditional upon the occurrence of a Listing or (in circumstances where the consideration payable for the Equity Shares shall be solely in cash) a Share Sale.
- 10.6 Without prejudice to the provisions of Article 10.1 (which, in the case of conflict shall override the provisions of this Article 10.6) in the event that any Shareholder is the subject of two or more Loan Note Subscription Defaults, there shall, unless the Board otherwise resolves within 25 Business Days of the last to occur of the Loan Note Subscription Defaults ("**Final Default Date**"), be deemed to be served by such Shareholder on the Final Default Date a Sale Notice in respect of all Equity Shares held and any other Equity Shares which he is or may become entitled as a result of his holding of Equity Shares (all of which Shares shall together constitute the Sale Shares for the purposes of Article 9). In the case of any Sale Notice deemed served pursuant to this Article 10.6, the price for the Sale Shares shall be the lower of the Acquisition Price and the Fair Price (in each case as defined in Article 10.4) and furthermore shall include an obligation for the intended transferee of the Shares to subscribe for any Loan Notes being the subject of any relevant outstanding Loan Note Subscription Defaults.
- 10.7 The references to Ordinary Shares in Article 10.1 and 10.6 shall, for the avoidance of doubt, apply to any other Shares derived therefrom (whether by conversion, consolidation or sub-division or by way of rights or bonus issue).
- 10.8 All Shares being the subject of a deemed Sale Notice under this Article 10 shall be offered to the other Shareholders (other than the Compulsory Vendors and any other member who has served or who is deemed to have served a Sale Notice in respect of his entire holding of Shares which is still outstanding) in accordance with the provisions of Article 9, which shall apply mutatis mutandis except to the extent that such provisions of Article 9 are varied by the provisions of this Article 10. If a Sale Notice is deemed served in accordance with Articles 10.1 or 10.6, no further Sale Notice shall be issued in respect of such Shares during the process set out in Article 9.
- 10.9 Unless the Board resolves otherwise in writing, any Shares held by
- 10.9.1 a Compulsory Vendor on the Cessation Date, or
- 10.9.2 a Shareholder immediately following any Loan Note Subscription Default,

and, in each case, any Shares issued to any Shareholder referred to in Articles 10 9 1 or 10 9 2 after the Cessation Date or date of the Loan Note Subscription Default (as the case may be) 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 date of the Loan Note Subscription Default (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. The right will be restored immediately upon the Company registering a transfer of the Sale Shares in accordance with this Article 10

10 10 Without prejudice to the provisions of Article 10 1 and 10 6 (which, in the event of conflict, shall override the provisions of this Article), if a majority of the Directors so resolve they may at any time give notice to any PRs or Trustee in Bankruptcy requiring such person to elect to be registered himself/themselves and/or to give a Sale Notice (as defined in Article 9 1) in respect of the Shares to which he/they become entitled in consequence of the death or bankruptcy of any member and if such notice is not complied with within 10 Business Days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the PRs or Trustee in Bankruptcy and the Company may give a good receipt for the purchase price of such Shares and may register the purchaser or purchasers as the holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. In any such case the PRs or Trustee in Bankruptcy shall be bound to deliver up the certificates for the Shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest

10 11 The provisions of Articles 10 3 and 10 4 shall mutatis mutandis apply to the calculation of the purchase price payable for the Sale Shares in the case of a Sale Notice given pursuant to Article 10 10 save that

10 11 1 references therein to "**Relevant Individual**" shall herein be to the "Shareholder from whom the PRs or Trustee in Bankruptcy derived their interest in the Sale Shares",

10 11 2 references therein to "**date of cessation of employment or directorship or consultancy**" shall herein be to the "date upon which the Sale Notice has been given", and

10 11 3 references in Column A of the table set out in Article 10 3 to "**the date upon which the Shares to which Article 10.1 relate were first acquired**" shall herein relate to "the date upon which the Relevant Individual first acquired the Sale Shares"

11. TRANSFER OF CONTROL

11 1 Notwithstanding any other provision of these Articles, no transfer of any Equity Shares which if made and registered would result in a Share Sale or any person or group of persons (who are not at such time a holder or holders of any Equity Shares) acting in concert (as defined by the City Code on Takeovers and Mergers) acquiring control of more than 30 per cent of the aggregate voting rights attaching to the Equity Shares shall be made or registered without the previous written consent of the holders of not less than 85 per cent of the Equity Shares unless

11 1 1 before the transfer is lodged for approval by the Directors for registration the proposed transferee has made an offer in accordance with this Article 11 ("**Qualifying Offer**") to purchase all the Equity Shares at the Specified Price, and

11 1 2 before or at the same time as the transfer of the Equity Shares is approved by the Directors (subject to stamping) each such accepted Qualifying Offer is completed and the consideration thereunder paid except insofar as failure to complete is due to the fault of the offeree

11 2 A Qualifying Offer shall be in writing and shall be stipulated to be open for acceptance in the United Kingdom for at least 15 Business Days and in default of acceptance in writing within such time by an offeree shall be deemed to have been rejected by such offeree

11 3 For the purposes of this Article

11 3 1 "**Connected Person**" shall have the meaning as set out in section 839 of the Income and Corporation Taxes Act 1988 and persons will be regarded as "acting in concert" if they would be so regarded for the purposes of the City Code on Takeovers and Mergers,

11 3.2 "**Specified Price**" shall mean

(a) a price per share of not less than that offered or paid or agreed to be paid by the proposed transferee or any Connected Person with or any person acting in concert with such person for each Equity Share, or, if higher,

(b) if the proposed transferee or any Connected Person with or any person acting in concert with such person has acquired any Equity Shares during the preceding 12 months, the "**Specified Price**" shall mean a price of not less than the highest average price per Equity Share paid or agreed to be paid in respect of all such Shares so acquired during the preceding 12 months including the Equity Shares,

and in either case,

(c) shall include provision for redemption in full of all issued Loan Notes,

11 3 3 "**Transfer**" and "**transferee**" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment

11 3 4 In determining the price paid or agreed to be paid for a Share for the purposes of Articles 11 3 2(a) or 11 3 2(b) , there shall be included in each case an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the seller of the relevant shares (or any Connected Person or person acting in concert with him) which (having regard to the substance of the transaction as a whole) can reasonably be regarded as forming part of the consideration for the relevant Shares

- 11 4 In the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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 (or any successor body thereto) at the request of any of the parties concerned) whose decision shall be final and binding. In the absence of fraud such umpire shall be under no liability to any person by reason of his calculation or anything done or omitted to be done by him for the purposes thereof or in connection therewith. The proposing transferor and any other Shareholder shall provide such umpire with whatever information the umpire reasonably requests for the purposes of the calculation.
- 11 5 In the event that the holders of 51 per cent in nominal value of the Equity Shares shall accept a Qualifying Offer made on arm's-length terms by a bona fide purchaser each of the other holders of Equity Shares shall be required to accept the Qualifying Offer in respect of all the Shares held by him/it and if any such member shall refuse or fail to transfer any of the Equity Shares held by him/it in accordance with the provisions of this Article the Board may authorise some person to execute and deliver on his/its behalf a transfer or transfers of such Shares to the person or persons making the Qualifying Offer and the Company may give a good receipt for the purchase price for such Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. The transferor shall in each case be bound to deliver up his certificate for all of his Shares to the Company whereupon the transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the transferor.

12. PROCEEDINGS AT GENERAL MEETINGS

- 12 1 If under regulation 41 of Table A a meeting is adjourned 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 shall form a quorum and regulations 40 and 41 of Table A shall be modified accordingly.
- 12 2 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 and regulation 46 of Table A shall be modified accordingly.

- 12 3 Regulation 53 of Table A shall be modified by the addition at the end of the following sentence "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."
- 12 4 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof "
- 12 5 Regulation 62 of Table A shall be 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 or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Directors resolve otherwise"

13. DIRECTORS

- 13 1 Unless and until otherwise determined by ordinary resolution of the Company, the number of the Directors shall be not less than two There shall be no maximum number
- 13 2 No person shall be disqualified from being appointed a Director and no Director shall 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 nor shall it be necessary to give special notice under the Act of any resolution appointing, re-appointing or approving the appointment of a Director by reason of his age but where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for election or re-election who has at the date of such meeting attained the age of 70 years the Board shall give notice of his having attained such age in the notice convening the meeting or in any document sent therewith but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such Director thereat
- 13 3 Regulation 68 of Table A shall be modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors "
- 13 4 A Director shall not retire by rotation and a Director appointed to fill a vacancy or as an addition to the Board shall not retire from office at the annual general meeting next

following his appointment Regulations 78 and 79 of Table A shall be modified accordingly

13 5 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and regulation 81 of Table A shall be modified accordingly.

13 6 The holders of not less than one half in nominal value of the Shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any Director from office or appoint any person to be a Director. Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose. Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice. This Article 13 6 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director

14. DELEGATION OF DIRECTORS 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 "

15. BORROWING POWERS

The Directors may 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 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

16. PROCEEDINGS OF DIRECTORS

- 16 1 The quorum necessary for the transaction of business at any meeting of the Directors shall be two
- 16 2 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by his alternate or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum
- 16 3 A Director who is in any way whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with section 317 of the Act. Subject to such disclosure as aforesaid, a Director may vote in respect of any contract or proposed contract or arrangement in which he is interested and if he does so vote his vote shall be counted and he may be counted in ascertaining whether a quorum is present at any meeting at which such contract or proposed contract or arrangement shall come before the Directors for consideration and may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom

For the purposes of this Article 16 3

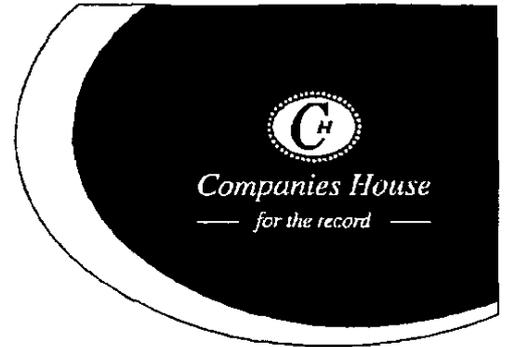
- 16 3 1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent specified, and
- 16 3 2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

17. INDEMNITIES

Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director, alternate director, secretary and other officer or

employee for the time being of the Company shall be indemnified out of the assets of the Company against any liability 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 Act in which relief is granted to him by the court

URGENT.



THE DIRECTORS
TOWERGATE PARTNERSHIP LIMITED
TOWERGATE HOUSE ECLIPSE PARK
SITTINGBOURNE ROAD
MAIDSTONE
KENT, ME14 3EN

TUGL
- 8 APR 2011
Co. Sec

Crown Way Cardiff CF14 3UZ
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DX 33050 Cardiff
www.companieshouse.gov.uk

Our Ref 03405221/CHOCAUTOA
Date 05 April 2011

Dear Sir/Madam

TOWERGATE PARTNERSHIP LIMITED

Our records show that you recently filed a special resolution, passed on 11/02/2011 to amend the articles of association of the company

You have not sent us a copy of the articles as amended This is contrary to section 26 of the Companies Act 2006 which requires you to send us a copy of the amended articles no later than 15 days after the date of the amendment It is an offence to fail to do so (ss26(3) and (4))

Please send me a copy of the amended articles as a matter of priority

Yours faithfully

COMPANIES HOUSE



COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

TOWERGATE PARTNERSHIP LIMITED

adopted by a special resolution of the Company on
11 February 2011

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Company No. 3405221

COMPANIES ACT 1985 and 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

TOWERGATE PARTNERSHIP LIMITED

(adopted by a special resolution of the Company on 11 February 2011)

1. PRELIMINARY

These Articles together with the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("**Table A**") shall apply to the Company save insofar as such regulations are excluded or varied hereby. The definitions of "**communications**" and "**electronic communications**" in regulation 1, the first sentence of regulation 24 and regulations 40, 41, 53, 54, 60 to 64 (inclusive), 67, 76 to 79 (inclusive), 87, 90, 94 to 97 (inclusive), 101, 111, 112, 115 and 118 of Table A shall not apply to the Company.

Save where the context otherwise requires, words and expressions used in these articles of association shall bear the same meaning as in the Act and the 2006 Act, as the case may be.

2. DEFINITIONS AND INTERPRETATION

2.1 In these Articles the following words and expressions shall (except where the context otherwise requires) have the following meanings

"**2006 Act**" means the Companies Act 2006 including any statutory modification or re-enactment thereof,

"**Act**" means the Companies Act 1985 (as amended) and every other statutory modification or re-enactment thereof for the time being in force,

"**A Junior Preferred Ordinary Shares**" means the A junior preferred ordinary shares of £0.001 each in the Company,

"A Ordinary Shares" means the A ordinary shares of £0 009 each in the Company;

"A Ordinary Shareholder" means a registered holder of any A Ordinary Shares,

"Auditors" means the auditors from time to time of the Company,

"B Junior Preferred Ordinary Shares" means the B junior preferred ordinary shares of £0 001 each in the Company,

"B Ordinary Shares" means the B ordinary shares of £0 009 each in the Company,

"B Ordinary Shareholder" means a registered holder of any B Ordinary Shares,

"Board" means all the Directors of the Company from time to time,

"Business Day" means a day other than a Saturday or Sunday upon which banks are open for business in London,

"C Junior Preferred Ordinary Shares" means the C junior preferred ordinary shares of £0 001 each in the Company,

"C Ordinary Shares" means the C ordinary shares of £0 009 each in the Company;

"C Ordinary Shareholder" means a registered holder of any C Ordinary Shares,

"Deferred Shares" means the deferred shares of £0 009 each in the capital of the Company,

"Directors" means the directors from time to time of the Company,

"D Ordinary Shares" means the D ordinary shares of £0 009 each in the Company,

"D Ordinary Shareholder" means a registered holder of any D Ordinary Shares,

"Employee Benefit Trust" means any trust which may be established from time to time for the benefit of employees (which may include past employees of the Company and/or any other member of the Group),

"E Ordinary Shares" means the E ordinary shares of £0 009 each in the Company;

"E Ordinary Shareholder" means a registered holder of any E Ordinary Shares,

"Equity Shares" means the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the E Ordinary Shares, the F Ordinary Shares and any shares derived therefrom whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise for the time being in issue (but, for the avoidance of doubt excluding the Preference Shares, the Junior Preferred Ordinary Shares and the Subordinated Junior Preferred Ordinary Shares),

"F1 Ordinary Shares" means the F1 ordinary shares of £0 009 each in the Company;

"F2 Ordinary Shares" means the F2 ordinary shares of £0 009 each in the Company,

"F3 Ordinary Shares" means the F3 ordinary shares of £0 009 each in the Company,

"F4 Ordinary Shares" means the F4 ordinary shares of £0 009 each in the Company,

"F5 Ordinary Shares" means the F5 ordinary shares of £0 009 each in the Company;

"F6 Ordinary Shares" means the F6 ordinary shares of £0 009 each in the Company,

"F7 Ordinary Shares" means the F7 ordinary shares of £0 009 each in the Company;

"F8 Ordinary Shares" means the F8 ordinary shares of £0 009 each in the Company,

"F9 Ordinary Shares" means the F9 ordinary shares of £0 009 each in the Company,

"F10 Ordinary Shares" means the F10 ordinary shares of £0 009 each in the Company,

"F11 Ordinary Shares" means the F11 ordinary shares of £0 009 each in the Company,

"F12 Ordinary Shares" means the F12 ordinary shares of £0 009 each in the Company,

"F13 Ordinary Shares" means the F13 ordinary shares of £0 009 each in the Company,

"F14 Ordinary Shares" means the F14 ordinary shares of £0.009 each in the Company,

"F15 Ordinary Shares" means the F15 ordinary shares of £0 009 each in the Company,

"F16 Ordinary Shares" means the F16 ordinary shares of £0 009 each in the Company,

"F17 Ordinary Shares" means the F17 ordinary shares of £0 009 each in the Company,

"F18 Ordinary Shares" means the F18 ordinary shares of £0 009 each in the Company,

"F19 Ordinary Shares" means the F19 ordinary shares of £0 009 each in the Company,

"F20 Ordinary Shares" means the F20 ordinary shares of £0 009 each in the Company,

"F Ordinary Shares" means the F1 Ordinary Shares, F2 Ordinary Shares, F3 Ordinary Shares, F4 Ordinary Shares, F5 Ordinary Shares, F6 Ordinary Shares, F7 Ordinary Shares, F8 Ordinary Shares, F9 Ordinary Shares, F10 Ordinary Shares, F11 Ordinary Shares, F12 Ordinary Shares, F13 Ordinary Shares, F14 Ordinary Shares, F15 Ordinary Shares, F16 Ordinary Shares, F17 Ordinary Shares, F18 Ordinary Shares, F19 Ordinary Shares and F20 Ordinary Shares,

"F Ordinary Shareholder" means a registered holder of any F Ordinary Shares,

"Group" means the Company and its subsidiary undertakings from time to time and references to a "member of the Group" or a "Group member" shall be construed accordingly;

"Junior Preferred Ordinary Shares" means the A Junior Preferred Ordinary Shares, B Junior Preferred Ordinary Shares and C Junior Preferred Ordinary Shares,

"Listing" shall mean any of

- (a) the admission of all or any of the issued Equity Shares to trading on a market for listed securities operated by the Stock Exchange, together with the admission of such Equity Shares to the Official List of the UK Listing Authority, or
- (b) the admission of such Equity Shares to the Alternative Investment Market of the Stock Exchange, or
- (c) the admission of such Equity Shares to any other market wherever situated, together, if necessary, with the admission of such Equity Shares to listing on such official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority, as may in the circumstances be appropriate,

"New Ordinary Shares" means the C Ordinary Shares, the D Ordinary Shares, the E Ordinary Shares and the F Ordinary Shares,

"Offer" means the offer made by the Company to acquire all of the then existing PGHL Shares by way of an offer document dated 28 May 2009 and any revisions, variations or extensions subsequently made to such offer including, without limitation, by way of a revised offer document dated on or around 24 June 2009,

"Ordinary Shares" means the ordinary shares of £0.009 each in the Company,

"Ordinary Shareholder" means a registered holder of any Ordinary Shares,

"Original Ordinary Shares" means the Ordinary Shares, the A Ordinary Shares and the B Ordinary Shares;

"PGHL" means Paymentsfield Group Holdings Limited, a company registered in England with number 05919794, the registered office of which is at Paymentsfield House, Wight Moss Way, Southport, Merseyside, PR8 4HQ,

"PGHL Shares" means the A, B, C, D, E and F ordinary shares of £1 00 each in the capital of PGHL,

"Preference Shares" means the 20 per cent. (subject to increase or subsequent decrease as provided below) cumulative redeemable preference shares of £1 each in the Company,

"Shareholder" means a registered holder of any Equity Shares,

"Shares" means any shares in the capital of the Company from time to time of any class other than the Preference Shares, the Junior Preferred Ordinary Shares and the Subordinated Junior Preferred Ordinary Shares,

"Share Sale" means the completion of any transaction whereby any person or group of persons acting in concert (as defined by the City Code on Takeovers and Mergers) purchases not less than 90 per cent. in nominal value of the Equity Shares,

"Stock Exchange" means the London Stock Exchange plc,

"Subordinated Junior Preferred Ordinary Shares" means the subordinated junior preferred ordinary shares of £1 each in the Company, and

"written" and **"in writing"** include any method of representing or reproducing words in legible form

- 2.2 Unless the context otherwise requires, any other words or expressions contained in these articles bear the same meaning as in the Act or 2006 Act but excluding any statutory modification of that meaning not in force when these articles become binding on the Company
- 2.3 For the purposes of Article 3 and Article 4 (but not otherwise) the additional words and expressions defined in Article 3 10 shall also apply For the purposes of such Article 3 and Article 4, in the event of any conflict between the provisions of Article 2 1 and Article 3 10 the provisions of Article 3.10 shall prevail.

- 2 4 For the purposes of Article 4 (but not otherwise) the additional words and expressions defined in Article 4 10 shall also apply For the purpose of such Article 4, in the event of any conflict between the provisions of Article 2 1 or Article 3 10 and Article 4 10, the provisions of Article 4 10 shall prevail.
- 2 5 Words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa
- 2 6 Clause headings are for ease of reference only and do not affect the construction or interpretation of these Articles
- 2 7 References to persons shall include bodies corporate, unincorporated associations and partnerships
- 2 8 Words and expressions defined in or for the purposes of the Act or Table A shall have the same meanings in these Articles unless the context otherwise requires
- 2 9 Without prejudice to the provisions of section 738 of the Act, the expressions "**paid up**" or "**paid up value**" as used in relation to any part of the share capital of the Company shall mean the total nominal amount paid up, or credited as paid up, on the relevant shares, excluding any premium paid up or credited as paid up thereon

3. PREFERENCE SHARE RIGHTS

The rights attached to the Preference Shares are as follows

3 1 As to income

3 1 1 Each Preference Share shall confer on the holder the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a preferential dividend (the "**Preferential Dividend**") at the rate of 20 per cent per annum (as such rate may be increased or reduced from time to time in accordance with the provisions of Articles 3 1 4) (the "**Preference Rate**") on the sum from time to time of

3 1 1 1 the capital for the time being paid up on that Preference Share (the "**Issue Amount**"), and

3 1 1 2 the sum of all Accrued Amounts in respect of that Preference Share,

(the Issue Amount and all such Accrued Amounts together, the "**Accreted Value**")

- 3.1.2 The Preferential Dividend shall accrue from day to day at the Preference Rate on the Accreted Value and, at the option of the Company, may, or, if required by Article 3.3.8.3, shall be paid in cash on, subject to Article 3.3.8.3(b), each anniversary of the Issue Date in each year (each a "**Preferential Dividend Payment Date**") in respect of the year ending on that date (each a "**Preferential Dividend Period**")
- 3.1.3 If the Company elects not to, or, has decided not to pay the Preferential Dividend in cash following a determination pursuant to Article 3.3.8.3, pay the whole amount of a Preferential Dividend in cash on the due date for payment in respect of a Preference Share, then the amount of such accrued and unpaid (in cash) Preferential Dividend (the "**Accrued Amount**") shall as from the relevant Preferential Dividend Payment Date be added to and thus increase the Accreted Value of the Preference Shares
- 3.1.4 On 31 March 2009 (which shall be the first "**Tier 1 Preference Rate Adjustment Date**"), and on each date falling three months after the previous Tier 1 Preference Rate Adjustment Date (each a "**Tier 1 Preference Rate Adjustment Date**"), the Preference Rate in respect of that portion of the Preferential Dividend period following each Tier 1 Preference Rate Adjustment Date through to the next Tier 1 Preference Rate Adjustment Date shall be adjusted by reference to the then prevailing Total Leverage Ratio in accordance with the table below:

Tier 1 Preference rate Adjustment Date:	Total Leverage Ratio prior to Contribution Event	Total Leverage Ratio following Contribution Event	Preference Rate
31 March 2009	Equal to or less than 4.50:1.00	Equal to or less than 4.50:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%

Tier 1 Preference rate Adjustment Date:	Total Leverage Ratio prior to Contribution Event	Total Leverage Ratio following Contribution Event	Preference Rate
30 June 2009	Equal to or less than 4.50:1.00	Equal to or less than 4.50:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
30 September 2009	Equal to or less than 4.25:1.00	Equal to or less than 4.25:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
31 December 2009	Equal to or less than 4.25:1.00	Equal to or less than 4.25:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
31 March 2010	Equal to or less than 4.00:1.00	Equal to or less than 4.00:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
30 June 2010	Equal to or less than 4.00:1.00	Equal to or less than 4.00:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%

Tier 1 Preference rate Adjustment Date:	Total Leverage Ratio prior to Contribution Event	Total Leverage Ratio following Contribution Event	Preference Rate
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
30 September 2010	Equal to or less than 3.75:1.00	Equal to or less than 3.75:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
31 December 2010	Equal to or less than 3.75:1.00	Equal to or less than 3.75:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
31 March 2011	Equal to or less than 3.50:1.00	Equal to or less than 3.50:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%
30 June 2011	Equal to or less than 3.50:1.00	Equal to or less than 3.50:1.00	20%
	Equal to or less than 5.25:1.00	Equal to or less than 4.75:1.00	22%
	Equal to or less than 5.75:1.00	Equal to or less than 5.25:1.00	24%
	More than 5.75:1.00	More than 5.25:1.00	26%

Tier 1 Preference rate Adjustment Date:	Total Leverage Ratio prior to Contribution Event	Total Leverage Ratio following Contribution Event	Preference Rate
30 September 2011	Equal to or less than 3 50 1 00	Equal to or less than 3 50 1 00	20%
	Equal to or less than 5 25 1 00	Equal to or less than 4 75 1 00	22%
	Equal to or less than 5 75 1 00	Equal to or less than 5 25 1 00	24%
	More than 5 75 1 00	More than 5 25 1 00	26%
31 December 2011 and each Quarter Date thereafter	Equal to or less than 3 50 1 00	Equal to or less than 3 50 1 00	20%
	Equal to or less than 5 25 1 00	Equal to or less than 4 75 1 00	22%
	Equal to or less than 5 75 1 00	Equal to or less than 5 25 1 00	24%
	More than 5 75 1 00	More than 5 25 1 00	26%

provided that, for the avoidance of doubt, but subject to Article 3 3 8 2(a) below the Preference Rate as determined by this Article 3 1 4 shall never be more than 26 per cent or less than 20 per cent

3 1 5 [DELIBERATELY BLANK]

3.1 6 Where the Preferential Dividend is by the election of the Company, or following a determination by the Company pursuant to Article 3 3 8 3 to be paid in cash, the Preferential Dividend shall be due and payable on the date specified for its payment and it shall on such date *ipso facto* and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in regulations 102 to 108 (inclusive) of Table A) become, a debt due from and immediately payable by the Company to the holders of the Preference Shares (subject only to there being profits out of which the same may be lawfully paid) Where the Company makes a decision pursuant to Article 3 3 8 3 to pay the Preferential Dividend in cash, to the extent that the Company is restricted by the Acts from doing so, it shall

use all reasonable endeavours (including, for the avoidance of doubt, taking all reasonable steps to recapitalise its subsidiaries or take any similar step to enable any such subsidiary to pay dividends) to procure that its subsidiaries declare and pay to it such sums as are required to enable it lawfully to pay the Preferential Dividend.

3 1 7 A statement by the auditors of the Company (provided that they are any one of KPMG, Deloitte & Touche, Ernst & Young and PricewaterhouseCoopers LLP) or, if Majority Preference Holders so require if they are not, by any one of KPMG, Deloitte & Touche, Ernst & Young and PricewaterhouseCoopers LLP (as those holders may from time to time nominate,) as to the amount in their opinion of the surplus profits or the profits of the Company available for distribution in any particular financial year shall be conclusive and binding on the Company and its members and in issuing any such statement the auditors (or such other firm of accountants)

3 1 7 1 in any case where the report of the auditors on the relevant accounts contains a qualification, may make such adjustments as they may in the circumstances consider appropriate,

3 1.7 2 shall act as experts and not as arbitrators, and

3 1 7 3 their charges shall be borne by the Company

3 2 As to capital

3 2 1 On a return of capital on a winding up or otherwise the assets of the Company available for distribution to its members shall be applied

3 2 1 1 first, in paying to each holder of a Preference Share a sum equal to any Accrued Amounts in respect of that Preference Share and any other arrears and accruals of the Preferential Dividend on that Preference Share calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case);

3 2 1 2 secondly, in repaying the Issue Amount in respect of each Preference Share to its holder,

- 3.2.1.3 thirdly, in paying to each holder of a Junior Preference Share a sum equal to any Junior Accrued Amounts (as defined in Article 4) in respect of that Junior Preference Share and any other arrears and accruals of the Junior Preferential Dividend (as defined in Article 4) on that Junior Preference Share calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case),
- 3.2.1.4 fourthly, in paying the Initial Amount (as defined in Article 4) in respect of each Junior Preferred Ordinary Share to its holder, and
- 3.2.1.5 fifthly, in paying to each holder of a Subordinated Junior Preferred Ordinary Share a sum equal to any Subordinated Junior Accrued Amounts in respect of that Subordinated Junior Preferred Ordinary Share and any other arrears and accruals of the Subordinated Junior Preferred Dividend on that Subordinated Junior Preferred Ordinary Share calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case),
- 3.2.1.6 sixthly, in paying the SJPOS Initial Amount in respect of each Subordinated Junior Preferred Ordinary Share to its holder; and
- 3.2.1.7 seventhly, in making payments (to the extent of any surplus assets remaining after the payments under Articles 3.2.1.1 and 3.2.1.6, rateably among the holders of the Equity Shares pursuant to Article 6.2 and so that the holders of the Preference Shares shall have no right of participation in those assets whatsoever

3.3 As to redemption

- 3.3.1 Subject to the Acts and, for the avoidance of doubt, prior to any repurchase of any of the Junior Preferred Ordinary Shares at the Repurchase Price (as defined in Article 4), the Company may on the date falling eight years from the Issue Date redeem each of the Preference Shares in issue (if any) on that date at the Redemption Price (a "**Term Redemption**")

- 3.3.2 Subject to the Acts and, for the avoidance of doubt, prior to any repurchase of any of the Junior Preferred Ordinary Shares at the Repurchase Price (as defined in Article 4), the Company may redeem any Preference Share for the time being in issue at the Redemption Price
- 3.3.3 Subject to the Acts, to Article 3.3.2 and, for the avoidance of doubt, prior to any repurchase of any of the Junior Preferred Ordinary Shares at the Repurchase Price (as defined in Article 4), the Company shall on the next Quarter Date after delivery of audited accounts in relation to each financial year apply ten per cent. of the Permitted Sweep Amount to redeem Preference Shares, each at the Redemption Price (a "**Cash Sweep Redemption**"), provided that the Company shall not be required to undertake a Cash Sweep Redemption if, at the relevant time, 50% or more of the Preferential Dividend in respect of the most recent Preferential Dividend Period was paid in cash and the Total Leverage Ratio is less than 3.5:1
- 3.3.4 Subject to the Acts, if any member of the Group at any time undertakes a Refinancing which results in the Debt Facilities following such Refinancing being larger than the Debt Facilities prior to such Refinancing, the Group will apply an amount equal to the difference in or towards redemption of the Preference Shares each at the Redemption Price, provided that, for the avoidance of doubt, neither the entry into the New Facility Agreement and the Mezzanine Facility Agreement nor an increase in the Total Acquisition Facility Commitments under the New Facility Agreement or any similar acquisition facility commitment entered into pursuant to a Refinancing beyond the level of £235,000,000 will require a redemption of any Preference Shares pursuant to this Article 3.3.4 (a "**Refinancing Redemption**")
- 3.3.5 Subject to the Acts, if any of the Major Redemption Events occurs or if a Continuing Redemption Position exists each Preference Share then outstanding may (if the Company so elects) become immediately due for redemption at the Redemption Price and, if so, the Company shall promptly inform in writing all the holders of the Preference Shares of such fact and of the Redemption Price and the place at which the certificates for the Preference Shares are to be presented for redemption (an "**Event Redemption**") If the Company exercises its discretion to undertake an

Event Redemption the provisions of Articles 3.3.11 to 3.3.13 below shall apply as if the date falling three Business Days from the service of such notice on the Company were a Redemption Date

3.3.6 The following are "**Deliberate Corporate Actions**" unless the Majority Preference Holders determine otherwise and notify the Company in writing of such determination

3.3.6.1 a direct or indirect transfer or series of transfers to any person or persons (other than to a person to whom such person can transfer shares in the Company pursuant to any of Article 11.1 (*Group transfers*), Article 11.2 (*Nominees*), Article 11.5 (*To Privileged Relations and trustees*) or Article 11.7 (*Employee Benefit Trust*)) the result of which is that interests in shares in the Company carrying more than 50 per cent of all the voting rights attributable to the share capital of the Company shall have been transferred since the Issue Date on a cumulative basis and for this purpose all shares in the Company other than the Preference Shares and the Junior Preferred Ordinary Shares shall be treated as part of its relevant share capital, or

3.3.6.2 a Listing, or

3.3.6.3 any act or omission by the Company or any other member of the Group which is in breach of the provisions of Article 3.3.8.2(b) or Article 3.8.1, or 3.8.3.3, or

3.3.6.4 any act or omission which, by virtue of Article 3.9.1, constitutes a variation of the rights attached to the Preference Shares, unless the written consent or sanction in general meeting of the holders of 75% of the Preference Shares as a class is obtained for that act or omission, or

3.3.6.5 any Material Warranty Breach, or

3.3.6.6 paying any bonus under a Management Arrangement pursuant to a Budget which provides for projected EBITDA for the period to

which that Budget relates to be less than £100,000,000 post contingency, or

3 3 6 7 any act or omission by any party (other than a Preference Shareholder) to the Preference Shareholders Agreement which is in breach of any provision of that agreement

3 3 7 The following are "**Other Redemption Events**" unless the Majority Preference Holders determine otherwise and notify the Company in writing of such determination

3 3.7 1 any Financial Indebtedness of any Group Company is not paid when due nor within any originally applicable grace period, any Financial Indebtedness of any Group Company is declared to be or otherwise becomes due and payable before its specified maturity, any commitment for any Financial Indebtedness of any Group Company is cancelled or suspended by a creditor of any Group Company as a result of an event of default (however described), or any creditor of any Group Company becomes entitled to declare any Financial Indebtedness of any Group Company due and payable before its specified maturity as a result of an event of default (however described), except that no Other Redemption Event will occur under this Article 3 3.7 1 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within this Article 3 3 7 1 is less than £2,500,000 (or its equivalent in any other currency or currencies), or

3 3.7 2 a failure by the Company (for any reason, including a restriction under the Act) to pay any Preferential Dividend in cash on the due date for payment following a determination by the Board to do so pursuant to Article 3 3 8 3, or

3 3 7 3 any act or omission by the Company or any other member of the Group which is in breach of Articles 3 8 2, 3 8 3 1 or 3 8 3 2, or

3.3 7 4 any other act or omission by the Company or any other member of the Group which is a material breach of any other provision of this Article 3 of these Articles.

3381 Where an Other Redemption Event has occurred, the Company shall have a period of 10 Business Days from the date of the relevant Other Redemption Event to rectify the matter which has caused the Other Redemption Event. If at the end of that period of 10 Business Days such rectification is not completed a "**Redemption Position**" shall exist.

3382 Where a Major Redemption Event has occurred or a Redemption Position exists, the following shall apply until all the Preference Shares are redeemed at the Redemption Price or, where relevant, a Covenant Cure is completed:

- (a) the Preference Rate shall increase from its then prevailing level by 200 basis points, provided that the maximum level of the Preference Rate shall not exceed 28 per cent, such increase to take effect from
 - (i) the date of the relevant Major Redemption Event, or
 - (ii) the date falling three months from the date of the relevant Other Redemption Event,
- (b) the Company shall not, and where the context permits shall procure that no member of the Group shall, without the prior written consent of the Majority Preference Holders
 - (i) manage its business other than in the ordinary course and consistent with the course of trading over the preceding 12 months, or
 - (ii) acquire (whether by purchase, subscription or otherwise) or dispose of by any method, whether directly or indirectly, any share capital or loan capital of any corporate entity or any assets, or
 - (iii) enter into any partnership or joint venture arrangement or merger with any corporate party, or

- (iv) take any action to incur any further Financial Indebtedness (provided that the Group may incur further Financial Indebtedness of an aggregate amount of not more than £10,000,000 to the extent required for working capital purposes of the Group), or
 - (v) enter into any capital commitments or guarantees except as provided for in the Budget, or
 - (vi) allot, or permit any of the subsidiaries of the Company to allot, any share capital or grant, or permit any of the subsidiaries of the Company to grant, any rights to subscribe for or to convert securities into share capital, or
 - (vii) pay or declare a dividend or distribute any amount in respect of a class of shares in the capital of the Company other than the Preference Shares, and
- (c) the Company shall procure that the Group shall use all reasonable endeavours to redeem each of the Preference Shares at the Redemption Price as soon as reasonably practical and the Company shall further procure that the senior management of the Group shall consult with, and take proper account of the views of, the Majority Preference Holders regarding the strategy to achieve such redemption

3 3 8 3 Where a Major Redemption Event has occurred or a Redemption Position has subsisted for six months or more, the following shall apply until all the Preference Shares are redeemed at the Redemption Price or, where relevant, a Covenant Cure is completed

- (a) a meeting of the Board shall be held on the day falling five Business Days prior to each Revised Preferential Dividend Date and such meeting shall determine whether the Company should pay the Preferential Dividends payable on such date in cash, and

- (b) (subject to a determination to pay the Preferential Dividend in cash being made by the Board pursuant to Article 3 3 8 3(a)) the Preferential Dividend shall be payable quarterly on the first Revised Preferential Dividend Payment Date following either the Major Redemption Event or the date falling 12 months after the relevant Other Redemption Event (for the avoidance of doubt, the amount payable in cash on each Revised Preferential Dividend Payment Date shall be the amount of the Preferential Dividend that has accrued in the period of three months since the previous Preferential Dividend Date or Revised Preferential Dividend Date as the case may be)

3 3 8 4 Where a Redemption Position continues to exist at the date falling 10 Business Days and nine months after the date of the Other Redemption Event which has caused the Redemption Position to exist (the "Relevant Date"), a "Continuing Redemption Position" shall exist until all the Preference Shares are Redeemed at the Redemption Price unless

- (a) on each Revised Preferential Dividend Payment Date falling prior to the Relevant Date the full amount of the Preferential Dividend which, pursuant to Article 3 3 8 3, was payable in cash on that date was paid in full, and
- (b) the Company has at all times during the period commencing on the date of the commencement of the Redemption Position and ending on the Relevant Date procured that the Group use all reasonable endeavours to redeem each of the Preference Shares at the Redemption Price as soon as reasonably practical in accordance with Article 3 3 8 2(c).

3 3 8 5 A Continuing Redemption Position shall also exist until all the Preference Shares are redeemed at the Redemption Price if at any time following the Relevant Date

- (a) the full amount of the Preferential Dividend required by Article 3 3 8 3 to be paid in cash on a Revised Preferential Dividend Payment Date is not paid in full, or
- (b) the Company ceases to procure that the Group uses all reasonable endeavours to redeem each of the Preference Shares at the Redemption Price as soon as reasonably practical in accordance with Article 3 3 8 2(c)

3 3 8 6 Where (i) a Major Redemption Event has occurred, or (ii) a Continuing Redemption Position exists or (iii) the Preference Shares remain in issue on 15 November 2014, the following shall apply until all the Preference Shares are redeemed at the Redemption Price

- (a) the Preference Shareholders shall be entitled to cast votes at general meetings of the Company pursuant to Article 3 5 1 1, and
- (b) up to two Governing Directors may be appointed pursuant to the provisions of Article 3 6 2

3 3 8 7 If, after the Majority Preference Holders become entitled to appoint Governing Directors under Articles 3 3 8 6 and 3 6 2 and the Preference Shareholders become entitled to cast votes at general meetings under Articles 3 3 8 6 and 3 5 1 1, the Shareholders (acting by a majority) propose a transaction which the Majority Preference Holders (acting reasonably) are satisfied would result in all the Preference Shares being purchased or redeemed at the Redemption Price then conditional on all the Preference Shares being purchased or redeemed at the Redemption Price as a result of the transaction being completed

- (a) the Preference Shareholders shall not be entitled to exercise their rights under Articles 3 3 8 6 and 3 5 1 1 to prevent any resolutions required to implement such transaction being passed,

- (b) the Governing Directors shall not take any action to prevent such transaction being implemented, and
- (c) in the event that the proposed transaction is effected otherwise than by way of a redemption by the Company the Preference Shareholders shall enter into and complete such documentation reasonably required to effect the purchase at the Redemption Price provided that the Preference Shareholders shall not be required to enter into or complete any documentation which requires any of them to provide any warranty of indemnity or other undertaking other than in respect of their title to and capacity to sell their respective holdings of Preference Shares

3 3 9 If the Company is not permitted by the Acts to redeem any Preference Shares pursuant to a Cash Sweep Redemption in accordance with Article 3 3 3, pursuant to a Refinancing Redemption in accordance with Article 3 3 4 or where it has exercised its discretion to redeem the Preference Shares pursuant to a Term Redemption in accordance with Article 3 3 1 or pursuant to an Event Redemption in accordance with Article 3 3 5, it shall redeem those Preference Shares as soon after that date as it shall be permitted to do so by the Acts and, if at any time the Company is permitted to redeem under Articles 3 3 1, 3 3 3, 3 3 4 or 3 3 5 above only some of the Preference Shares, it shall redeem those Preference Shares at that time and shall redeem the remaining Preference Shares as soon as it is permitted to do so

3 3 10 Except in the case of an Event Redemption under Article 3 3 5 above, the Company shall give at least 28 days' notice in writing (a "**Redemption Notice**") to the holders of Preference Shares to be redeemed under this article. A Redemption Notice shall specify the particular Preference Shares to be redeemed, the date when the redemption is to be effective (the "**Redemption Date**"), the Redemption Price and the place at which the certificates for those Preference Shares are to be presented for redemption

3 3 11 If only some of the Preference Shares are to be redeemed, the particular Preference Shares to be redeemed shall be a proportionate part, as nearly as practicable, of each separate holding of Preference Shares

3 3 12 Subject to the holder of a Preference Share to be redeemed delivering to the Company on or before the Redemption Date the certificate for that share, the Company shall redeem that share and pay to the holder (or, in the case of joint holders, the holder whose name first appears in the register of members in respect of that Preference Share) on the Redemption Date the Redemption Price.

3 3 13 As from the relevant Redemption Date the Preferential Dividend shall cease to accrue on the Preference Share to be redeemed under this Article, unless on presentation of the certificate for that share, payment of the moneys due at the redemption is refused, in which case the Preferential Dividend on that share shall be deemed to have accrued and shall continue to accrue from and excluding the Redemption Date to and including the date of actual payment.

3 3 14 Where the Other Redemption Event which has caused a Redemption Position to exist is a Curable Event occurring prior to the seventh anniversary of the Issue Date, the Company shall have a further period of six months from the date that the Redemption Position existed to rectify the matter which has caused the Other Redemption Event and if such rectification is effective and remains effective for three months from the date of the relevant Rectification Notice then a "Covenant Cure" will have been completed, subject to the requirements and limitations set out in Articles 3 3 14 1 to 3 3 14 5 below

3 3 14 1 The Company may only rely on the provisions of this Article 3 3 14 if

- (a) the Company having so resolved through its Board, gives the Majority Preference Holders written notice at least five Business Days prior to the commencement of the relevant Redemption Position that it intends to implement a Covenant Cure pursuant to this Article 3 3 14, such notice to specify the relevant facts of the matter which has caused the relevant Other Redemption Event (containing sufficient detail to allow the Majority Preference Holders to make a reasonable assessment of the situation, explaining why the Company considers that such Other Redemption Event constitutes a Curable Event and specifying why the Company considers

that each relevant element of the definition of Curable Event is satisfied) and to be accompanied by a certified copy of the minutes (or an extract thereof) of the relevant meeting of the Board at which such resolution was made,

- (b) the Company gives the Majority Preference Holders written notice when it considers that the rectification of the Other Redemption Event has been implemented (a "**Rectification Notice**")

3.3.14.2 Only one Covenant Cure may be completed (or attempted to be implemented) in any period of 12 months

3.3.14.3 No more than two Covenant Cures may be completed or attempted to be implemented between the Issue Date and the seventh anniversary of the Issue Date

3.3.14.4 If an attempted rectification of a matter which has caused an Other Redemption Event ceases to be effective within three months of the date of the relevant Rectification Notice, no Covenant Cure will have been completed, the Redemption Position which existed as a result of that Other Redemption Event shall continue and, if relevant for the purposes of Article 3.3.8, the Relevant Date shall be the date falling 10 Business Days and nine months after the date of that Other Redemption Event

3.3.14.5 If a subsequent Other Redemption Event (the "**Second ORE**") occurs within 12 months of the occurrence of an Other Redemption Event which has been rectified through the completion of a Covenant Cure (the "**First ORE**"), and the matter which has caused the Second ORE is not rectified by the date falling three months after the date of the Second ORE (the "**Resumption Date**") the following will apply

- (a) the Covenant Cure completed in respect of the First ORE will be deemed to have been cancelled with effect from the Resumption Date,

- (b) a Redemption Position in respect of the First ORE will exist from the Resumption Date,
- (c) the provisions of Article 3.3.8.3 will apply such that meetings of the Board shall be required to be held on the date falling five Business Days prior the first Revised Preferential Dividend Payment Date following the Resumption Date (the "Resumption Payment Date") and on each subsequent Revised Preferential Dividend Payment Date and each such meeting shall determine whether the Company should pay the Preferential Dividend payable on such date in cash, and
- (d) if the full amount of Preferential Dividend is not paid in cash on the Resumption Payment Date or on any subsequent Revised Preferential Dividend Payment Date or if at any time after the Resumption Payment Date the Company ceases to procure that the Group uses all reasonable endeavours to redeem each of the Preference Shares at the Redemption Price as soon as reasonably practicable in accordance with Article 3.3.8.2(c), a Continuing Redemption Position shall exist

3.4 As to further participation

A Preference Share shall not entitle the holder to participate in the profits or assets of the Company except as expressly stated in this Article

3.5 As to voting

3.5.1 A Preference Share shall entitle the holder to receive notice of and attend and speak at all general meetings of the Company but shall not entitle the holder to vote at any such meeting unless

3.5.1.1 at the date of the notice convening the meeting:

- (a) a Major Redemption Event has occurred or
- (b) a Continuing Redemption Position exists, or

- 3 5 1 2 the business of the meeting includes the consideration of a resolution for winding up the Company or any resolution directly or indirectly modifying or varying any of the rights, privileges or restrictions attached to the Preference Shares
- 3 5 2 If a holder is entitled to attend and vote as a result of Article 3 5.1 1 above, he shall be entitled to cast one vote in respect of each Preference Share of which he is the holder in respect of any resolution considered at the meeting and the holders of all other classes of shares shall cast their votes at such meeting as directed by the Majority Preference Holders
- 3 5 3 If a holder is entitled to attend and vote as a result of Article 3.5 1 2 above only, he shall be entitled to cast one vote in respect of each Preference Share of which he is the holder in respect of a resolution referred to in Article 3 5 1 2 above only.
- 3 5 4 Whenever the holders of the Preference Shares are entitled to vote, on a show of hands each holder of Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member entitled to vote, shall have one vote and on a poll each holder of Preference Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member entitled to vote, shall have one vote for every Preference Share of which he is the holder
- 3 5 5 Regulation 56 shall be modified by the deletion of the words "instruments of proxy, not less than 48 hours before the time appointed for holding" and substituting instead the words "forms of proxy, within the time limits prescribed by these articles for deposit of forms of proxy for use at" and by including the words "or poll" after the words "adjourned meeting"
- 3 5 6 Subject to article 3 5 7, a form appointing a proxy shall be in writing in any form which is usual or in such other form which the directors may approve, and shall be executed by or on behalf of the appointor
- 3 5.7 Subject to the Act and the 2006 Act, the directors may resolve to allow a proxy to be appointed by electronic means subject to such limitations,

restrictions or conditions as the directors think fit (including, without limitation, the ability to require such evidence as they consider appropriate to decide whether the appointment of a proxy in such manner is effective)

3.5 8 In order for the appointment of a proxy to be valid:

3 5 8 1 in the case of an appointment of a proxy by hard copy, the form of proxy, together with the relevant documents, if any, must be

(a) delivered or sent by post to the office (or such other place within the United Kingdom as may be specified in the notice convening the meeting and/or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting) by the relevant time, or

(b) duly delivered in accordance with article 3 5 10, and

3 5 8 2 in the case of an appointment of proxy by electronic means, the communication appointing the proxy by electronic means together with the relevant evidence must be received at the address by the relevant time

3 5 9 For the purposes of article 3 5 8

3 5 9 1 for the purpose of appointing a proxy by electronic means, "**address**" means the number or address which has been specified by the Company for the purpose of receiving communications appointing proxies by electronic means,

3 5 9 2 "**relevant documents**" means either (i) the power of attorney or other authority relied on to sign the form of proxy, or (ii) a copy of such document certified as a true copy of the original by a notary or solicitor or certified in some other way approved by the directors,

3 5 9 3 "**relevant evidence**" means any evidence required by the directors in accordance with the provisions of article 3 5 7, and

3 5 9 4 "**relevant time**" means

- (a) 48 hours before the time appointed for the commencement of the meeting or adjourned meeting to which the proxy appointment relates, and
- (b) in the case of a poll taken more than 48 hours after it is demanded, 24 hours before the time appointed for the taking of the poll

In calculating the relevant time or any other period of time referred to in this article 3 5 9 4, any part of a day that is not a working day shall be excluded

3 5 10 If a meeting is adjourned for less than 48 hours, or if a poll is not taken immediately but is taken not more than 48 hours after it was demanded, a form of proxy may also be delivered in hard copy form at the adjourned meeting or at the meeting at which the poll was demanded to any director or the secretary. In calculating the periods referred to in this article 3 5 10, any part of a day that is not a working day shall be excluded

3 5 11 A vote given or poll demanded by proxy or by a duly authorised representative of a corporation shall be valid even though the authority of the person voting or demanding a poll has previously terminated, unless notice of the termination was received by the Company

3 5 11 1 in the case of a duly authorised representative of a corporation, at the office,

3 5 11 2 where the proxy was appointed by a form of proxy in hard copy form, at the office or such other place as is specified for depositing such form of proxy, or

3.5 11 3 where the proxy was appointed by electronic means, at the address as defined in article 3 5 9,

3 5 11 4 in each case either

- (a) before the time appointed for the commencement of the meeting or adjourned meeting at which such vote is given or

- (b) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, before the time appointed for the taking of the poll at which the vote is cast

3.6 As to the appointment of directors

3.6.1 The Majority Preference Holders may at any time appoint up to two persons as non-executive directors of the Company (each a **Preference Director**) and may remove from office any such director. Any appointment or removal shall be in writing signed by or on behalf of the Majority Preference Holders and shall take effect from the date on which the notice of appointment or removal is lodged at the registered address of the Company or produced at a meeting of the directors.

3.6.2 Where

3.6.2.1 a Major Redemption Event has occurred or

3.6.2.2 a Continuing Redemption Position exists;

the Majority Preference Holders may give notice in writing to the Company that under this article the person(s) named in the notice (who shall be Preference Director(s) appointed under Article 3.6.1) shall also be "**Governing Director(s)**" of the Company. If any such person was not a director immediately prior to his appointment as a Governing Director such appointment shall be deemed to be an appointment of such person as a Preference Director under Article 3.6.1. The Majority Preference Holders may also by notice in writing withdraw or cancel any such appointment. Every such notice shall be effective from the time at which it is lodged at the office or produced at a meeting of the directors. For the avoidance of doubt, the aggregate number of Preference Directors and Governing Directors holding office at any time shall not exceed two.

3.6.3 The Governing Director(s) shall be entitled to exercise a majority of the votes at any meeting of the Board (including any meeting of a committee of the Board) and shall constitute a quorum at any such meeting provided that where two Governing Directors are appointed, both Governing Directors must be present to constitute a quorum and any vote of the Governing

Director(s) notwithstanding any other vote will be deemed to bind the Board (or any committee thereof) and constitute a unanimous resolution of the Board

3 6 4 A person shall cease to be Preference Director when:

3 6 4 1 the Majority Preference Holders withdraw or cancel the appointment,
or

3 6 4 2 all of the Preference Shares have been redeemed at the Redemption Price.

3 6 5 Regulations 65 to 69 of Table A shall apply to a person appointed Preference Director under this Article as it applies to a Director and any person appointed by a Preference Director as his alternate shall, while he remains such alternate and in the absence of the Preference Director, have the same voting rights at meetings of Directors as the Preference Director

3 6 6 No Preference Director or his alternate shall be required to refer to the Company any business opportunity which he identifies as a result of his activities which are not directly related to the Company

3 7 As to transfers

3 7 1 The Initial Holders of the Preference Shares shall be entitled to transfer all or any part of their ownership of up to 25 per cent of their respective holdings of Preference Shares provided that

3 7 1 1 such transfers are completed within nine months of the Issue Date,

3 7 1 2 the consent of the Board is obtained for each such transfer, such consent not to be unreasonably withheld or delayed or conditioned,
and

3 7.1 3 any transferee of such Preference Shares executes a deed of accession to the Intercreditor Agreement in substantially the same form as the deed of accession executed by the Initial Holders

3 7.2 A holder of Preference Shares may transfer all or any part of its ownership of Preference Shares to a Preference Affiliate of such holder at any time

3 7 3 Except as provided in Articles 3 7 1 and 3 7.2 above and Article 3.7 4 below, no interest in a Preference Share may be transferred without the prior consent of the Board, such consent not to be unreasonably withheld or delayed or conditioned

3 7 4 Following the third anniversary of the Issue Date, interests in Preference Shares may be transferred, provided that any transferee of such Preference Shares executes a deed of accession to the Intercreditor Agreement in substantially the same form as the deed of accession executed by the Initial Holders and following such transfer the Initial Holders and their Preference Affiliates continue to hold at least 50 per cent of the Preference Shares and, for the avoidance of doubt, are able to exercise all rights afforded to the Majority Preference Holders under these Articles.

3 8 As to material decisions by the Company

3 8 1 Whilst any Preference Shares remain in issue, the Company shall not, and, where the context so requires, shall procure that no other member of the Group shall, directly or indirectly, undertake any of the following without the prior written consent of the Majority Preference Holders:

3 8 1 1 the acquisition (whether by purchase, subscription or otherwise) or disposal by any method, in each case whether directly or indirectly or in a single transaction or series of transactions, of any share capital or loan capital of any corporate entity or of any assets from the same vendor or any other member of that vendor's Corporate Group or from any one of a group of vendors owning a collection of related assets where

(a) the value of the share or loan capital or assets which are the subject of the acquisition or disposal is equal to or greater than £75,000,000, or

(b) the value of the share or loan capital or assets which are the subject of the acquisition is equal to or greater than £10,000,000 but less than £75,000,000 and is more than five times the reasonably anticipated EBITDA of the target of such acquisition in the first full 12 month period immediately

following legal completion of such acquisition or the value of the share or loan capital or assets which are the subject of a disposal is equal to or greater than £10,000,000 but less than £75,000,000 and the effect of that disposal would be to increase the Total Leverage Ratio, as determined by calculating what the Total Leverage Ratio would be on the day following such disposal, or

- (c) the value of the share or loan capital or assets which are the subject of the disposal is less than £10,000,000 and the EBITDA generated by that share or loan capital or those assets (as evidenced by the most recently available audited accounts relating to them) was £3,000,000 or more per annum;

(and for the purpose of this Article 3 8 1 1 and Article 3 8 1 2 below "value" shall include cash paid or received or reasonably expected to be paid or received, the fair market value of all other property paid or received or reasonably expected to be paid or received in connection with the transaction and the total indebtedness (including without limitation unfunded pension liabilities, guarantees and borrowed money) repaid, extinguished or assumed),

3 8 1 2 the entry into any partnership or joint venture arrangement or merger with any corporate party involving the contribution by the Group, of, or the entry into any commitment or undertaking by the Group which could require the Group to contribute, share or loan capital or assets which.

- (a) are of a value equal to or greater than £75,000,000, or
- (b) are of a value equal to or greater than £10,000,000 but less than £75,000,000 and (i) the entry into the relevant partnership or joint venture arrangement or merger or (ii) the exclusion of such contribution from the assets of the Group, would, in either case, cause the Total Leverage Ratio to increase, as determined by calculating what the Total Leverage Ratio would be on the day following the entry into

such transaction as if such contribution had been excluded on such date, or

- (c) are of a value of less than £10,000,000 and the EBITDA generated by that share or loan capital or those assets (as evidenced by the most recently available audited accounts relating to them) was £3,000,000 or more per annum

3 8 1 3 the removal of Peter Cullum or Andrew Homer as directors of the Company or as members of the senior executive management of the Group;

3 8 1.4 permitting or failing to take action to prevent Peter Cullum, Andrew Homer or any other member of the senior executive management of the Group to pursue or be interested in a business opportunity in the insurance sector where the benefits of that opportunity will not accrue in full to a member of the Group,

3 8 1 5 the entry into of a Refinancing of the Debt Facilities other than on terms similar to the New Facility Agreement and the Mezzanine Facility Agreement reflecting then prevailing market conditions or the agreement of a material amendment to the terms of the Debt Facilities (and for the avoidance of doubt, such consent will be required where (i) the facilities pursuant to which the Refinancing will be undertaken do not contain provisions granting to the Group the same rights and benefits as clauses 23 17 and 23 21 of the New Facility Agreement or contain any lock-up or other provisions which may be more onerous or adverse to the interests of the Preference Shareholders than the New Facility Agreement and the Mezzanine Facility Agreement, or (ii) if an amendment is proposed to clauses 23 17 and 23 21 of the New Facility Agreement or to a comparable provision in any replacement thereof,), provided that such consent shall not be required if all of the Preference Shares shall be redeemed immediately following the entry into such Refinancing or such amendment and, for the avoidance of doubt, such consent shall not be required for the entry into the New Facility Agreement and the Mezzanine Facility Agreement,

3 8.1 6 the making of any payment in respect of the Permitted Sweep Items except out of the Permitted Sweep Amounts and, if required by Article 3 3 3, subject to prior payment of the Cash Sweep Redemption, provided that if a Major Redemption Event has occurred or an Other Redemption Event has occurred and the Company has not at that time rectified the matter which has caused that Other Redemption Event in accordance with Article 3 3 8 1 or completed a Covenant Cure in respect of that Other Redemption Event or a Redemption Position or a Continuing Redemption Position is subsisting at that time, the Company shall not make any payments of Permitted Sweep Items,

3 8 2 Whilst any Preference Shares remain in issue, the Company shall not, and where the context permits shall procure that no member of the Group shall, directly or indirectly, undertake any of the following without the prior written consent of the Majority Preference Holders, such consent not to be unreasonably withheld or delayed (unless a Major Redemption Event has occurred or a Redemption Position or a Continuing Redemption Position is subsisting at that time, in which case the Majority Preference Shareholders may grant or withhold consent at their sole discretion)

3 8 2 1 (save to the extent required to facilitate a redemption of all of Preference Shares in issue at the relevant time as permitted or required by this Article 3) any amendment to the constitutional documents of any member of the Group or any amendments or waivers or breaches of any agreement or arrangement between a member of the Group and a Preference Shareholder,

3 8 2 2 any change to the accounting reference date of the Company,

3 8 2 3 the establishment, termination or any material amendment to any profit sharing, bonus or incentive scheme or similar arrangement for senior executive management ("**Management Arrangements**") of any member of the Group or the waiver of any provisions of any Management Arrangements and provided that any changes to any Management Arrangements or any payments to management which would breach the terms of clauses 22.19 or 23 22 of the New Facility

Agreement (disregarding any relevant waiver or consent) shall be considered a breach of this Article, or

3 8 2 4 the entry into any contract or arrangement or the making of any payment other than on terms no less favourable to the relevant member of the Group than could be obtained on an arm's length basis from an unrelated third party or in any event with or to any party related to any shareholder or investor in any member of the Group or the senior management of any member of the Group, provided that (except in the case of loans made by the Group) a member of the Group may enter into such a contract or arrangement or make any such payment where the Company delivers to the Majority Preference Holders a fairness opinion confirming that the terms of such arrangement are reasonable from an investment bank that the Majority Preference Holders (acting reasonably) determine has the appropriate level of skills and experience to undertake such work and provided further that a member of the Group may enter into a contract or arrangement or make a payment in respect of real estate assets on terms no less favourable to the relevant member of the Group than could be obtained on an arm's length basis from an unrelated third party with or to any of (A) Peter Cullum, or (B) a company owned by Peter Cullum, or (C) a company or any other entity controlled (where control means the ability to direct the management or policies of that entity) by Peter Cullum and/or Peter Cullum's Privileged Relations or a Family Trust of which Peter Cullum is the settlor, or (D) a person acting as a nominee of Peter Cullum, or (E) a Family Trust of which Peter Cullum is the settlor;

3 8 2 5 the entry into capital commitments or guarantees relating to capital commitments exceeding in any period of 12 months an aggregate of 125 per cent of the proposed level of capital commitments set out in the Budget for that period,

3 8.2 6 granting or permitting to subsist any lien on any of its property or other assets (including equity interests in any other members of the Group) in favour of any shareholder other than in respect of any holder of Preference Shares,

3 8 2 7 save in respect of the Debt Facilities, the entry into an arrangement with a third party which would, or would reasonably be expected to, materially restrict its ability to pay dividends, make any other distributions, repay any indebtedness or satisfy other monetary obligations owed to any member of the Group, and

3 8 2 8 any amendment or renewal on revised terms of the service contracts of Peter Cullum or Andrew Homer which has the effect of reducing the duties owed by the relevant person to the Group (but for the avoidance of doubt, revisions to the level of salary under the service contract will not require the consent of the Majority Preference Holders)

3 8 3 Whilst any Preference Shares remain in issue

3 8.3 1 the Company shall procure that the Total Leverage Ratio as of each Quarter Date falling during each measurement period set forth below does not exceed the ratio set forth opposite such measurement period (for the avoidance of doubt, the applicable Relevant Periods for each measurement period are set forth below under the column "Relevant Periods Ending on the following Quarter Dates"),

Measurement Period	Total Leverage Ratio prior to Contribution Event	Total Leverage Ratio following Contribution Event	Relevant Periods Ending on the following Quarter Dates:
1 January 2009 to 31 March 2009	6 40 1 00	5 60 1 00	31 March 2009
1 April 2009 to 30 June 2009	6 40 1 00	5 60 1 00	30 June 2009
1 July 2009 to 30 September 2009	6 40:1 00	5 60 1.00	30 September 2009
1 October 2009 to 31 December 2009	6 80 1 00	5 90 1 00	31 December 2009
1 January 2010 to	6 80 1 00	5.90 1 00	31 March 2010

Measurement Period	Total Leverage Ratio prior to Contribution Event	Total Leverage Ratio following Contribution Event	Relevant Periods Ending on the following Quarter Dates:
31 March 2010			
1 April 2010 to 30 June 2010	6 50.1 00	5 70 1 00	30 June 2010
1 July 2010 to 30 September 2010	6 40.1 00	5 50 1 00	30 September 2010
1 October 2010 to 31 December 2010	6 70 1 00	5 80 1 00	31 December 2010
1 January 2011 to 31 March 2011	6 70 1 00	5 80 1 00	31 March 2011
1 April 2011 to 30 June 2011	6 40 1 00	5 50 1 00	30 June 2011
1 July 2011 to 30 September 2011	6 30 1 00	5 40 1 00	30 September 2011
1 October 2011 to 31 December 2011	6 70.1 00	5 70 1 00	31 December 2011
1 January 2012 and thereafter	6 70 1 00	5 70 1 00	31 March 2012 and each Quarter Date thereafter

3 8 3 2 the Company shall procure that the Adjusted Total Leverage Ratio as of each Quarter Date falling during each measurement period set forth below does not exceed the ratio set forth opposite such measurement period (for the avoidance of doubt, the applicable Relevant Periods for each measurement period are set forth below under the column "Relevant Periods Ending on the following Quarter Dates"), and

Measurement Period	Adjusted Total Leverage Ratio prior to Contribution Event	Adjusted Total Leverage Ratio following Contribution Event	Relevant Periods Ending on the following Quarter Dates:
1 January 2009 to 31 March 2009	7.50:1.00	6.40:1.00	31 March 2009
1 April 2009 to 30 June 2009	7.70:1.00	6.60:1.00	30 June 2009
1 July 2009 to 30 September 2009	7.90:1.00	6.70:1.00	30 September 2009
1 October 2009 to 31 December 2009	8.30:1.00	7.00:1.00	31 December 2009
1 January 2010 to 31 March 2010	8.30:1.00	7.00:1.00	31 March 2010
1 April 2010 to 30 June 2010	8.00:1.00	6.70:1.00	30 June 2010
1 July 2010 to 30 September 2010	7.80:1.00	6.50:1.00	30 September 2010
1 October 2010 to 31 December 2010	8.10:1.00	6.80:1.00	31 December 2010
1 January 2011 to 31 March 2011	8.20:1.00	6.80:1.00	31 March 2011
1 April 2011 to 30 June 2011	7.80:1.00	6.50:1.00	30 June 2011
1 July 2011 to 30 September 2011	7.70:1.00	6.40:1.00	30 September 2011
1 October 2011 to 31 December 2011	8.10:1.00	6.70:1.00	31 December 2011
1 January 2012 and thereafter	8.10:1.00	6.70:1.00	31 March 2012 and each Quarter Date thereafter

3.8.3.3 the Company shall not, and shall procure that no member of the Group shall, incur any Financial Indebtedness unless (and solely to the extent that) such Incurrence would not cause the Incurrence Ratio applicable in respect of that Incurrence Date to exceed the Maximum Incurrence Ratio applicable to that Incurrence Date (for the avoidance of doubt, the Maximum Incurrence Ratio applicable to an Incurrence Date shall be the ratio set forth below under the column "Maximum Incurrence Ratio" opposite the measurement period within which the relevant Incurrence Date falls)

If the Incurrence Date falls between:	Maximum Incurrence Ratio prior to Contribution Event	Maximum Incurrence Ratio following Contribution Event
1 January 2009 to 30 June 2009	6.00:1.00	5.00:1.00
1 July 2009 to 30 June 2010	5.75:1.00	5.00:1.00
1 July 2010 to 30 September 2010	5.75:1.00	4.75:1.00
1 October 2010 to 31 December 2010	5.50:1.00	4.75:1.00
1 January 2011 and thereafter	5.50:1.00	4.50:1.00

(For the purpose of this Article 3.8.3.3 "incur" shall include the acquisition by any member of the Group of a corporate entity which owes Financial Indebtedness immediately after such acquisition)

3.8.3.4 In respect of 3.8.3.1, 3.8.3.2 and 3.8.3.3 above the incurrence of intercompany indebtedness between or among the Company and any of its subsidiaries shall not count in the Total Leverage Ratio, Adjusted Total Leverage Ratio and Incurrence Ratio; provided, however, that (A) any subsequent issuance or transfer of share capital that results in any such Financial Indebtedness being held by a person other than the Company or a subsidiary of the Company and (B) any sale or other transfer of any such Financial Indebtedness to a person

that is not either the Company or a subsidiary of the Company, will be deemed, in each case, to constitute an incurrence of Total Debt

3 9 As to other matters

3 9 1 Each of the following shall, without limitation, be deemed to be a variation of the rights attached to the Preference Shares

3.9 1.1 the allotment by the Company of any share capital or the grant by the Company of any rights to subscribe for or to convert securities into share capital where such share capital would rank equally or in priority to the Preference Shares as regards entitlement to receive dividends or a return of principal unless all of the net proceeds of such allotment or grant will be applied to redeem the Preference Shares, or

3 9 1 2 the allotment by any of the subsidiaries of the Company of any share capital or the grant by any of such subsidiary of any rights to subscribe for or to convert securities into share capital other than to another member of the Group unless all of the net proceeds of such allotment or grant will be applied to redeem the Preference Shares, or

3 9 1.3 the making of any distribution by the Company other than out of profits available for distribution (as defined for the purposes of Part VIII of the Act) (other than on a redemption of Preference Shares in accordance with these Articles or a capital reduction to facilitate any such redemption), or

3 9 1.4 the application (by way of capitalisation of any profits or reserves of the Company or any of its subsidiaries) of any sum in or towards paying up any debenture or debenture stock (whether secured or unsecured); or

3 9 1.5 any amendment or alteration to the memorandum or articles of association of the Company which may, directly or indirectly, affect the rights attaching to the Preference Shares, or

3 9 1 6 the provision by the Company of financial assistance under section 155 of the Act, or

3 9 1 7 the passing of a resolution for the voluntary winding up of the Company or any of its subsidiaries (other than a solvent winding-up of a dormant subsidiary), or

3 9 1 8 the taking of any step by the Company to commence a scheme of arrangement pursuant to Part 26 of the 2006 Act where such scheme may, directly or indirectly, adversely affect the rights attaching to the Preference Shares

3 9 2 For the avoidance of doubt, the Preference Shares will rank as regards participation in the profits and assets of the Company (in each case limited to the extent of any amounts of accrued but unpaid Preferential Dividend or the Redemption Price from time to time but not otherwise) equally amongst themselves and in priority to any other class of shares in the capital of the Company and, except for a dividend paid out of a Permitted Sweep Amount where permitted under Article 3.8 1 6, no dividend may be paid or any other amount distributed in respect of any other class of shares in the capital of the company and no such shares may be redeemed or purchased by the Company where any amount of Preferential Dividend is outstanding or any Preference Shares remain in issue

3 9 3 The Company shall at the same time send to the holders of the Preference Shares a copy of every document sent (A) to the holders of Equity Shares in their capacity as holders of Equity Shares but not otherwise and (B) to any providers of debt or finance to the Group (from time to time) (including all information as referred to in clause 20 of the New Facility Agreement and all Compliance Certificates and Notices of Default (each as defined therein) but excluding information provided pursuant to clause 23.2 of the New Facility Agreement (except as may be provided under Article 3 9 5 below) and (to the extent permissible) shall as soon as reasonably practical send to the holders of the Preference Shares any Arrow Report or correspondence arising from any Arrow visit, any application or correspondence in relation to an application for consent to a change of control of any member of the Group or in relation to any acquisition by the Group of an entity regulated by the FSA or another regulator having jurisdiction over the affairs of that entity requiring such consent and any document received from or sent to the FSA or any other regulator having jurisdiction over the affairs of any member of the Group

requiring the consideration by and/or approval of, or otherwise notified to, the Board

- 3.9.4 The Company shall further provide, or procure the provision, to the Preference Shareholders of such additional information relating to the business or affairs of the Group or to its financial position and prospects as may from time to time be reasonably required by the Majority Preference Holders, such information to be provided as soon as reasonably practicable following any request. The Company shall procure that representatives of the Majority Preference Holders shall have the opportunity to attend up to six meetings in a year with members of the senior management of the Group and that Peter Cullum shall attend at least two of those meetings in any period of 12 months at which the trading performance, financial position and prospects for the Group will be discussed. For such purpose, each attendance at any meeting of the Board pursuant to Article 3.9.5 shall count as one of the six meetings referred to above.
- 3.9.5 The Majority Preference Holders may nominate up to two representatives who shall be entitled to receive notice of and attend but not vote at meetings of the Board or any committee of the Board and the Company shall at the same time send to such nominee(s) a copy of any briefing papers or other documents sent to members of the Board or to members of any committees of the Board in respect of any matters to be discussed at a forthcoming meeting of the Board or of any committee of the Board. The Company shall provide, or procure the provision, to the Majority Preference Holders of such additional information as the Majority Preference Holders may reasonably request regarding any proposed or completed acquisition (whether by purchase, subscription or otherwise) whether directly or indirectly or in a single transaction or series of transactions, of any share capital or loan capital of any corporate entity or of any assets from the same vendor or any other member of that vendor's Corporate Group or from any one of a group of vendors owning a collection of related assets where, in each case, the value of the share or loan capital or assets which are the subject of the acquisition or disposal is equal to or greater than £20,000,000 (and for this purpose "value" shall include cash paid or received or reasonably expected to be paid or received, the fair market value of all other property paid or received or

reasonably expected to be paid or received in connection with the transaction and the total indebtedness (including without limitation unfunded pension liabilities, guarantees and borrowed money) repaid, extinguished or assumed) referred to in any such briefing papers or documents. If such a request is made, the Company shall provide the Majority Preference Holders with at least the same level of information provided under clause 23.2 of the New Facility in respect of the relevant transaction

- 3.9.6 If the Majority Preference Holders have reasonable grounds to believe that any financial statements or calculations in each case relating to the determination of the Total Leverage Ratio (including, but not limited to, any adjustments to the calculation of EBITDA made in respect of any exceptional items, extraordinary items or any Exceptional (Para 20) Items) provided by the Company are inaccurate, the Majority Preference Shareholders may (having provided the Company with written notification setting out in reasonable detail the grounds on which the Majority Preference Holders believe that the relevant statements or calculations are inaccurate and following consultation with the Company as to the scope and cost of the investigation) instruct (or require the Company to instruct) the auditors or other firm of accountants selected by the Majority Preference Shareholders to carry out an investigation into the affairs of the Group and/or the financial performance of the Group and/or the accounting and other reporting procedures and standards of the Group to the extent that the Majority Preference Holders consider relevant to establishing the accuracy of such financial statements or calculations relating to the determination of the Total Leverage Ratio
- 3.9.7 If the investigations undertaken pursuant to Article 3.9.6 above determine that the relevant financial statements or calculations were accurate and complete in all material respects any costs and expenses incurred in connection with such investigations shall be met by the Preference Shareholders and shall be discharged by the Preference Shareholders promptly following any such determination
- 3.9.8 If any amount would otherwise be payable under this Article 3 on a day which is not a Business Day it shall be payable on the next following Business Day

3 9 9 The provisions of Article 13 of these Articles (*Compulsory Transfers and Transfers on Death or Bankruptcy A Ordinary Shares*) shall mutatis mutandis apply in relation to the Preference Shares save that all references in such Article 13 to "A Ordinary Shares" shall herein be deemed to refer to "Preference Shares"

3 1 0 **Definitions**

For the purposes of this Article 3 save as defined below defined terms in the New Facility Agreement have the same meaning herein

"**Accreted Value**" shall have the meaning given in Article 3.1 1,

"**Accrued Amount**" shall have the meaning given in Article 3 1 3,

"**Acquisition**" means any acquisition by a Group Company of any Target Shares or Target Assets in accordance with an Acquisition Agreement,

"**Acquisition Agreement**" means any sale and purchase agreement or asset purchase agreement relating to an Acquisition,

"**Adjusted Total Leverage Ratio**" means, as of any Quarter Date, the ratio of (x) Total Net Debt *plus* the Cumulative Preference Share Amount as at such Quarter Date to (y) EBITDA for, *minus* all Capital Expenditure incurred by, the Group during the Relevant Period, provided that

- (i) if any person, business or undertaking has been acquired by a member of the Group during that Relevant Period and not subsequently sold, transferred or otherwise disposed of during such period (an **Acquired Entity or Business**), EBITDA for that Relevant Period will be calculated as if such acquisition took place on the first day of such Relevant Period such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, mutatis mutandis) of the Acquired Entity or Business for the entire Relevant Period are taken into account, and
- (ii) if any person, business or undertaking has been disposed of by a member of the Group during a Relevant Period and has not subsequently been re-acquired during such period (a **Sold Entity or Business**) EBITDA for that Relevant Period will be calculated as if such disposal took place on the first

day of such Relevant Period (such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, mutatis mutandis) of the Sold Entity or Business for the entire Relevant Period are not taken into account),

"Acts" means the Act (to the extent amended and/or replaced pursuant to the 2006 Act or otherwise),

"Advance Commission" means monies advanced by insurers to members of the Group from time to time in anticipation of future commission to be earned by the Group,

"Board" shall mean the board of directors of the Company from time to time,

"Budget" shall mean the projected consolidated balance sheet, profit and loss account and cash flow statement in relation to the Group, together with the statement of projected capital expenditure in relation to the Group, in respect of (i) a financial year of the Group or (ii) if required to test the Incurrence Ratio, the Relevant Period commencing on the Quarter Date immediately prior to the relevant Incurrence Date,

"Capital Expenditure" has the meaning given to it by GAAP but shall exclude those fixed asset additions qualifying as Finance Lease Expenditure,

"Cash Sweep Redemption" shall have the meaning given in Article 3 3 3,

"Client Money Accounts" means any account of any Group Company which is held on behalf of clients by any member of the Group in accordance with FSMA and any rules and regulations of the FSA from time-to-time,

"Continuing Redemption Position" shall have the meaning given in Article 3 3 8 4,

"Contribution Event" means the completion of the acquisition by the Company of more than 50 per cent of the A Ordinary Shares in Paymentsshield Group Holdings Limited,

"Corporate Group" shall mean, in respect of a person, any person who controls, is controlled by or is under common control with such person (where control means the ability to direct the management or policies of a person) and, for the avoidance of doubt, shall mean in relation to a company, that company, all of its wholly-owned

subsidiaries, all holding companies of which it is a wholly-owned subsidiary and other wholly owned subsidiaries of each of those holding companies,

"Cumulative Preference Share Amount" means, as of any date, the Accreted Value of the Preference Shares that are issued and outstanding on such date,

"Covenant Cure" shall have the meaning given in Article 3.3.14;

"Curable Event" shall mean an Other Redemption Event arising as a result of

- (a) a breach of either Article 3.8.3.1 or Article 3.8.3.2; or
- (b) a breach of Article 3.8.2 where the breach occurred solely as a result of
 - (i) a binding requirement imposed on a member of the Group by a governmental or regulatory body having jurisdiction over the affairs of that member of the Group, or
 - (ii) an act or omission by an employee of the Group, other than a member of Management or the Board, in breach of the delegated authority procedures or corporate policies of the Group in place at the relevant time (as evidenced by the Group's written records), provided that any act or omission by any member of the Group or its employees or agents in furtherance of any specific instruction given by a member of Management or a member of the Board shall not constitute a breach capable of being a Curable Event,

in the case of both (a) and (b) above, where the Company was not able within the period of three months from the date of the Other Redemption Event to rectify the matter which has caused the Other Redemption Event due to any cause or causes beyond the reasonable control of the Company despite the Company having used all its reasonable endeavours to rectify such matter,

"Debt Facilities" shall mean the New Facility Agreement and the Mezzanine Facility and any replacement senior or mezzanine debt facilities or other Financial Indebtedness instrument to which any member of the Group is a party from time to time,

"Deferred Consideration" means any part of the consideration payable in connection with an Acquisition after the completion of such Acquisition pursuant to an Acquisition Agreement,

"Deliberate Corporate Actions" shall mean those events described in Article 3.3.6,

"Director's Loan" means any loan from a member of Management to a Group Company to be made pursuant to a Director's Loan Agreement,

"Director's Loan Agreement" means a loan agreement entered into between an Executive Director as lender and the Company as borrower,

"Discretionary Incentive Bonus" means any bonus payment made to employees of the Company, as permitted by the New Facility Agreement (which, for the avoidance of doubt, is not an Executive Bonus),

"EBITDA" means, in relation to any period, the consolidated operating profit of the Group for that period (which, for the avoidance of doubt, is calculated before Taxes and Total Debt Costs but includes any interest received in respect of cash balances during that period) but adjusted to the extent necessary

- (i) to exclude any share of the profit or loss of any associated company, associated undertaking or joint venture which is attributable to the interests not held by such Group Company (except that no exclusion will be required in respect of the profit or loss attributable to any interest not held by a Group Company (i) if such entity and any of its Subsidiaries that are required to accede to the New Facility Agreement as Additional Obligors pursuant to clause 26.3.2 of the New Facility Agreement have satisfied such requirements, or (ii) if such entity or any of its Subsidiaries are not required to accede to the New Facility Agreement as Additional Obligors pursuant to clause 26.3.2 of the New Facility Agreement, save in each case to the extent that any return is paid in cash with respect to such interest), and any income from any other fixed asset investments,
- (ii) to exclude any share of the profit of Paymentsshield Group Holdings Limited arising from non-cash income in relation to the amortisation of embedded value advance commission payments,

- (iii) to exclude any amount written off the value attributed to goodwill arising on an Acquisition,
- (iv) to exclude any extraordinary items and any Exceptional (Para 20) Items (which includes, for the avoidance of doubt, any Transaction Costs charged during that period) provided that all such items are of a similar nature to extraordinary or exceptional items which have historically been characterised as extraordinary or exceptional items in the Company's audited accounts,
- (v) to exclude any amounts written off the value of investments,
- (vi) to exclude realised and unrealised exchange gains and losses which do not relate to ordinary trading activities,
- (vii) to exclude for the avoidance of doubt, any amounts payable as Executive Bonuses,
- (viii) to exclude any Discretionary Incentive Bonuses paid during that period as permitted by the terms of the New Facility Agreement, and
- (x) to add back any amounts charged in that period in respect of the depreciation or amortisation of tangible and intangible fixed assets,

"Event Redemption" shall have the meaning given in Article 3.3.5,

"Exceptional (Para 20) Items" means the exceptional items listed in paragraph 20 of FRS3,

"Executive Bonus" means any bonus payment made to Management (which, for the avoidance of doubt, does not include a Discretionary Incentive Bonus),

"Finance Lease" means any lease, hire agreement, credit sale agreement, hire purchase agreement, conditional sale agreement or instalment sale and purchase agreement which should be treated in accordance with SSAP 21 (or any successor to SSAP 21) as a finance lease or in the same way as a finance lease,

"Financial Indebtedness" means any indebtedness for or in respect of

- (i) monies borrowed,

- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent,
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument,
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease including any Finance Lease,
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non recourse basis),
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing,
- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account),
- (viii) the supply of any goods or services which is more than 120 days past the original due date for payment,
- (ix) any counter-indemnity obligation in respect of the guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution,
- (x) any amount outstanding in respect of any Advance Commission or any Deferred Consideration, and
- (xi) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (x) above,

and provided that, if the Company takes any action which would breach the terms of clauses 23 10, 23 19 or 23 20 of the New Facility Agreement (disregarding any relevant waiver or consent), to the extent of that breach the following shall also be included

- (a) the aggregate amount paid for receivables sold or discounted on without recourse terms for so long as the amount paid for such receivables has not been collected in full and the relevant limitations period has not expired,
- (b) in relation to any off balance sheet transaction any amount equal to the aggregate financing obtained for the Group as a result of such off balance sheet financing, and
- (c) any sums due under any hire agreement, credit sale agreement, hire purchase agreement, conditional sale agreement or instalment sale and purchase agreement which is not a Finance Lease to the extent that it is not already included in this definition;

"Forward Looking EBITDA" means, in relation to the testing of the Incurrence Ratio, the EBITDA projected to be earned by the Group (as shown in the Budget adopted at the relevant time) during the Relevant Period commencing on the Quarter Date immediately prior to the relevant Incurrence Date provided that, to the extent such projection includes the prospective cost savings or increases in revenues attributable to any person, business or undertaking acquired by a member of the Group during the Relevant Period ended on the relevant Quarter Date (and not subsequently sold, transferred or otherwise disposed of on or prior to the relevant Incurrence Date) the relevant prospective cost savings or increases in revenues may only be taken into account to the extent that they are quantifiable and reasonably achievable during the Relevant Period commencing on the relevant Quarter Date,

"FRS" together with a number means the financial reporting standard issued by the Accounting Standards Board for application in England and Wales and identified by reference to that number,

"FSA" means the Financial Services Authority,

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

"GAAP" means, in relation to a company, the accounting bases, policies, practices and procedures generally accepted and adopted in the jurisdiction of its incorporation,

"Governing Director" shall have the meaning given in Article 3 6.2,

"Group" means the Company, each Target and each of their respective Subsidiaries for the time being and **"Group Company"** means any one of them,

"Incur" (and terms such as Incurrence shall be construed accordingly) means, directly or indirectly, to borrow, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to any Financial Indebtedness (and the date of such Incurrence shall be the **"Incurrence Date"**),

"Incurrence Ratio" means as of the Quarter Date immediately prior to the relevant Incurrence Date, the ratio (calculated by preparing a calculation of the following items in respect of the Relevant Period commencing on the Quarter Date immediately prior to the relevant Incurrence Date adjusted to give pro forma effect to such Incurrence as if the Incurrence Date had occurred on the first day of the Relevant Period) of (X) Total Net Debt plus the Cumulative Preference Share Amount plus (without prejudice to the limitations on creation of the same) the capital paid up on and all amounts accrued due in respect of any other preferred shares that are issued and outstanding as at such Quarter Date to (Y) Forward Looking EBITDA for the Relevant Period commencing on such Quarter Date,

"Initial Holders" shall mean the original allottees of the Preference Shares on issue and the persons to whom they first transfer the Preference Shares so allotted;

"Intercreditor Agreement" means the intercreditor agreement to be entered into on or about the date of the New Facility Agreement between, amongst others, the Company, the Guarantors (as defined therein), the Finance Parties (as defined therein), each of Peter Cullum, Max Carruthers, Tony Proverbs, Andy Homer, Kenny Maciver and Tim Philip as loan-back directors (and so that where such agreement is cross-referred to in these Articles such cross references shall apply to such agreement as in effect on the date hereof notwithstanding any relevant variation or waiver of or the granting or any consent under or Refinancing thereof save that if the Majority Preference Holders shall have approved the relevant variation or replacement provision as being suitable for cross-reference purposes, such varied or replaced provisions shall apply),

"Issue Amount" shall have the meaning given in Article 3 1 1.1,

"Issue Date" shall mean 15 November 2006, being the date of issue of the Preference Shares,

"Majority Preference Holders" shall mean the holders of more than 50 per cent of the Preference Shares in issue at the relevant time,

"Major Redemption Events" shall mean

- (i) any Deliberate Corporate Action,
- (ii) a failure by the Company (for any reason, including a restriction under the Act or the 2006 Act) to redeem any Preference Share at the Redemption Price pursuant to the requirements of a Term Redemption in accordance with Article 3.3.1, a Cash Sweep Redemption in accordance with Article 3.3.3, or a Refinancing Redemption in accordance with Article 3.3.4,
- (iii) Peter Cullum or Andy Homer ceasing to be directors of the Company or ceasing to act as members of the senior executive management of the Group without the consent of the Majority Preference Holders,

"Management" means Peter Cullum, Amanda Blanc, Ian Patrick, Max Carruthers, Tony Proverbs, Andy Homer, Kenny Maciver, Tim Philip and Clive Nathan,

"Management Arrangements" shall have the meaning given in Article 3.8.2.3,

"Material Warranty Breach" means a Default arising under clause 24.4 of the New Facility Agreement disregarding any waiver of such Default save that, if the underlying misrepresentation or misstatement giving rise to such Default is capable of remedy, a Material Warranty Breach will not occur unless it is unremedied after three months;

"Mezzanine Facility Agreement" means the secured mezzanine facility agreement, in the agreed form, dated on or about the date of the New Facility Agreement between, among others, the Company as borrower and certain of its subsidiaries as guarantors and the lenders thereunder (in various capacities) as amended and restated on 26 November 2007,

"New Facility Agreement" means the facility agreement dated 1 November 2006 between, amongst others, the Company, the lenders (as defined therein) and The

Governor & Company of the Bank of Scotland (as agent, security trustee and arranger) and Lloyds TSB Bank plc (as arranger) as amended and restated on 26 November 2007 (and so that where such agreement is cross-referred to in these Articles such cross references shall apply to such agreement as in effect on 1 November 2006 notwithstanding any relevant variation or Refinancing thereof or save that if the Majority Preference Holders shall have approved the relevant variation or replacement provision as being suitable for cross-reference purposes, such varied or replaced provisions shall apply),

"Other Redemption Events" shall mean those events described in Article 3.3.7;

"Permitted Sweep" means the application of Surplus Cash in accordance with clause 23.16 of the New Facility Agreement,

"Permitted Sweep Amount" means in respect of any financial year the maximum amount that the Company is permitted to apply under clause 23.17 of the New Facility Agreement,

"Permitted Sweep Items" means all dividends, distributions on or in respect of shares other than the Preference Shares (including, but not limited to, any repayment of capital or of share premium account or capital redemption reserve, any acquisition by a company of its own share capital or any bonus issue of shares), Discretionary Incentive Bonuses, repayments or payments of interest on the Directors' Loans or advances of any loans to Management and any other lawful method or mechanic for payment or distributions to shareholders or employees of the Company from time to time,

"Preference Affiliate" shall mean, in relation to a person, a member of its Corporate Group and, in relation to a fund, a fund which is managed or advised by the same investment manager or adviser as that fund or a fund which is managed or advised by a Preference Affiliate of such investment manager or adviser,

"Preference Director" shall have the meaning given in Article 3.6.1,

"Preference Rate" shall have the meaning given in Article 3.1.1,

"Preference Shareholders" shall mean any persons that hold any of the Preference Shares in issue at the relevant time,

"Preference Shareholders Agreement" means the agreement entered into between the Preference Shareholders and the Shareholders on or about 15 October 2008, (as amended or restated from time to time);

"Preferential Dividend" shall have the meaning given in Article 3 1 1,

"Preferential Dividend Payment Date" shall have the meaning given in Article 3 1 2,

"Preferential Dividend Period" shall have the meaning given in Article 3 1 2;

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December,

"Rectification Notice" shall have the meaning given in Article 3 3 14 1(b);

"Redemption Date" shall have the meaning given in Article 3 3 10,

"Redemption Notice" shall have the meaning given in Article 3 3 10,

"Redemption Position" shall have the meaning given in Article 3 3 8 1,

"Redemption Price" shall mean, in respect of each relevant Preference Share, the aggregate of

- (a) the Issue Amount,
- (b) all Accrued Amounts in respect of that Preference Share and all arrears and accruals of the Preferential Dividend on that Preference Share calculated down to and including the relevant Redemption Date irrespective of whether or not that Preferential Dividend has been declared or earned or become due and payable, and
- (c) the sum of £0 00387547 (representing 0 25% of the aggregate of the Issue Amount and all Accrued Amounts in respect of that Preference Share and all arrears and accruals of the Preferential Dividend on that Preference Share calculated down to and including the date of adoption of these Articles irrespective of whether or not that Preferential Dividend has been declared or earned or become due and payable),

"Refinancing" shall mean the repayment, repurchase, replacement, refinancing, renewal, extension, defeasance or any other discharge of any Financial Indebtedness,

"Refinancing Redemption" shall have the meaning given in Article 3 3 4,

"Relevant Period" means a period of 12 months ending or commencing (as the context requires) on a Quarter Date,

"Revised Preferential Dividend Payment Date" shall mean the date falling three months after the most recent Preferential Dividend Payment Date and each date falling three months after the previous Revised Preferential Dividend Payment Date,

"SSAP" together with a number means the statement of standard accounting practice issued by the Institute of Chartered Accountants for application in England and Wales and identified by reference to that number,

"Target" means a company, a partnership, a limited liability partnership or a sole trader each formed under the laws of England and Wales, Scotland or Northern Ireland and which in each case is identified in an Acquisition Agreement and which in each case engages in the core business of insurance broking, underwriting agency, insurance agency, risk assessment and risk management services and other insurance business,

"Target Assets" means any assets described in an Acquisition Agreement which is an asset purchase agreement,

"Taxes" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same),

"Term Redemption" shall have the meaning given in Article 3 3 1,

"Tier 1 Preference Rate Adjustment Date" shall have the meaning given in Article 3 1.4,

"Total Debt" means, at the relevant date, the aggregate of

- (a) that part of the Financial Indebtedness of Group Companies which relates to obligations for the payment or repayment of money in respect of principal incurred in respect of (i) monies borrowed or raised, (ii) any bond, note, loan

stock, debenture or similar instrument, (iii) any acceptance credit, bill discounting, note purchase, factoring or documentary credit facility, (iv) any Advance Commission or Deferred Consideration, or (v) under any other transaction of any kind having the commercial effect of borrowing, and

- (b) the capital element of all rentals or other payments payable under any Finance Lease entered into by any Group Company,

minus (i) the amount of any Director's Loans outstanding at that date to the extent that such loans fall due after the maturity of the Preference Shares; and (ii) provided Paymentsshield Group Holdings Limited ("**Paymentsshield**") is a Group Company at that date, the amounts outstanding at that date under the £34,087,000 Series A Loan Notes 2011 issued by Paymentsshield pursuant to a deed dated 8 November 2006 and the £9,674,000 Series C Loan Notes 2011 issued by Paymentsshield pursuant to a deed on or around 4 April 2008,

"Total Leverage Ratio" means, as of any Quarter Date, the ratio of (X) Total Net Debt plus the Cumulative Preference Share Amount plus (without prejudice to the limitations on creation of the same) the capital paid up on and all amounts accrued due in respect of any other preferred shares that are issued and outstanding as at such Quarter Date to (Y) EBITDA for the Relevant Period ending on such Quarter Date provided that

- (i) if any person, business or undertaking has been acquired by a member of the Group during that Relevant Period and not subsequently sold, transferred or otherwise disposed of during such period (an "**Acquired Entity or Business**"), EBITDA for that Relevant Period will be calculated as if such acquisition took place on the first day of such Relevant Period such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, mutatis mutandis) of the Acquired Entity or Business for the entire Relevant Period are taken into account, and
- (ii) if any person, business or undertaking has been disposed of by a member of the Group during a Relevant Period and has not subsequently been re-acquired during such period (a "**Sold Entity or Business**") EBITDA for that Relevant Period will be calculated as if such disposal took place on the first day of such Relevant Period (such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA,

mutatis mutandis) of the Sold Entity or Business for the entire Relevant Period are not taken into account), and

"Total Net Debt" at any time means Total Debt minus the amount of all credit balances with banks belonging to any Group Company at that time which can be freely set off against amounts outstanding under the Finance Documents, which for the avoidance of doubt excludes any monies held or retained in any Client Money Accounts

4. JUNIOR PREFERRED ORDINARY SHARE RIGHTS

The rights attached to the Junior Preferred Ordinary Shares are as follows:

4.1 As to income

4.1.1 Each Junior Preferred Ordinary Share shall confer on the holder the right to receive, following the full discharge of all obligations owed to the holders of the Preference Shares but in priority to the holders of any other class of shares in the capital of the Company, a preferential dividend (the **"Junior Preferential Dividend"**) at the rate of 23 per cent per annum (as such rate may be increased or reduced from time to time in accordance with the provisions of Article 4.1.4) (the **"Junior Preferred Ordinary Rate"**) on the sum from time to time of

4.1.1.1 £10.11 (the **"Initial Amount"**), and

4.1.1.2 the sum of all Junior Accrued Amounts in respect of that Junior Preferred Ordinary Share,

(the Initial Amount and all such Junior Accrued Amounts together, the **"Junior Accreted Value"**)

4.1.2 The Junior Preferential Dividend shall accrue from day to day at the Junior Preferred Ordinary Rate on the Junior Accreted Value and, at the option of the Company, may be paid in cash on, subject to Article 4.3.8.3(b), 31 March in each year (each a **"Junior Preferential Dividend Payment Date"**) in respect of the year ending on that date (each a **"Junior Preferential Dividend Period"**).

4.1.3 If the Company elects not to, or, has decided not to pay the Junior Preferential Dividend in cash following a determination pursuant to Article 4.3.8.3, pay the whole amount of a Junior Preferential Dividend in cash on the due date for payment in respect of a Junior Preferred Ordinary Share, then the amount of such accrued and unpaid (in cash) Junior Preferential Dividend (the "**Junior Accrued Amount**") shall as from the relevant Junior Preferential Dividend Payment Date or Revised Junior Preferential Dividend Payment Date be added to and thus increase the Junior Accrued Value of the Junior Preferred Ordinary Shares

4.1.4 On 31 March 2009 (which shall be the first "**Junior Preferred Ordinary Rate Adjustment Date**"), and on each date falling three months after the previous Junior Preferred Ordinary Rate Adjustment Date (each a "**Junior Preferred Ordinary Rate Adjustment Date**"), the Junior Preferred Ordinary Rate in respect of that portion of the Junior Preferential Dividend period following each Junior Preferred Ordinary Rate Adjustment Date through to the next Junior Preferred Ordinary Rate Adjustment Date may be adjusted by reference to the then prevailing Junior Total Leverage Ratio in accordance with the table below,

Junior Preferred Ordinary Rate Adjustment Date:	Junior Total Leverage Ratio prior to Contribution Event	Junior Total Leverage Ratio following Contribution Event	Junior Preferred Ordinary Rate
31 March 2009	Equal to or less than 5.75:1.00	Equal to or less than 5.75:1.00	23%
	Equal to or less than 6.50:1.00	Equal to or less than 6.00:1.00	25%
	Equal to or less than 7.00:1.00	Equal to or less than 6.50:1.00	27%
	More than 7.00:1.00	More than 6.50:1.00	29%
30 June 2009	Equal to or less than 5.75:1.00	Equal to or less than 5.75:1.00	23%
	Equal to or less than 6.50:1.00	Equal to or less than 6.00:1.00	25%

Junior Preferred Ordinary Rate Adjustment Date:	Junior Total Leverage Ratio prior to Contribution Event	Junior Total Leverage Ratio following Contribution Event	Junior Preferred Ordinary Rate
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%
30 September 2009	Equal to or less than 5 50 1 00	Equal to or less than 5 50 1 00	23%
	Equal to or less than 6 50 1 00	Equal to or less than 6 00 1 00	25%
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%
31 December 2009	Equal to or less than 5 50 1 00	Equal to or less than 5 50 1 00	23%
	Equal to or less than 6 50 1 00	Equal to or less than 6 00 1 00	25%
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%
31 March 2010	Equal to or less than 5 25 1 00	Equal to or less than 5 25 1 00	23%
	Equal to or less than 6 50 1 00	Equal to or less than 6 00 1 00	25%
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%
30 June 2010	Equal to or less than 5 25 1 00	Equal to or less than 5 25 1 00	23%

Junior Preferred Ordinary Rate Adjustment Date:	Junior Total Leverage Ratio prior to Contribution Event	Junior Total Leverage Ratio following Contribution Event	Junior Preferred Ordinary Rate
	Equal to or less than 6 50 1 00	Equal to or less than 6 00 1 00	25%
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%
30 September 2010	Equal to or less than 5 00 1 00	Equal to or less than 5 00 1 00	23%
	Equal to or less than 6 50 1 00	Equal to or less than 6 00 1 00	25%
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%
31 December 2010	Equal to or less than 5 00 1 00	Equal to or less than 5.00 1 00	23%
	Equal to or less than 6 50 1 00	Equal to or less than 6 00 1 00	25%
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%
31 March 2011	Equal to or less than 4 75 1 00	Equal to or less than 4 75 1 00	23%
	Equal to or less than 6 50 1 00	Equal to or less than 6 00 1 00	25%
	Equal to or less than 7 00 1 00	Equal to or less than 6 50 1 00	27%
	More than 7 00 1 00	More than 6 50 1 00	29%

Junior Preferred Ordinary Rate Adjustment Date:	Junior Total Leverage Ratio prior to Contribution Event	Junior Total Leverage Ratio following Contribution Event	Junior Preferred Ordinary Rate
30 June 2011	Equal to or less than 4.75:1.00	Equal to or less than 4.75:1.00	23%
	Equal to or less than 6.50:1.00	Equal to or less than 6.00:1.00	25%
	Equal to or less than 7.00:1.00	Equal to or less than 6.50:1.00	27%
	More than 7.00:1.00	More than 6.50:1.00	29%
30 September 2011	Equal to or less than 4.75:1.00	Equal to or less than 4.75:1.00	23%
	Equal to or less than 6.50:1.00	Equal to or less than 6.00:1.00	25%
	Equal to or less than 7.00:1.00	Equal to or less than 6.50:1.00	27%
	More than 7.00:1.00	More than 6.50:1.00	29%
31 December 2011 and each Quarter Date thereafter	Equal to or less than 4.75:1.00	Equal to or less than 4.75:1.00	23%
	Equal to or less than 6.50:1.00	Equal to or less than 6.00:1.00	25%
	Equal to or less than 7.00:1.00	Equal to or less than 6.50:1.00	27%
	More than 7.00:1.00	More than 6.50:1.00	29%

provided that, subject to Article 4.3.8 2(a), the Junior Preferred Ordinary Rate as determined by this Article 4.1.4 shall never be more than the lower of the prevailing Preference Rate plus 3 per cent and 29 per cent or less than 23 per cent

- 4 1 5 Where the Junior Preferential Dividend is by the election of the Company, or following a decision by the Company following a determination pursuant to Article 4 3 8 3, to be paid in cash, the Junior Preferential Dividend shall be due and payable on the date specified for its payment and it shall on such date *ipso facto* and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in regulations 102 to 108 (inclusive) of Table A) become, a debt due from and immediately payable by the Company to the holders of the Junior Preferred Ordinary Shares, subject only to (i) there being profits out of which the same may be lawfully paid, (ii) the prior redemption in full of the Preference Shares at the Redemption Price (iii) compliance with the limitations on Permitted Sweep Items elsewhere herein and in the Debt Facilities and (iv) Articles 3 9 2 and 4 9 2 Where the Company makes a decision pursuant to Article 4 3 8 3 to pay the Junior Preferential Dividend in cash, to the extent that the Company is restricted by the Acts from doing so, it shall use all reasonable endeavours (including, for the avoidance of doubt, taking all reasonable steps to recapitalise its subsidiaries or take any similar step to enable any such subsidiary to pay dividends) to procure that its subsidiaries declare and pay to it such sums as are required to enable it lawfully to pay the Junior Preferential Dividend
- 4 1 6 If there is at any time a dispute between the Junior Preferred Ordinary Shareholders and the Company as to the amount of the surplus profits or the profits of the Company available for distribution in any particular financial year (the "**Available Amount**"), a statement by the auditors of the Company (provided that they are any one of KPMG, Deloitte & Touche, Ernst & Young and PricewaterhouseCoopers LLP) or, if Majority Junior Preferred Ordinary Shareholders so require if they are not, by any one of KPMG, Deloitte & Touche, Ernst & Young and PricewaterhouseCoopers LLP (as those holders may from time to time nominate,) as to such firm's opinion of the Available Amount shall be conclusive and binding on the Company and the Junior Preferred Ordinary Shareholders In issuing any such statement as to the Available Amount the auditors (or such other firm of accountants)

4 1 6 1 may make such adjustments as they may in the circumstances consider appropriate in any case where the report of the auditors on the relevant accounts contains a qualification,

4 1 6 2 shall act as experts and not as arbitrators, and

4 1 6 3 their charges shall be borne by the Company.

4 2 As to capital

4 2 1 On a return of capital on a winding up or otherwise the assets of the Company available for distribution to its members shall be applied

4 2 1 1 first, in paying to each holder of a Preference Share a sum equal to any Accrued Amounts in respect of that Preference Share and any other arrears and accruals of the Preferential Dividend on that Preference Share calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case);

4 2 1 2 secondly, in repaying the Issue Amount in respect of each Preference Share to its holder,

4 2 1 3 thirdly, in paying to each holder of a Junior Preferred Ordinary Share a sum equal to any Junior Accrued Amounts in respect of that Junior Preferred Ordinary Share and any other arrears and accruals of the Junior Preferential Dividend on that Junior Preferred Ordinary Share calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case),

4 2 1 4 fourthly, in paying the Initial Amount in respect of each Junior Preferred Ordinary Share to its holder, and

4 2 1 5 fifthly, in paying to each holder of a Subordinated Junior Preferred Ordinary Share a sum equal to any Subordinated Junior Accrued Amounts in respect of that Subordinated Junior Preferred Ordinary Share and any other arrears and accruals of the Subordinated Junior Preferred Dividend on that Subordinated Junior Preferred Ordinary

Share calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case);

4 2 1 6 sixthly, in paying the SJPOS Initial Amount in respect of each Subordinated Junior Preferred Ordinary Share to its holder, and

4 2 1 7 seventhly, in making payments (to the extent of any surplus assets remaining after the payments under Articles 4 2 1 1 to 4 2 1 6, rateably among the holders of the Equity Shares pursuant to Article 6 2 and so that the holders of the Preference Shares and the Junior Preferred Ordinary Shares shall have no right of participation in those assets whatsoever.

4 2 2 On Sale or Listing the proceeds receivable by the Company, Junior Preferred Ordinary Shareholders and the Shareholders shall be applied

4 2 2 1 first, to the redemption in full at the Redemption Price of any Preference Shares in issue at that time in accordance with these Articles,

4 2 2 2 secondly, in paying to each holder of a Junior Preferred Ordinary Share a sum equal to any Junior Accrued Amounts in respect of that Junior Preferred Ordinary Share and any other arrears and accruals of the Junior Preferential Dividend on that Junior Preferred Ordinary Share calculated down to and including the date of the completion of the Sale or Listing

4 2 2 3 thirdly, in paying the Initial Amount in respect of each Junior Preferred Ordinary Share to its holder,

4 2 2 4 fourthly, in paying to each holder of a Subordinated Junior Preferred Ordinary Share a sum equal to any Subordinated Junior Accrued Amounts in respect of that Subordinated Junior Preferred Ordinary Share and any other arrears and accruals of the Subordinated Junior Preferential Dividend on that Subordinated Junior Preferred Ordinary Share calculated down to and including the date of the completion of the Share Sale or Listing,

4 2 2.5 fifthly, in paying the SJPOS Initial Amount in respect of each Subordinated Junior Preferred Ordinary Share to its holder, and

4 2 2 6 sixthly, in making payments (to the extent of any surplus funds remaining after the payments under Articles 4 2 2.1, 4 2 2 2, 4 2.2 3, 4 2 2 4 and 4 2 2 5) rateably among the holders of the Equity Shares and so that the holders of the Preference Shares, the Junior Preferred Ordinary Shares and the Subordinated Junior Preferred Ordinary Shares shall have no right of participation in those funds whatsoever.

4 3 As to Repurchase

4 3 1 Subject to the Acts, the provisions of the Debt Facilities and to the prior redemption in full of the Preference Shares at the Redemption Price, the Company may on 31 March 2015 Repurchase each of the Junior Preferred Ordinary Shares in issue (if any) on that date at the Repurchase Price (a "**Term Repurchase**")

4 3 2 Subject to the Acts, the provisions of the Debt Facilities and to the prior redemption in full of the Preference Shares at the Redemption Price, the Company may Repurchase any Junior Preferred Ordinary Share for the time being in issue at the Repurchase Price

4 3 3 Subject to the Acts, the provisions of the Debt Facilities and to the prior redemption in full of the Preference Shares at the Redemption Price, the Company shall on the next Quarter Date after delivery of audited accounts in relation to each financial year, if the Company pays any part of the Permitted Sweep Amount to any holder of Equity Shares, apply ten per cent of the Permitted Sweep Amount to Repurchase Junior Preferred Ordinary Shares, each at the Repurchase Price (a "**Cash Sweep Repurchase**"), provided that the Company shall not be required to undertake a Cash Sweep Repurchase if, at the relevant time, 50 per cent or more of the Junior Preferential Dividend in respect of the most recent Repurchase Preferential Dividend Period was paid in cash and the Junior Total Leverage Ratio is less than 4 5 1

4 3 4 Subject to the Acts and the provisions of the Debt Facilities, if any member of the Group at any time undertakes a Refinancing which results in the Debt Facilities following such Refinancing being larger than the Debt Facilities

prior to such Refinancing and, following the Group having fully redeemed the Preference Shareholders under Article 3.3.4, the Group has capacity to borrow under those new Debt Facilities, the Group will utilise such capacity in or towards Repurchase of the Junior Preferred Ordinary Shares each at the Repurchase Price, provided that, for the avoidance of doubt, an increase in the Total Acquisition Facility Commitments under the New Facility Agreement or any similar acquisition facility commitment entered into pursuant to a Refinancing beyond the level of £235,000,000 will not require a Repurchase of any Junior Preferred Ordinary Shares pursuant to this Article 4.3.4 (a "**Refinancing Repurchase**")

4.3.5 Subject to the Acts and the provisions of the Debt Facilities, if any of the Major Repurchase Events occurs or if a Continuing Repurchase Position exists and the Company has redeemed (or will contemporaneously redeem) the Preference Shares in full at the Redemption Price, the Company may Repurchase each Junior Preferred Ordinary Share then outstanding at the Repurchase Price and the Company shall promptly inform in writing all the holders of the Junior Preferred Ordinary Shares of such fact and of the Repurchase Price and the place at which the certificates for the Junior Preferred Ordinary Shares should to be presented for Repurchase (an "**Event Repurchase**") If the Company exercises its discretion to undertake an Event Repurchase, the provisions of Articles 4.3.11 to 4.3.13 below shall apply as if the date falling three Business Days from the service of such notice on the Company were a Repurchase Date

4.3.6 The following are "**Junior Deliberate Corporate Actions**" unless the Majority Junior Preferred Ordinary Holders determine otherwise and notify the Company in writing of such determination

4.3.6.1 a direct or indirect transfer or series of transfers to any person or persons (other than to a person to whom such person can transfer shares in the Company pursuant to any of Article 11.1 (*Group transfers*), Article 11.2 (*Nominees*), Article 11.3 (*To Privileged Relations and trustees*) or Article 11.7 (*Employee Benefit Trust*)) the result of which is that interests in shares in the Company carrying more than 50 per cent of all the voting rights attributable to the share capital of the Company shall have been transferred since 31 March

2008 on a cumulative basis and for this purpose all shares in the Company other than the Preference Shares and the Junior Preferred Ordinary shall be treated as part of its relevant share capital (a "Junior Sale"); or

4.3.6.2 a Listing, or

4.3.6.3 any act or omission by the Company or any other member of the Group which is in breach of the provisions of Article 4.3.8.2(b) or Article 4.8.1, or 4.8.3.3 (provided that, whilst any Preference Shares remain in issue, such act or omission is also in breach of the provisions of Article 4.8.3.3), or

4.3.6.4 any act or omission which, by virtue of Article 4.9.1, constitutes a variation of the rights attached to the Junior Preferred Ordinary Shares, unless the written consent or sanction in general meeting of the holders of 75 per cent of the Junior Preferred Ordinary Shares as a class is obtained for that act or omission, or

4.3.6.5 any Junior Material Warranty Breach, or

4.3.6.6 paying any bonus under a Management Arrangement pursuant to a Budget which provides for projected EBITDA for the period to which that Budget relates to be less than £100,000,000 post contingency, or

4.3.6.7 any act or omission by any party (other than a Junior Preferred Ordinary Shareholder) to the Shareholders Agreement which is in breach of any provision of that agreement

4.3.7 The following are "**Other Repurchase Events**" unless the Majority Junior Preferred Ordinary Holders determine otherwise and notify the Company in writing of such determination

4.3.7.1 any Financial Indebtedness of any Group Company is not paid when due nor within any originally applicable grace period; any Financial Indebtedness of any Group Company is declared to be or otherwise becomes due and payable before its specified maturity, any commitment for any Financial Indebtedness of any Group Company

is cancelled or suspended by a creditor of any Group Company as a result of an event of default (however described); or any creditor of any Group Company becomes entitled to declare any Financial Indebtedness of any Group Company due and payable before its specified maturity as a result of an event of default (however described), except that no Other Junior Redemption Event will occur under this Article 4 3 7 1 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within this Article 4 3 7 1 is less than £2,500,000 (or its equivalent in any other currency or currencies), or

4 3 7 2 a failure by the Company (for any reason, including a restriction under the Acts) to pay any Junior Preferential Dividend in cash on the due date for payment following a determination by the Board to do so pursuant to Article 4 3 8 3, or

4 3 7 3 any act or omission by the Company or any other member of the Group which is in breach of Articles 4 8 2, 4 8 3 1 (provided that, whilst any Preference Shares remain in issue, such act or omission is also in breach of the provisions of Article 3 8 3 1) or 4 8 3 2 (provided that, whilst any Preference Shares remain in issue, such act or omission is also in breach of the provisions of Article 3 8 3 2), or

4 3 7 4 any other act or omission by the Company or any other member of the Group which is a material breach of any other provision of this Article 4 of these Articles

4 3 8

4 3 8 1 Where an Other Repurchase Event has occurred, the Company shall have a period of 10 Business Days from the date of the relevant Other Repurchase Event to rectify the matter which has caused the Other Repurchase Event. If at the end of that period of 10 Business Days such rectification is not completed a "**Repurchase Position**" shall exist

4 3 8 2 Where a Major Repurchase Event has occurred or a Repurchase Position exists, the following shall apply until all the Junior Preferred

Ordinary Shares are Repurchased at the Repurchase Price or, where relevant, a Junior Covenant Cure is completed:

- (a) the Junior Preferred Ordinary Rate shall increase from its then prevailing level by 200 basis points, provided that the maximum level of the Junior Preferred Ordinary Rate shall not exceed 31 per cent such increase to take effect from:
 - (i) the date of the relevant Major Redemption Event; or
 - (ii) the date falling three months from the date of the relevant Other Redemption Event,

- (b) the Company shall not, and where the context permits shall procure that no member of the Group shall, without the prior written consent of the Majority Junior Preferred Ordinary Holders
 - (i) manage its business other than in the ordinary course and consistent with the course of trading over the preceding 12 months, or
 - (ii) acquire (whether by purchase, subscription or otherwise) or dispose of by any method, whether directly or indirectly, any share capital or loan capital of any corporate entity or any assets, or
 - (iii) enter into any partnership or joint venture arrangement or merger with any corporate party, or
 - (iv) take any action to incur any further Financial Indebtedness (provided that the Group may incur further Financial Indebtedness of an aggregate amount of not more than £10,000,000 to the extent required for working capital purposes of the Group), or
 - (v) enter into any capital commitments or guarantees except as provided for in the Budget, or

- (vi) allot, or permit any of the subsidiaries of the Company to allot, any share capital or grant, or permit any of the subsidiaries of the Company to grant, any rights to subscribe for or to convert securities into share capital, or
- (vii) pay or declare a dividend or distribute any amount in respect of a class of shares in the capital of the Company other than the Preference Shares and the Junior Preferred Ordinary Shares,

except that the prior written consent of the Majority Junior Preferred Ordinary Holders shall not be required (except in relation to clause (vii)) if the Preference Shares have not been redeemed in full at the Redemption Price and any of the foregoing is necessary or desirable to facilitate the redemption in full of the Preference Shares, and

- (c) the Company shall procure that the Group shall use all reasonable endeavours to Repurchase each of the Junior Preferred Ordinary Shares at the Repurchase Price as soon as reasonably practical after the redemption in full of the Preference Shares and the Company shall further procure that the senior management of the Group shall consult with, and take proper account of the views of, the Majority Junior Preferred Ordinary Holders regarding the strategy to achieve such Repurchase

4 3 8 3 Where a Major Repurchase Event has occurred or a Repurchase Position has subsisted for six months or more, the following shall apply until all the Junior Preferred Ordinary Shares are Repurchased at the Repurchase Price or, where relevant, a Junior Covenant Cure is completed

- (a) a meeting of the Board shall be held on the day falling five Business Days prior to each Revised Junior Preferential Dividend Payment Date and such meeting shall determine whether the Company should (if the Preference Shares are no

longer in issue) pay the Junior Preferential Dividend payable on such date in cash, and

- (b) (subject to a determination to pay the Junior Preferential Dividend in cash being made by the Board pursuant to Article 4.3.8.3(a) and provided no Preference Shares remain in issue) the Junior Preferential Dividend shall be payable quarterly on the first Revised Junior Preferential Dividend Payment Date following either the Major Repurchase Event or the date falling 12 months after the relevant Other Repurchase Event (for the avoidance of doubt, the amount payable on each Revised Junior Preferential Dividend Payment Date shall be the amount of the Junior Preferential Dividend that has accrued in the period of three months since the previous Junior Preferential Dividend Payment Date or Revised Junior Preferential Dividend Payment Date as the case may be)

4.3.8.4 Where a Repurchase Position continues to exist at the date falling 10 Business Days and nine months after the date of the Other Repurchase Event which has caused the Repurchase Position to exist (the "**Relevant Repurchase Date**"), a "**Continuing Repurchase Position**" shall exist until all the Junior Preferred Ordinary Shares are Repurchased at the Repurchase Price unless

- (a) on each Revised Junior Preferential Dividend Payment Date falling prior to the Relevant Repurchase Date the full amount of the Junior Preferential Dividend which, pursuant to Article 4.3.8.3, was payable in cash on that date was paid in full, and
- (b) the Company has at all times during the period commencing on the date of the commencement of the Repurchase Position and ending on the Relevant Repurchase Date procured that the Group use all reasonable endeavours to redeem each of the Preference Shares at the Repurchase Price as soon as reasonably practical in accordance with Article 4.3.8.2(c)

4 3 8 5 A Continuing Repurchase Position shall also exist until all the Junior Preferred Ordinary Shares are Repurchased at the Repurchase Price if at any time following the Relevant Repurchase Date:

- (a) the full amount of the Junior Preferential Dividend which the Company may determine to pay in cash pursuant to Article 4 3 8 3 is not paid in cash in full, on a Revised Junior Preferential Dividend Payment Date; or
- (b) the Company ceases to procure that the Group uses all reasonable endeavours to redeem each of the Junior Preferred Ordinary Shares at the Repurchase Price as soon as reasonably practical in accordance with Article 4 3 8 2(c)

4 3 8 6 Where (i) a Major Repurchase Event has occurred, or (ii) a Continuing Repurchase Position exists; the following shall apply until all the Junior Preferred Ordinary Shares are Repurchased at the Repurchase Price

- (a) the Junior Preferred Ordinary Shareholders shall be entitled to cast votes at general meetings of the Company pursuant to Article 4 5 1 1, and
- (b) up to two Junior Governing Directors may be appointed pursuant to the provisions of Article 3.6 2,

Provided that, if, pursuant to Article 3.3 8 6, the Preference Shareholders are entitled to cast votes at general meetings of the Company pursuant to Article 3 5 1 1 and Governing Directors may be appointed pursuant to the provisions of Article 3 6 2, the rights under this Article 4 3 8 6 may not be exercised until all the Preference Shares have been redeemed at the Redemption Price

4 3 8 7 If, after the Majority Junior Preferred Ordinary Holders become entitled to appoint Junior Governing Directors under Articles 4 3 8.6 and 4 6.2 and the Junior Preferred Ordinary Shareholders become entitled to cast votes at general meetings under Articles 4 3 8 6 and 4 5 1 1, the Shareholders (acting by a majority) propose a transaction

which the Majority Junior Preferred Ordinary Holders (acting reasonably) are satisfied would result in all the Junior Preferred Ordinary Shares being Repurchased at the Repurchase Price

- (a) the Junior Preferred Ordinary Shareholders shall not be entitled to exercise their rights under Articles 4.5.1.1 to prevent any resolutions required to implement such transaction being passed,
- (b) the Junior Governing Directors shall not take any action to prevent such transaction being implemented, and
- (c) in the event that a Repurchase is effected otherwise than by way of a Repurchase by the Company the Junior Preferred Ordinary Shareholders shall enter into and complete such documentation reasonably required to effect the Repurchase at the Repurchase Price provided that the Junior Preferred Ordinary Shareholders shall not be required to enter into or complete any documentation which is more onerous than the Repurchase Agreement or which requires any of them to provide any warranty of indemnity or other undertaking other than in respect of their title to and capacity to sell their respective holdings of Junior Preferred Ordinary Shares

4.3.9 If the Company is not permitted by the Acts, the Debt Facilities or these Articles to Repurchase any Junior Preferred Ordinary Shares pursuant to a Cash Sweep Repurchase in accordance with Article 4.3.3, or pursuant to a Refinancing Repurchase in accordance with Article 4.3.4 or, where it has exercised its discretion to Repurchase Junior Preferred Ordinary Shares, pursuant to a Term Repurchase in accordance with Article 4.3.1 or pursuant to an Event Repurchase in accordance with Article 4.3.5, it shall Repurchase those Junior Preferred Ordinary Shares at the Repurchase Price as soon after that date as it shall be permitted to do so by the Acts, the Debt Facilities and these Articles (including, for the avoidance of doubt, after the redemption of the Preference Shares in full or, in the case of a Cash Sweep Repurchase, in part) and, if at any time the Company is permitted to Repurchase under Articles 4.3.1, 4.3.3, 4.3.4 or 4.3.5 only some of the Junior Preferred

Ordinary Shares, it shall Repurchase at the Repurchase Price those Junior Preferred Ordinary Shares at that time and shall Repurchase at the Repurchase Price the remaining Junior Preferred Ordinary Shares as soon as it is permitted to do so

- 4.3.10 Except in the case of an Event Repurchase under Article 4.3.5, the Company shall give at least 28 days' notice in writing (a "**Repurchase Notice**") to the holders of Junior Preferred Ordinary Shares to be redeemed under this Article 4. A Repurchase Notice shall specify the particular Junior Preferred Ordinary Shares to be Repurchased, the date when the Repurchase is to be effective (the "**Repurchase Date**"), the Repurchase Price and the place at which the certificates for those Junior Preferred Ordinary Shares are to be presented
- 4.3.11 If only some of the Junior Preferred Ordinary Shares are to be Repurchased, the particular Junior Preferred Ordinary Shares to be Repurchased shall be a proportionate part, as nearly as practicable, of each separate holding of Junior Preferred Ordinary Shares
- 4.3.12 Subject to the holder of a Junior Preferred Ordinary Share to be Repurchased delivering to the Company on or before the Repurchase Date the certificate for that share, the Company shall Repurchase at the Repurchase Price that share and pay to the holder (or, in the case of joint holders, the holder whose name first appears in the register of members in respect of that Junior Preferred Ordinary Share) on the Repurchase Date the Repurchase Price
- 4.3.13 As from the relevant Repurchase Date the Junior Preferential Dividend shall cease to accrue on the Junior Preferred Ordinary Share to be Repurchased under this Article, unless on presentation of the certificate for that share, payment of the moneys due at the Repurchase is refused, in which case the Junior Preferential Dividend on that share shall be deemed to have accrued and shall continue to accrue from and excluding the Repurchase Date to and including the date of actual payment.
- 4.3.14 Where the Other Repurchase Event which has caused a Repurchase Position to exist is a Junior Curable Event occurring prior to 31 March 2014 the Company shall have a further period of six months from the date that the Repurchase Position existed to rectify the matter which has caused the Other Repurchase Event and if such rectification is effective and remains effective

for three months from the date of the relevant Junior Rectification Notice then a "**Junior Covenant Cure**" will have been completed, subject to the requirements and limitations set out in Articles 4.3.14.1 to 4.3.14.5 below

4.3.14.1 The Company may only rely on the provisions of this Article 4.3.14 if

- (a) the Company having so resolved through its Board, gives the Majority Junior Preferred Ordinary Holders written notice at least five Business Days prior to the commencement of the relevant Repurchase Position that it intends to implement a Junior Covenant Cure pursuant to this Article 4.3.14, such notice to specify the relevant facts of the matter which has caused the relevant Other Repurchase Event (containing sufficient detail to allow the Majority Junior Preferred Ordinary Holders to make a reasonable assessment of the situation, explaining why the Company considers that such Other Repurchase Event constitutes a Junior Curable Event and specifying why the Company considers that each relevant element of the definition of Junior Curable Event is satisfied) and to be accompanied by a certified copy of the minutes (or an extract thereof) of the relevant meeting of the Board at which such resolution was made, and
- (b) the Company gives the Majority Junior Preferred Ordinary Holders written notice when it considers that the rectification of the Other Repurchase Event has been implemented (a "**Junior Rectification Notice**")

4.3.14.2 Only one Junior Covenant Cure may be completed (or attempted to be implemented) in any period of 12 months

4.3.14.3 No more than two Junior Covenant Cures may be completed or attempted to be implemented between 31 March 2008 and 31 March 2014

4.3.14.4 If an attempted rectification of a matter which has caused an Other Repurchase Event ceases to be effective within three months of the

date of the relevant Junior Rectification Notice, no Junior Covenant Cure will have been completed, the Repurchase Position which existed as a result of that Other Repurchase Event shall continue and, if relevant for the purposes of Article 4.3.8.4, the Relevant Repurchase Date shall be the date falling 10 Business Days and nine months after the date of that Other Repurchase Event.

4.3.14.5 If a subsequent Other Repurchase Event (the "**Second Junior ORE**") occurs within 12 months of the occurrence of an Other Repurchase Event which has been rectified through the completion of a Junior Covenant Cure (the "**First Junior ORE**"), and the matter which has caused the Second Junior ORE is not rectified by the date falling three months after the date of the Second Junior ORE (the "**Junior Resumption Date**") the following will apply

- (a) the Junior Covenant Cure completed in respect of the First Junior ORE will be deemed to have been cancelled with effect from the Junior Resumption Date,
- (b) a Repurchase Position in respect of the First Junior ORE will exist from the Junior Resumption Date,
- (c) the provisions of Article 3.3.8.3 will apply such that meetings of the Board shall be required to be held on the days falling five Business Days prior to the first Revised Junior Preferential Dividend Payment Date following the Junior Resumption Date (the "**Junior Resumption Payment Date**") and each subsequent Revised Junior Preferential Dividend Payment Date and each such meeting shall determine whether the Company should pay the Junior Preferential Dividend payable on such date in cash, and
- (d) if the full amount of Junior Preferential Dividend is not paid in cash on the Junior Resumption Payment Date or on any subsequent Revised Junior Preferential Dividend Payment Date or if at any time after the Junior Resumption Payment Date the Company ceases to procure that the Group uses all reasonable endeavours to Repurchase each of the Junior

Preferred Ordinary Shares at the Repurchase Price as soon as reasonably practicable in accordance with Article 4.3.8.2(c), a Continuing Repurchase Position shall exist

4.4 As to further participation

A Junior Preferred Ordinary Share shall not entitle the holder to participate in the profits or assets of the Company except as expressly stated in this Article

4.5 As to voting

4.5.1 A Junior Preferred Ordinary Share shall entitle the holder to receive notice of and attend and speak at all general meetings of the Company but shall not entitle the holder to vote at any such meeting unless

4.5.1.1 at the date of the notice convening the meeting (i) a Major Repurchase Event has occurred or (ii) a Continuing Repurchase Position exists, except that, in each case, if, the Preference Shareholders are entitled to cast votes at general meetings of the Company pursuant to Article 3.5.1.1, the rights under this Article 4.5.1.1 may not be exercised until all the Preference Shares are redeemed at the Redemption Price, or

4.5.1.2 the business of the meeting includes the consideration of any resolution directly or indirectly modifying or varying any of the rights, privileges or restrictions attached to the Junior Preferred Ordinary Shares or, if the Preference Shares shall have been redeemed in full, a resolution of winding up the Company

4.5.2 If a holder is entitled to attend and vote as a result of Article 4.5.1.1 above, he shall be entitled to cast one vote in respect of each Junior Preferred Ordinary Share of which he is the holder in respect of any resolution considered at the meeting and the holders of all other classes of shares shall cast their votes at such meeting as directed by the Majority Junior Preferred Ordinary Holders

4.5.3 If a holder is entitled to attend and vote as a result of Article 4.5.1.2 above only, he shall be entitled to cast one vote in respect of each Junior Preferred Ordinary Share of which he is the holder in respect of a resolution referred to in Article 4.5.1.2 above only.

- 4 5 4 Whenever the holders of the Junior Preferred Ordinary Shares are entitled to vote, on a show of hands each holder of Junior Preferred Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member entitled to vote, shall have one vote and on a poll each holder of Junior Preferred Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member entitled to vote, shall have one vote for every Junior Preferred Ordinary Share of which he is the holder
- 4 5 5 Regulation 56 shall be modified by the deletion of the words "instruments of proxy, not less than 48 hours before the time appointed for holding" and substituting instead the words "forms of proxy, within the time limits prescribed by these articles for deposit of forms of proxy for use at" and by including the words "or poll" after the words "adjourned meeting"
- 4 5 6 Subject to article 4 5 7, a form appointing a proxy shall be in writing in any form which is usual or in such other form which the directors may approve, and shall be executed by or on behalf of the appointor
- 4 5 7 Subject to the Acts, the directors may resolve to allow a proxy to be appointed by electronic means subject to such limitations, restrictions or conditions as the directors think fit (including, without limitation, the ability to require such evidence as they consider appropriate to decide whether the appointment of a proxy in such manner is effective)
- 4 5 8 In order for the appointment of a proxy to be valid
- 4 5 8 1 in the case of an appointment of a proxy by hard copy, the form of proxy, together with the relevant documents, if any, must be
- (a) delivered or sent by post to the office (or such other place within the United Kingdom as may be specified in the notice convening the meeting and/or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting) by the relevant time; or

(b) duly delivered in accordance with article 4.5.10, and

4.5.8.2 in the case of an appointment of proxy by electronic means, the communication appointing the proxy by electronic means together with the relevant evidence must be received at the address by the relevant time

4.5.9 For the purposes of article 4.5.8

4.5.9.1 for the purpose of appointing a proxy by electronic means, "address" means the number or address which has been specified by the Company for the purpose of receiving communications appointing proxies by electronic means,

4.5.9.2 "relevant documents" means either (i) the power of attorney or other authority relied on to sign the form of proxy, or (ii) a copy of such document certified as a true copy of the original by a notary or solicitor or certified in some other way approved by the directors,

4.5.9.3 "relevant evidence" means any evidence required by the directors in accordance with the provisions of article 4.5.7, and

4.5.9.4 "relevant time" means

(a) 48 hours before the time appointed for the commencement of the meeting or adjourned meeting to which the proxy appointment relates, and

(b) in the case of a poll taken more than 48 hours after it is demanded, 24 hours before the time appointed for the taking of the poll.

In calculating the relevant time or any other period of time referred to in this article 4.5.9.4, any part of a day that is not a working day shall be excluded

4.5.10 If a meeting is adjourned for less than 48 hours, or if a poll is not taken immediately but is taken not more than 48 hours after it was demanded, a form of proxy may also be delivered in hard copy form at the adjourned

meeting or at the meeting at which the poll was demanded to any director or the secretary. In calculating the periods referred to in this article 4.5.10, any part of a day that is not a working day shall be excluded.

4.5.11 A vote given or poll demanded by proxy or by a duly authorised representative of a corporation shall be valid even though the authority of the person voting or demanding a poll has previously terminated, unless notice of the termination was received by the Company.

4.5.11.1 in the case of a duly authorised representative of a corporation, at the office, or

4.5.11.2 where the proxy was appointed by a form of proxy in hard copy form, at the office or such other place as is specified for depositing such form of proxy, or

4.5.11.3 where the proxy was appointed by electronic means, at the address as defined in article 4.5.9.1, or

4.5.11.4 in each case either (i) before the time appointed for the commencement of the meeting or adjourned meeting at which such vote is given or (ii) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, before the time appointed for the taking of the poll at which the vote is cast.

4.6 As to the appointment of directors

4.6.1 The Majority Junior Preferred Ordinary Holders may at any time appoint up to two persons as non-executive directors of the Company (each a "**Junior Preferred Ordinary Director**") and may remove from office any such director. Any appointment or removal shall be in writing signed by or on behalf of the Majority Junior Preferred Ordinary Holders and shall take effect from the date on which the notice of appointment or removal is lodged at the registered address of the Company or produced at a meeting of the directors. Notwithstanding the foregoing, if the Majority Preference Holders have, or wish to, appoint Preference Directors pursuant to the provisions of Article 3.6.1, the rights under this Article 4.6.1 may not be exercised until all the Preference Shares have been redeemed at the Redemption Price.

4.6.2 Where (i) a Major Repurchase Event has occurred or (ii) a Continuing Repurchase Position exists; the Majority Junior Preferred Ordinary Holders may give notice in writing to the Company that under this article the person(s) named in the notice (who shall be Junior Preferred Ordinary Director(s) appointed under Article 4.6.1 above) shall also be "**Junior Governing Director(s)**" of the Company. If any such person was not a director immediately prior to his appointment as a Junior Governing Director such appointment shall be deemed to be an appointment of such person as a Junior Preferred Ordinary Director under Article 4.6.1. The Majority Junior Preferred Ordinary Holders may also by notice in writing withdraw or cancel any such appointment. Every such notice shall be effective from the time at which it is lodged at the office or produced at a meeting of the directors. For the avoidance of doubt, the aggregate number of Junior Preferred Ordinary Directors and Junior Governing Directors holding office at any time shall not exceed two. Notwithstanding the foregoing, if Governing Directors may be appointed by the Majority Preference Holders pursuant to the provisions of Article 3.6.2, the rights under this Article 4.6.2 may not be exercised until all the Preference Shares have been redeemed at the Redemption Price.

4.6.3 The Junior Governing Director(s) shall be entitled to exercise a majority of the votes at any meeting of the Board (including any meeting of a committee of the Board) and shall constitute a quorum at any such meeting provided that where two Junior Governing Directors are appointed, both Junior Governing Directors must be present to constitute a quorum and any vote of the Junior Governing Director(s) notwithstanding any other vote will be deemed to bind the Board (or any committee thereof) and constitute a unanimous resolution of the Board.

4.6.4 A person shall cease to be a Junior Preferred Ordinary Director when:

4.6.4.1 the Majority Junior Preferred Ordinary Holders withdraw or cancel the appointment, or

4.6.4.2 all of the Junior Preferred Ordinary Shares have been Repurchased at the Repurchase Price.

4.6.5 Regulations 65 to 69 of Table A shall apply to a person appointed Junior Preferred Ordinary Director under this Article as it applies to a Director and

any person appointed by a Junior Preferred Ordinary Director as his alternate shall, while he remains such alternate and in the absence of the Junior Preferred Ordinary Director, have the same voting rights at meetings of Directors as the Junior Preferred Ordinary Director

4 6 6 No Junior Preferred Ordinary Director or his alternate shall be required to refer to the Company any business opportunity which he identifies as a result of his activities which are not directly related to the Company

4 7 As to transfers

4 7 1 Save for a transfer of 125,854 A Junior Preferred Ordinary Shares by P G Cullum to the Cullum Family Trust to be effected on or around 3 April 2008, the Initial Junior Holders of the Junior Preferred Ordinary Shares shall otherwise in addition be entitled to transfer all or any part of their ownership of up to 25% of their respective holdings of Junior Preferred Ordinary Shares provided that:

4 7 1 1 such transfers are completed by 31 December 2008, and

4 7 1 2 the consent of the Board is obtained for each such transfer, such consent not to be unreasonably withheld or delayed or conditioned

4 7 2 A holder of Junior Preferred Ordinary Shares may transfer all or any part of its ownership of Junior Preferred Ordinary Shares to a Preference Affiliate of such holder at any time

4 7 3 Except as provided in Articles 4 7 1 and 4 7.2 above and Article 4 7 4 above, no interest in a Junior Preferred Ordinary Share may be transferred without the prior consent of the Board, such consent not to be unreasonably withheld or delayed or conditioned

4 7 4 At any time after 31 March 2011, interests in Junior Preferred Ordinary Shares may be transferred, provided that following such transfer the Initial Junior Holders and their Preference Affiliates continue to hold at least 50% of the Junior Preferred Ordinary Shares and, for the avoidance of doubt, are able to exercise all rights afforded to the Majority Junior Preferred Ordinary Holders under these Articles

4 8 As to material decisions by the Company

4.8 1 Whilst any Junior Preferred Ordinary Shares remain in issue, the Company shall not, and, where the context so requires, shall procure that (subject to the proviso to this Article 4 8 1) no other member of the Group shall, directly or indirectly, undertake any of the following without the prior written consent of the Majority Junior Preferred Ordinary Holders

4 8 1 1 the acquisition (whether by purchase, subscription or otherwise) or disposal by any method, in each case whether directly or indirectly or in a single transaction or series of transactions, of any share capital or loan capital of any corporate entity or of any assets from the same vendor or any other member of that vendor's Corporate Group or from any one of a group of vendors owning a collection of related assets where

- (a) the value of the share or loan capital or assets which are the subject of the acquisition or disposal is equal to or greater than £75,000,000, or
- (b) the value of the share or loan capital or assets which are the subject of the acquisition is equal to or greater than £10,000,000 but less than £75,000,000 and is more than five times the reasonably anticipated EBITDA of the target of such acquisition in the first full 12 month period immediately following legal completion of such acquisition or the value of the share or loan capital or assets which are the subject of the disposal is equal to or greater than £10,000,000 but less than £75,000,000 and the effect of that disposal would be to increase the Junior Total Leverage Ratio, as determined by calculating what the Junior Total Leverage Ratio would be on the day following such disposal, or
- (c) the value of the share or loan capital or assets which are the subject of the disposal is less than £10,000,000 and the EBITDA generated by that share or loan capital or those assets (as evidenced by the most recently available audited

accounts relating to them) was £3,000,000 or more per annum,

(and for the purpose of this Article 4.8.1 and Article 4.8.1.2 below "value" shall include cash paid or received or reasonably expected to be paid or received, the fair market value of all other property paid or received or reasonably expected to be paid or received in connection with the transaction and the total indebtedness (including without limitation unfunded pension liabilities, guarantees and borrowed money) repaid, extinguished or assumed).

4.8.1.2 the entry into any partnership or joint venture arrangement or merger with any corporate party involving the contribution by the Group, of, or the entry into any commitment or undertaking by the Group which could require the Group to contribute, share or loan capital or assets which

- (a) are of a value equal to or greater than £75,000,000, or
- (b) are of a value equal to or greater than £10,000,000 but less than £75,000,000 and (i) the entry into the relevant partnership or joint venture arrangement or merger or (ii) the exclusion of such contribution from the assets of the Group, would, in either case, cause the Junior Total Leverage Ratio to increase, as determined by calculating what the Total Leverage Ratio would be on the day following the entry into such transaction as if such contribution had been excluded on such date, or
- (c) are of a value of less than £10,000,000 and the EBITDA generated by that share or loan capital or those assets (as evidenced by the most recently available audited accounts relating to them) was £3,000,000 or more per annum

4.8.1.3 the removal of Peter Cullum or Andrew Homer as directors of the Company or as members of the senior executive management of the Group,

- 4 8 1 4 permitting or failing to take action to prevent Peter Cullum, Andrew Homer or any other member of the senior executive management of the Group to pursue or be interested in a business opportunity in the insurance sector where the benefits of that opportunity will not accrue in full to a member of the Group,
- 4 8 1.5 the entry into of a Refinancing of the Debt Facilities other than on terms similar to the New Facility Agreement and the Mezzanine Facility Agreement reflecting then prevailing market conditions or the agreement of a material amendment to the terms of the Debt Facilities (and for the avoidance of doubt, such consent will be required where (i) the facilities pursuant to which the Refinancing will be undertaken do not contain provisions granting to the Group the same rights and benefits as clauses 23 17 and 23 21 of the New Facility Agreement, or (ii) if an amendment is proposed to clauses 23 17 and 23.21 of the New Facility Agreement or to a comparable provision in any replacement thereof,), provided that such consent shall not be required if all of the Junior Preferred Ordinary Shares shall be Repurchased immediately following the entry into such Refinancing or such amendment and, for the avoidance of doubt, such consent shall not be required for the entry into the New Facility Agreement and the Mezzanine Facility Agreement, and
- 4 8 1 6 the making of any payment in respect of the Permitted Sweep Items except out of the Permitted Sweep Amounts and, if required by Article 4 3 3, subject to prior payment of the Cash Sweep Repurchase, provided that if a Major Repurchase Event has occurred or an Other Repurchase Event has occurred and the Company has not at that time rectified the matter which has caused that Other Repurchase Event in accordance with Article 4.3 8 1 or completed a Junior Covenant Cure in respect of that Other Repurchase Event or a Repurchase Position or a Continuing Repurchase Position is subsisting at that time, the Company shall not make any payments of Permitted Sweep Items,
- 4 8 1 7 Provided that if a Major Redemption Event has occurred or a Redemption Position exists, the prior written consent of the Majority

Junior Preferred Ordinary Holders shall not be required if the Preference Shares have not been redeemed in full and any of the foregoing is necessary or desirable to facilitate the redemption in full of the Preference Shares.

4 8 2 Whilst any Junior Preferred Ordinary Shares remain in issue, the Company shall not, and where the context permits shall procure that (subject to the proviso to this Article 4 8 2) no member of the Group shall, directly or indirectly, undertake any of the following without the prior written consent of the Majority Junior Preferred Ordinary Holders, such consent not to be unreasonably withheld or delayed (unless a Major Repurchase Event has occurred or a Repurchase Position or a Continuing Repurchase Position is subsisting at that time, in which case the Majority Junior Preferred Ordinary Shareholders may grant or withhold consent at their sole discretion)

4 8 2 1 (save to the extent required to facilitate a Repurchase at the Repurchase Price of all of the Junior Preferred Ordinary Shares in issue at the relevant time as permitted or required by this Article 4) any amendment to the constitutional documents of any member of the Group or any amendments or waivers or breaches of any agreement or arrangement between a member of the Group and a Junior Preferred Ordinary Shareholder,

4 8 2 2 any change to the accounting reference date of the Company,

4 8 2 3 the establishment, termination or any material amendment to any profit sharing, bonus or incentive scheme or similar arrangement for senior executive management ("**Management Arrangements**") of any member of the Group or the waiver of any provisions of any Management Arrangements and provided that any changes to any Management Arrangements or any payments to management which would breach the terms of clauses 22 19 or 23 22 of the New Facility Agreement (disregarding any relevant waiver or consent) shall be considered a breach of this Article, or

4 8 2 4 the entry into any contract or arrangement or the making of any payment other than on terms no less favourable to the relevant member of the Group than could be obtained on an arm's length basis

from an unrelated third party or in any event with or to any party related to any shareholder or investor in any member of the Group or the senior management of any member of the Group, (including, but not limited to, the group of companies of which the holding company is Paymentsshield Group Holdings Limited or the group of companies of which the holding company is Broomco (4099) Limited) provided that (except in the case of loans made by the Group) a member of the Group may enter into such a contract or arrangement or make any such payment where the Company delivers to the Majority Junior Preferred Ordinary Holders a fairness opinion confirming that the terms of such arrangement are reasonable from an investment bank that the Majority Junior Preferred Ordinary Holders (acting reasonably) determine has the appropriate level of skills and experience to undertake such work and provided further that a member of the Group may enter into a contract or arrangement or make a payment in respect of real estate assets on terms no less favourable to the relevant member of the Group than could be obtained on an arm's length basis from an unrelated third party with or to any of (A) Peter Cullum, or (B) a company owned by Peter Cullum, or (C) a company or any other entity controlled (where control means the ability to direct the management or policies of that entity) by Peter Cullum and/or Peter Cullum's Privileged Relations or a Family Trust of which Peter Cullum is the settlor, or (D) a person acting as a nominee of Peter Cullum, or (E) a Family Trust of which Peter Cullum is the settlor,

4 8 2.5 the entry into capital commitments or guarantees relating to capital commitments exceeding in any period of 12 months an aggregate of 125 per cent of the proposed level of capital commitments set out in the Budget for that period,

4 8 2 6 granting or permitting to subsist any lien on any of its property or other assets (including equity interests in any other members of the Group) in favour of any shareholder other than in respect of any holder of Preference Shares or a holder of Junior Preferred Ordinary Shares,

- 4 8 2 7 save in respect of the Debt Facilities, the entry into an arrangement with a third party which would, or would reasonably be expected to, materially restrict its ability to pay dividends, make any other distributions, repay any indebtedness or satisfy other monetary obligations owed to any member of the Group; and
- 4 8 2 8 any amendment or renewal on revised terms of the service contracts of Peter Cullum or Andrew Homer which has the effect of reducing the duties owed by the relevant person to the Group (but for the avoidance of doubt, revisions to the level of salary under the service contract will not require the consent of the Majority Junior Preferred Ordinary Holders),
- 4 8 2 9 Provided that if a Major Redemption Event has occurred or a Redemption Position exists, the prior written consent of the Majority Junior Preferred Ordinary Holders shall not be required if the Preference Shares have not been redeemed in full and any of the foregoing is necessary or desirable to facilitate the redemption in full of the Preference Shares
- 4 8 3 Whilst any Junior Preferred Ordinary Shares remain in issue
- 4 8 3.1 the Company shall procure that the Junior Total Leverage Ratio as of each Quarter Date falling during each measurement period set forth below does not exceed the ratio set forth opposite such measurement period (for the avoidance of doubt, the applicable Relevant Periods for each measurement period are set forth below under the column "Relevant Periods Ending on the following Quarter Dates"),

Measurement Period	Junior Total Leverage Ratio prior to Contribution Event	Junior Total Leverage Ratio following Contribution Event	Relevant Periods Ending on the following Quarter Dates:
1 January 2009 to 31 March 2009	7 40 1 00	6 40 1.00	31 March 2009
1 April 2009 to 30 June 2009	7 70 1 00	6 70 1 00	30 June 2009

Measurement Period	Junior Total Leverage Ratio prior to Contribution Event	Junior Total Leverage Ratio following Contribution Event	Relevant Periods Ending on the following Quarter Dates:
1 July 2009 to 30 September 2009	7 80 1 00	6 70 1 00	30 September 2009
1 October 2009 to 31 December 2009	8 20 1 00	7 00.1 00	31 December 2009
1 January 2010 to 31 March 2010	8 20 1 00	7 00 1 00	31 March 2010
1 April 2010 to 30 June 2010	8 20 1 00	7 00 1.00	30 June 2010
1 July 2010 to 30 September 2010	8 10 1 00	6 90 1.00	30 September 2010
1 October 2010 to 31 December 2010	8 40 1 00	7 10 1.00	31 December 2010
1 January 2011 to 31 March 2011	8.40 1 00	7 20 1.00	31 March 2011
1 April 2011 to 30 June 2011	8 60 1 00	7 20 1 00	30 June 2011
1 July 2011 to 30 September 2011	8 40 1 00	7 10 1.00	30 September 2011
1 October 2011 to 31 December 2011	8 80 1.00	7.40 1.00	31 December 2011
1 January 2012 and thereafter	8 80 1 00	7 40 1.00	31 March 2012 and each Quarter Date thereafter

4 8 3 2 the Company shall procure that the Junior Adjusted Total Leverage Ratio as of each Quarter Date falling during each measurement period set forth below does not exceed the ratio set forth opposite such measurement period (for the avoidance of doubt, the applicable

Relevant Periods for each measurement period are set forth below under the column "Relevant Periods Ending on the following Quarter Dates"), and

Measurement Period	Junior Adjusted Total Leverage Ratio prior to Contribution Event	Junior Adjusted Total Leverage Ratio following Contribution Event	Relevant Periods Ending on the following Quarter Dates:
1 January 2009 to 31 March 2009	8 70 1 00	7 30 1 00	31 March 2009
1 April 2009 to 30 June 2009	9 30 1 00	7 80 1 00	30 June 2009
1 July 2009 to 30 September 2009	9 50 1 00	8 00 1 00	30 September 2009
1 October 2009 to 31 December 2009	10 00 1 00	8 40 1 00	31 December 2009
1 January 2010 to 31 March 2010	10 00 1 00	8 30 1 00	31 March 2010
1 April 2010 to 30 June 2010	10 10 1 00	8 30 1 00	30 June 2010
1 July 2010 to 30 September 2010	9 90 1 00	8 10 1 00	30 September 2010
1 October 2010 to 31 December 2010	10 20 1 00	8 40 1 00	31 December 2010
1 January 2011 to 31 March 2011	10 20 1 00	8 50 1 00	31 March 2011
1 April 2011 to 30 June 2011	10 40 1 00	8 60 1 00	30 June 2011
1 July 2011 to 30 September 2011	10 20 1 00	8 40 1 00	30 September 2011
1 October 2011 to 31 December 2011	10 60 1 00	8 70 1 00	31 December 2011

Measurement Period	Junior Adjusted Total Leverage Ratio prior to Contribution Event	Junior Adjusted Total Leverage Ratio following Contribution Event	Relevant Periods Ending on the following Quarter Dates:
1 January 2012 and thereafter	10.60:1.00	8.70:1.00	31 March 2012 and each Quarter Date thereafter

4.8.3.3 the Company shall not, and shall procure that no member of the Group shall, incur any Financial Indebtedness unless (and solely to the extent that) such Incurrence would not cause the Junior Incurrence Ratio applicable in respect of that Incurrence Date to exceed the Maximum Junior Incurrence Ratio applicable to that Incurrence Date (for the avoidance of doubt, the Maximum Junior Incurrence Ratio applicable to an Incurrence Date shall be the ratio set forth below under the column "Maximum Junior Incurrence Ratio" opposite the measurement period within which the relevant Incurrence Date falls)

If the Incurrence Date falls between:	Maximum Junior Incurrence Ratio prior to Contribution Event	Maximum Junior Incurrence Ratio following Contribution Event
1 January 2009 to 30 June 2010	7.00:1.00	6.00:1.00
1 July 2010 to 31 December 2010	7.00:1.00	5.75:1.00
1 January 2011 and thereafter	7.00:1.00	5.50:1.00

(For the purpose of this Article 4.8.3.3 "incur" shall include the acquisition by any member of the Group of a corporate entity which owes Financial Indebtedness immediately after such acquisition.)

Provided that if a Major Redemption Event has occurred or a Redemption Position exists, the prior written consent of the Majority Junior Preferred Ordinary Holders shall not be required for any of the foregoing if the Preference Shares have not been redeemed in full and any of the foregoing is necessary or desirable to facilitate the redemption in full of the Preference Shares

4 9 As to other matters

4 9 1 Each of the following shall, without limitation, be deemed to be a variation of the rights attached to the Junior Preferred Ordinary Shares

4 9 1 1 the allotment by the Company of any share capital or the grant by the Company of any rights to subscribe for or to convert securities into share capital where such share capital would rank equally or in priority to the Junior Preferred Ordinary Shares as regards entitlement to receive dividends or a return of principal, unless (i) all of the net proceeds of such allotment or grant will be applied to redeem the Preference Shares and repay Financial Indebtedness, and (ii) such allotment or grant will not result in an immediate breach of any other provision of this Article 4, or

4 9 1 2 the allotment by any of the subsidiaries of the Company of any share capital or the grant by any of such subsidiary of any rights to subscribe for or to convert securities into share capital other than to another member of the Group, unless (i) all of the net proceeds of such allotment or grant will be applied to redeem the Preference Shares and repay Financial Indebtedness; and (ii) such allotment of grant will not result in an immediate breach of any other provision of this Article 4, or

4 9 1 3 the making of any distribution by the Company other than out of profits available for distribution (as defined for the purposes of Part 23 of the 2006 Act) (other than on a redemption of Preference Shares or a Repurchase of Junior Preferred Ordinary Shares in accordance with these Articles or a capital reduction to facilitate any such redemption or Repurchase); or

- 4 9 1 4 the application (by way of capitalisation of any profits or reserves of the Company or any of its subsidiaries) of any sum in or towards paying up any debenture or debenture stock (whether secured or unsecured), or
- 4 9.1 5 any amendment or alteration to the memorandum or articles of association of the Company which may, directly or indirectly, affect the rights attaching to the Junior Preferred Ordinary Shares, or
- 4 9.1 6 the provision by the Company of financial assistance under section 155 of the Act, or
- 4 9 1 7 the passing of a resolution for the voluntary winding up of the Company or any of its subsidiaries (other than a solvent winding-up of a dormant subsidiary), or
- 4 9 1 8 the taking of any step by the Company to commence a scheme of arrangement pursuant to Part 26 of the 2006 Act where such scheme may, directly or indirectly, adversely affect the rights attaching to the Junior Preferred Ordinary Shares
- 4 9 2 For the avoidance of doubt, the Junior Preferred Ordinary Shares will rank as regards participation in the profits and assets of the Company (in each case limited to the extent of any amounts of accrued but unpaid Junior Preferential Dividend or the Repurchase Price from time to time but not otherwise) subordinate to the Preference Shares but otherwise equally amongst themselves and in priority to any other class of shares in the capital of the Company and, except for any amounts due and payable to the holders of the Preference Shares or a dividend paid out of a Permitted Sweep Amount where permitted under Article 3 8 1 6 and Article 4 8 1 6, no dividend may be paid or any other amount distributed in respect of any other class of shares in the capital of the company and no such shares may be redeemed or purchased by the Company where any amount of Junior Preferential Dividend is outstanding or any Junior Preferred Ordinary Shares remain in issue Without limitation to the foregoing, other than pursuant to a Cash Sweep Repurchase where permitted under Article 4 3 3, no dividend may be paid or any other amount distributed in respect of any Junior Preferred Ordinary

Share and no Junior Preferred Ordinary Share may be purchased by the Company where any Preference Shares remain in issue

- 4 9 3 The Company shall at the same time send to the holders of the Junior Preferred Ordinary Shares a copy of every document sent (A) to the holders of Equity Shares in their capacity as holders of Equity Shares but not otherwise and (B) to any providers of debt or finance to the Group (from time to time) (including all information as referred to in clause 20 of the New Facility Agreement and all Compliance Certificates and Notices of Default (each as defined therein) but excluding information provided pursuant to clause 23 2 of the New Facility Agreement (except as may be provided under Article 4 9 5 below) and (to the extent permissible) shall as soon as reasonably practical send to the holders of the Junior Preferred Ordinary Shares any Arrow Report or correspondence arising from any Arrow visit, any application or correspondence in relation to an application for consent to a change of control of any member of the Group or in relation to any acquisition by the Group of an entity regulated by the FSA or another regulator having jurisdiction over the affairs of that entity requiring such consent and any document received from or sent to the FSA or any other regulator having jurisdiction over the affairs of any member of the Group requiring the consideration by and/or approval of, or otherwise notified to, the Board
- 4 9 4 The Company shall further provide, or procure the provision, to the Junior Preferred Ordinary Shareholders of such additional information relating to the business or affairs of the Group or to its financial position and prospects as may from time to time be reasonably required by the Majority Junior Preferred Ordinary Holders, such information to be provided as soon as reasonably practicable following any request. The Company shall procure that representatives of the Majority Junior Preferred Ordinary Holders shall have the opportunity to attend up to six meetings in a year with members of the senior management of the Group and that Peter Cullum shall attend at least two of those meetings in any period of 12 months at which the trading performance, financial position and prospects for the Group will be discussed For such purpose, each attendance at any meeting of the Board

pursuant to Article 4.9.5 shall count as one of the six meetings referred to above

- 4.9.5 The Majority Junior Preferred Ordinary Holders may nominate one representative who shall be entitled to receive notice of and attend but not vote at meetings of the Board or any committee of the Board and the Company shall at the same time send to such nominee a copy of any briefing papers or other documents sent to members of the Board or to members of any committees of the Board in respect of any matters to be discussed at a forthcoming meeting of the Board or of any committee of the Board provided that if representatives may be appointed by the Majority Preference Holders pursuant to the provisions of Article 3.9.5 the rights under this Article 4.9.5 may not be exercised until all the Preference Shares are redeemed at the Redemption Price. The Company shall provide, or procure the provision, to the Majority Junior Preferred Ordinary Holders of such additional information as the Majority Junior Preferred Ordinary Holders may reasonably request regarding any proposed or completed acquisition (whether by purchase, subscription or otherwise) whether directly or indirectly or in a single transaction or series of transactions, of any share capital or loan capital of any corporate entity or of any assets from the same vendor or any other member of that vendor's Corporate Group or from any one of a group of vendors owning a collection of related assets where, in each case, the value of the share or loan capital or assets which are the subject of the acquisition or disposal is equal to or greater than £20,000,000 (and for this purpose "value" shall include cash paid or received or reasonably expected to be paid or received, the fair market value of all other property paid or received or reasonably expected to be paid or received in connection with the transaction and the total indebtedness (including without limitation unfunded pension liabilities, guarantees and borrowed money) repaid, extinguished or assumed) referred to in any such briefing papers or documents. If such a request is made, the Company shall provide the Majority Junior Preferred Ordinary Holders with at least the same level of information provided under clause 23.2 of the New Facility in respect of the relevant transaction.
- 4.9.6 If the Majority Junior Preferred Ordinary Holders have reasonable grounds to believe that any financial statements or calculations in each case relating to

the determination of the Total Leverage Ratio (including, but not limited to, any adjustments to the calculation of EBITDA made in respect of any exceptional items, extraordinary items or any Exceptional (Para 20) Items) provided by the Company are inaccurate, the Majority Junior Preferred Ordinary Shareholders may (having provided the Company with written notification setting out in reasonable detail the grounds on which the Majority Junior Preferred Ordinary Holders believe that the relevant statements or calculations are inaccurate and following consultation with the Company as to the scope and cost of the investigation) instruct (or require the Company to instruct) the auditors or other firm of accountants selected by the Majority Junior Preferred Ordinary Shareholders to carry out an investigation into the affairs of the Group and/or the financial performance of the Group and/or the accounting and other reporting procedures and standards of the Group to the extent that the Majority Junior Preferred Ordinary Holders consider relevant to establishing the accuracy of such financial statements or calculations relating to the determination of the Junior Total Leverage Ratio

- 4 9 7 If the investigations undertaken pursuant to Article 4 9 6 above determine that the relevant financial statements or calculations were accurate and complete in all material respects any costs and expenses incurred in connection with such investigations shall be met by the Junior Preferred Ordinary Shareholders and shall be discharged by the Junior Preferred Ordinary Shareholders promptly following any such determination
- 4 9 8 If any amount would otherwise be payable under this Article 4 on a day which is not a Business Day it shall be payable on the next following Business Day
- 4 9 9 The provisions of Article 13 of these Articles (*Compulsory Transfers and Transfers on Death or Bankruptcy A Ordinary Shares*) shall apply mutatis mutandis in relation to the A Junior Preferred Ordinary Shares and the B Junior Preferred Ordinary Shares save that all references in such Article 13 to "A Ordinary Shares" shall herein be deemed to refer to "A Junior Preferred Ordinary Shares" and the "B Junior Preferred Ordinary Shares".
- 4 9 10 The provisions of Article 14 of these Articles (*Compulsory Transfers and Transfers on Death or Bankruptcy B Ordinary Shares*) shall apply mutatis

mutandis in relation to the C Junior Preferred Ordinary Shares save that all references within Article 14 to "B Ordinary Shares" shall herein be deemed to refer to C Junior Preferred Ordinary Shares

4 10 **Definitions**

For the purposes of this Article 4 save as defined below defined terms in the New Facility Agreement have the same meaning herein

"Acquisition" means any acquisition by a Group Company of any Target Shares or Target Assets in accordance with an Acquisition Agreement,

"Acquisition Agreement" means any sale and purchase agreement or asset purchase agreement relating to an Acquisition,

"Acts" means the Act to the extent amended and/or replaced pursuant to the 2006 Act or otherwise,

"Advance Commission" means monies advanced by insurers to members of the Group from time to time in anticipation of future commission to be earned by the Group,

"Board" shall mean the board of directors of the Company from time to time,

"Budget" shall mean the projected consolidated balance sheet, profit and loss account and cash flow statement in relation to the Group, together with the statement of projected capital expenditure in relation to the Group, in respect of (i) a financial year of the Group or (ii) if required to test the Junior Incurrence Ratio, the Relevant Period commencing on the Quarter Date immediately prior to the relevant Incurrence Date,

"Capital Expenditure" has the meaning given to it by GAAP but shall exclude those fixed asset additions qualifying as Finance Lease Expenditure,

"Cash Sweep Repurchase" shall have the meaning given in Article 4 3 3,

"Client Money Accounts" means any account of any Group Company which is held on behalf of clients by any member of the Group in accordance with FSMA and any rules and regulations of the FSA from time-to-time,

"Continuing Repurchase Position" shall have the meaning given in Article 4.3.8.4;

"Contribution Event" means the completion of the acquisition by the Company of more than 50 per cent of the A Ordinary Shares in Paymentsshield Group Holdings Limited,

"Corporate Group" shall mean, in respect of a person, any person who controls, is controlled by or is under common control with such person (where control means the ability to direct the management or policies of a person) and, for the avoidance of doubt, shall mean in relation to a company, that company, all of its wholly-owned subsidiaries, all holding companies of which it is a wholly-owned subsidiary and other wholly owned subsidiaries of each of those holding companies,

"Cumulative Junior Preferred Ordinary Share Amount" means, as of any date, the Junior Accreted Value of the Junior Preferred Ordinary Shares that are issued and outstanding on such date,

"Cumulative Preference Share Amount" means, as of any date, the Accreted Value of the Preference Shares that are issued and outstanding on such date,

"Debt Facilities" shall mean the New Facility Agreement and the Mezzanine Facility and any replacement senior or mezzanine debt facilities or other Financial Indebtedness instrument to which any member of the Group is a party from time to time,

"Deferred Consideration" means any part of the consideration payable in connection with an Acquisition after the completion of such Acquisition pursuant to an Acquisition Agreement,

"Director's Loan" means any loan from a member of Management to a Group Company to be made pursuant to a Director's Loan Agreement,

"Director's Loan Agreement" means a loan agreement entered into between an Executive Director as lender and the Company as borrower,

"Discretionary Incentive Bonus" means any bonus payment made to employees of the Company, as permitted by the New Facility Agreement (which, for the avoidance of doubt, is not an Executive Bonus),

"EBITDA" means, in relation to any period, the consolidated operating profit of the Group for that period (which, for the avoidance of doubt, is calculated before Taxes and Total Debt Costs but includes any interest received in respect of cash balances during that period) but adjusted to the extent necessary

- (i) to exclude any share of the profit or loss of any associated company, associated undertaking or joint venture which is attributable to the interests not held by such Group Company (except that no exclusion will be required in respect of the profit or loss attributable to any interest not held by a Group Company (i) if such entity and any of its Subsidiaries that are required to accede to the New Facility Agreement as Additional Obligors pursuant to clause 26.3.2 of the New Facility Agreement have satisfied such requirements; or (ii) if such entity or any of its Subsidiaries are not required to accede to the New Facility Agreement as Additional Obligors pursuant to clause 26.3.2 of the New Facility Agreement, save in each case to the extent that any return is paid in cash with respect to such interest), and any income from any other fixed asset investments,
- (ii) to exclude any share of the profit of Paymentsshield Group Holdings Limited arising from non-cash income in relation to the amortisation of embedded value advance commission payments;
- (iii) to exclude any amount written off the value attributed to goodwill arising on an Acquisition,
- (iv) to exclude any extraordinary items and any Exceptional (Para 20) Items (which includes, for the avoidance of doubt, any Transaction Costs charged during that period) provided that all such items are of a similar nature to extraordinary or exceptional items which have historically been characterised as extraordinary or exceptional items in the Company's audited accounts,
- (v) to exclude any amounts written off the value of investments,
- (vi) to exclude realised and unrealised exchange gains and losses which do not relate to ordinary trading activities,
- (vii) to exclude for the avoidance of doubt, any amounts payable as Executive Bonuses,

(viii) to exclude any Discretionary Incentive Bonuses paid during that period as permitted by the terms of the New Facility Agreement; and

(ix) to add back any amounts charged in that period in respect of the depreciation or amortisation of tangible and intangible fixed assets,

"Event Repurchase" shall have the meaning given in Article 4.3.5,

"Exceptional (Para 20) Items" means the exceptional items listed in paragraph 20 of FRS3,

"Executive Bonus" means any bonus payment made to Management (which, for the avoidance of doubt, does not include a Discretionary Incentive Bonus),

"Finance Lease" means any lease, hire agreement, credit sale agreement, hire purchase agreement, conditional sale agreement or instalment sale and purchase agreement which should be treated in accordance with SSAP 21 (or any successor to SSAP 21) as a finance lease or in the same way as a finance lease,

"Financial Indebtedness" means any indebtedness for or in respect of

- (i) monies borrowed,
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent,
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument,
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease including any Finance Lease,
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non recourse basis);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing,

- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account),
- (viii) the supply of any goods or services which is more than 120 days past the original due date for payment,
- (ix) any counter-indemnity obligation in respect of the guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution,
- (x) any amount outstanding in respect of any Advance Commission or any Deferred Consideration, and
- (xi) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (x) above,

and provided that, if the Company takes any action which would breach the terms of clauses 23 10, 23 19 or 23 20 of the New Facility Agreement (disregarding any relevant waiver or consent), to the extent of that breach the following shall also be included

- (a) the aggregate amount paid for receivables sold or discounted on without recourse terms for so long as the amount paid for such receivables has not been collected in full and the relevant limitations period has not expired,
- (b) in relation to any off balance sheet transaction any amount equal to the aggregate financing obtained for the Group as a result of such off balance sheet financing, and
- (c) any sums due under any hire agreement, credit sale agreement, hire purchase agreement, conditional sale agreement or instalment sale and purchase agreement which is not a Finance Lease to the extent that it is not already included in this definition,

"FRS" together with a number means the financial reporting standard issued by the Accounting Standards Board for application in England and Wales and identified by reference to that number,

"FSA" means the Financial Services Authority,

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

"GAAP" means, in relation to a company, the accounting bases, policies, practices and procedures generally accepted and adopted in the jurisdiction of its incorporation,

"Group" means the Company, each Target and each of their respective Subsidiaries for the time being and "Group Company" means any one of them,

"Incur" (and terms such as Incurrence shall be construed accordingly) means, directly or indirectly, to borrow, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to any Financial Indebtedness (and the date of such Incurrence shall be the "Incurrence Date"),

"Initial Amount" shall have the meaning given in Article 4 1 1 1,

"Initial Junior Holders" shall mean the original allottees of the Junior Preferred Ordinary Shares on issue and in substitution therefor the persons to whom they first transfer the Junior Preferred Ordinary Shares so allotted,

"Junior Accreted Value" shall have the meaning given in Article 4 1 1,

"Junior Accrued Amount" shall have the meaning given in Article 4 1 3,

"Junior Adjusted Total Leverage Ratio" means, as of any Quarter Date, the ratio of (x) Junior Total Net Debt *plus* the Cumulative Preference Share Amount *plus*, to the extent that Preference Shares have been redeemed using the proceeds of either (A) any allotment of any share capital of the Company or any rights to subscribe for or convert securities into share capital of the Company where such share capital would rank equally or in priority to the Junior Preferred Ordinary Shares as regards entitlement to receive dividends or a return of principal in accordance with Article 4 9 1 1 or (B) any allotment of any share capital or any rights to subscribe for or convert securities into share capital in each case by any subsidiary of the Company and in each case other than to another member of the Group in accordance with Article 4 9 1 2, the capital paid up on and all amounts accrued due in respect of such capital that is issued and outstanding and the Cumulative Junior Preferred Ordinary

Share Amount as at such Quarter Date to (y) EBITDA for, *minus* all Capital Expenditure incurred by, the Group during the Relevant Period, provided that

- (i) if any person, business or undertaking has been acquired by a member of the Group during that Relevant Period and not subsequently sold, transferred or otherwise disposed of during such period (an **Acquired Entity or Business**), EBITDA for that Relevant Period will be calculated as if such acquisition took place on the first day of such Relevant Period such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, *mutatis mutandis*) of the Acquired Entity or Business for the entire Relevant Period are taken into account, and
- (ii) if any person, business or undertaking has been disposed of by a member of the Group during a Relevant Period and has not subsequently been re-acquired during such period (a **Sold Entity or Business**) EBITDA for that Relevant Period will be calculated as if such disposal took place on the first day of such Relevant Period (such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, *mutatis mutandis*) of the Sold Entity or Business for the entire Relevant Period are not taken into account),

"Junior Covenant Cure" shall have the meaning given in Article 4 3 14,

"Junior Curable Event" shall mean an Other Repurchase Event arising as a result of

- (a) a breach of either Article 4 3 8 1 or Article 4 3 8 2, or
- (b) a breach of Article 4 8 2 where the breach occurred solely as a result of
 - (i) a binding requirement imposed on a member of the Group by a governmental or regulatory body having jurisdiction over the affairs of that member of the Group, or
 - (ii) an act or omission by an employee of the Group, other than a member of Management or the Board, in breach of the delegated authority procedures or corporate policies of the Group in place at the relevant time (as evidenced by the Group's written records), provided that any act or omission by any member of the Group or its

employees or agents in furtherance of any specific instruction given by a member of Management or a member of the Board shall not constitute a breach capable of being a Junior Curable Event,

in the case of both (a) and (b) above, where the Company was not able within the period of three months from the date of the Other Repurchase Event to rectify the matter which has caused the Other Repurchase Event due to any cause or causes beyond the reasonable control of the Company despite the Company having used all its reasonable endeavours to rectify such matter,

"Junior Deliberate Corporate Action" shall mean any of those events described in Article 4.3.6,

"Junior Forward Looking EBITDA" means, in relation to the testing of the Junior Incurrence Ratio, the EBITDA projected to be earned by the Group (as shown in the Budget adopted at the relevant time) during the Relevant Period commencing on the Quarter Date immediately prior to the relevant Incurrence Date provided that, to the extent such projection includes the prospective cost savings or increases in revenues attributable to any person, business or undertaking acquired by a member of the Group during the Relevant Period ended on the relevant Quarter Date (and not subsequently sold, transferred or otherwise disposed of on or prior to the relevant Incurrence Date) the relevant prospective cost savings or increases in revenues may only be taken into account to the extent that they are quantifiable and reasonably achievable during the Relevant Period commencing on the relevant Quarter Date,

"Junior Governing Director" shall have the meaning given in Article 4.6.2,

"Junior Incurrence Ratio" means as of the Quarter Date immediately prior to the relevant Incurrence Date, the ratio (calculated by preparing a calculation of the following items in respect of the Relevant Period commencing on the Quarter Date immediately prior to the relevant Incurrence Date adjusted to give pro forma effect to such Incurrence as if the Incurrence Date had occurred on the first day of the Relevant Period) of (X) Junior Total Net Debt plus the Cumulative Preference Share Amount plus the Cumulative Junior Preferred Ordinary Share Amount plus (without prejudice to the limitations on creation of the same) the capital paid up on and all amounts accrued due in respect of any other preferred shares that are issued and outstanding as at such Quarter Date to (Y) Junior Forward Looking EBITDA for the Relevant Period commencing on such Quarter Date,

"Junior Material Warranty Breach" means a Default arising under clause 24.4 of the New Facility Agreement disregarding any waiver of such Default or any event or circumstance which would constitute an Event of Default if the representations and warranties set out in clause 19 of the New Facility Agreement had been made by the Obligors on 31 March 2008 by reference to the facts and circumstances then existing and in the case of references to the Original Financial Statements, to the audited financial statements of the Company and each obligor for its financial year ended 2006 (a **Deemed Default**) save that, if the underlying misrepresentation or misstatement giving rise to such Default or Deemed Default is capable of remedy, a Material Warranty Breach will not occur unless it is unremedied after three months,

"Junior Preferred Ordinary Director" shall have the meaning given in Article 4.6.1;

"Junior Preferred Ordinary Rate" shall have the meaning given in Article 4.1.1,

"Junior Preferred Ordinary Rate Adjustment Date" shall have the meaning given in Article 4.1.4,

"Junior Preferred Ordinary Shareholders" shall mean any persons that hold any of the Junior Preferred Ordinary Shares in issue at the relevant time,

"Junior Preferential Dividend" shall have the meaning given in Article 4.1.1,

"Junior Preferential Dividend Payment Date" shall have the meaning given in Article 4.1.2,

"Junior Preferential Dividend Period" shall have the meaning given in Article 4.1.2,

"Junior Rectification Notice" shall have the meaning given in Article 4.3.14.1(b),

"Junior Total Leverage Ratio" means, as of any Quarter Date, the ratio of (X) Junior Total Net Debt plus the Cumulative Preference Share Amount plus the Cumulative Junior Preferred Ordinary Share Amount plus (without prejudice to the limitations on creation of the same) the capital paid up on and all amounts accrued due in respect of any other preferred shares that are issued and outstanding as at such Quarter Date to (Y) EBITDA for the Relevant Period ending on such Quarter Date provided that

- (i) if any person, business or undertaking has been acquired by a member of the Group during that Relevant Period and not subsequently sold, transferred or otherwise disposed of during such period (an **"Acquired Entity or Business"**), EBITDA for that Relevant Period will be calculated as if such acquisition took place on the first day of such Relevant Period such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, mutatis mutandis) of the Acquired Entity or Business for the entire Relevant Period are taken into account, and
- (ii) if any person, business or undertaking has been disposed of by a member of the Group during a Relevant Period and has not subsequently been re-acquired during such period (a **"Sold Entity or Business"**) EBITDA for that Relevant Period will be calculated as if such disposal took place on the first day of such Relevant Period (such that the actual earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA, mutatis mutandis) of the Sold Entity or Business for the entire Relevant Period are not taken into account),

"Junior Total Debt" means, at the relevant date, the aggregate of

- (a) that part of the Financial Indebtedness of Group Companies which relates to obligations for the payment or repayment of money in respect of principal incurred in respect of (i) monies borrowed or raised, (ii) any bond, note, loan stock, debenture or similar instrument, (iii) any acceptance credit, bill discounting, note purchase, factoring or documentary credit facility, (iv) any Advance Commission or Deferred Consideration, or (v) under any other transaction of any kind having the commercial effect of borrowing, and
- (b) the capital element of all rentals or other payments payable under any Finance Lease entered into by any Group Company,

minus

- (i) the amount of any Director's Loans outstanding at that date to the extent that such loans fall due after the maturity of the Junior Preferred Ordinary Shares, and

- (ii) provided Paymentsshield Group Holdings Limited ("**Paymentsshield**") is a Group Company at that date, the amounts outstanding at that date under the £34,087,000 Series A Loan Notes 2011 issued by Paymentsshield pursuant to a deed dated 8 November 2006 and the £9,674,000 Series C Loan Notes 2011 issued by Paymentsshield pursuant to a deed dated on or around 4 April 2008,

"Junior Total Net Debt" at any time means Junior Total Debt minus the amount of all credit balances with banks belonging to any Group Company at that time which can be freely set off against amounts outstanding under the Finance Documents, which for the avoidance of doubt excludes any monies held or retained in any Client Money Accounts,

"Major Repurchase Events" shall mean

- (i) any Junior Deliberate Corporate Action,
- (ii) a failure by the Company (for any reason, including a restriction under the Acts) to Repurchase any Junior Preferred Ordinary Share at the Repurchase Price when permitted to do so pursuant to the provisions of these Articles relating to a Term Repurchase in accordance with Article 4.3.1 or where the Board have determined to do so in relation to either a Cash Sweep Repurchase in accordance with Article 4.3.3 or a Refinancing Repurchase in accordance with Article 4.3.4, or
- (iii) Peter Cullum or Andy Homer ceasing to be directors of the Company or ceasing to act as members of the senior executive management of the Group without the consent of the Majority Junior Preferred Ordinary Holders,

"Majority Junior Preferred Ordinary Holders" shall mean the holders of more than 50 per cent of the Junior Preferred Ordinary Shares in issue at the relevant time,

"Management" means Peter Cullum, Amanda Blanc, Ian Patrick, Max Carruthers, Tony Proverbs, Andy Homer, Kenny Maciver, Tim Philip and Clive Nathan,

"Management Arrangements" shall have the meaning given in Article 4.8.2.3,

"Mezzanine Facility Agreement" means the secured mezzanine facility agreement, in the agreed form, dated on or about the date of the New Facility Agreement between, among others, the Company as borrower and certain of its subsidiaries as

guarantors and the lenders thereunder (in various capacities) as amended and restated on 26 November 2007,

"New Facility Agreement" means the facility agreement dated 1 November 2006 between, amongst others, the Company, the lenders (as defined therein) and The Governor & Company of the Bank of Scotland (as agent, security trustee and arranger) and Lloyds TSB Bank plc (as arranger) as amended and restated on 26 November 2007 (and so that where such agreement is cross-referred to in these Articles such cross references shall apply to such agreement as in effect on 1 November 2006 notwithstanding any relevant variation or Refinancing thereof or save that if the Majority Junior Preferred Ordinary Holders shall have approved the relevant variation or replacement provision as being suitable for cross-reference purposes, such varied or replaced provisions shall apply),

"Other Repurchase Events" shall mean those events described in Article 4 3 7,

"Permitted Sweep" means the application of Surplus Cash in accordance with clause 23 16 of the New Facility Agreement,

"Permitted Sweep Amount" means in respect of any financial year the maximum amount that the Company is permitted to apply under clause 23 17 of the New Facility Agreement,

"Permitted Sweep Items" means all dividends, distributions on or in respect of shares other than the Preference Shares or the Junior Preferred Ordinary Shares (including, but not limited to, any repayment of capital or of share premium account or capital redemption reserve, any acquisition by a company of its own share capital or any bonus issue of shares), Discretionary Incentive Bonuses, repayments or payments of interest on the Directors' Loans or advances of any loans to Management and any other lawful method or mechanic for payment or distributions to shareholders or employees of the Company from time to time,

"Preference Affiliate" shall mean, in relation to a person, a member of its Corporate Group and, in relation to a fund, a fund which is managed or advised by the same investment manager or adviser as that fund or a fund which is managed or advised by a Preference Affiliate of such investment manager or adviser,

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December;

"Refinancing" shall mean the repayment, repurchase, replacement, refinancing, renewal, extension, defeasance or any other discharge of any Financial Indebtedness,

"Refinancing Repurchase" shall have the meaning given in Article 4.3.4,

"Relevant Period" means a period of 12 months ending or commencing (as the context requires) on a Quarter Date,

"Repurchase" means a purchase of Junior Preferred Ordinary Shares at the Repurchase Price either by a third party or pursuant to the Repurchase Agreement by the Company and in accordance with the Acts,

"Repurchase Agreement" means the contingent purchase contract to be entered into by the Junior Preferred Ordinary Shareholders and the Company pursuant to the requirements of the Shareholders Agreement,

"Repurchase Date" shall have the meaning given in Article 4.3.10,

"Repurchase Notice" shall have the meaning given in Article 4.3.10,

"Repurchase Position" shall have the meaning given in Article 4.3.8.1,

"Repurchase Price" shall mean, in respect of each relevant Junior Preferred Ordinary Share, the aggregate of

- (a) the Initial Amount,
- (b) all Junior Accrued Amounts in respect of that Junior Preferred Ordinary Share and all arrears and accruals of the Junior Preferential Dividend on that Junior Preferred Ordinary Share calculated down to and including the relevant Repayment Date irrespective of whether or not that Junior Preferential Dividend has been declared or earned or become due and payable, and
- (c) the sum of £0.031142927 (representing 0.25 per cent of the aggregate of the Initial Amount and all Junior Accrued Amounts in respect of that Junior Preferred Ordinary Share and all arrears and accruals of the Junior Preferential Dividend on that Junior Preferred Ordinary Share calculated down to and including the date of adoption of these Articles irrespective of

whether or not that Junior Preferential Dividend has been declared or earned or become due and payable)

provided that, in the case where the Repurchase Price is to be paid in respect of Junior Preferred Ordinary Shares to be redeemed earlier than 30 September 2009, the Repurchase Price of the Junior Preferred Ordinary Shares shall be equal to the present value of the amount applicable under (a) and (b) above calculated as if such Repurchase had occurred on 30 September 2009 discounted back on a straight line basis to the date of actual payment of the Repurchase Price at an annual rate equal to one month LIBOR (as defined in the New Facility Agreement),

"Revised Junior Preferential Dividend Payment Date" shall mean the date falling three months after the most recent Junior Preferential Dividend Payment Date and each date falling three months after the previous Revised Junior Preferential Dividend Payment Date,

"Sale" shall have the meaning given in Article 4.3.6.1,

"Shareholders Agreement" means the agreement entered into by the Junior Preferred Ordinary Shareholders and the Shareholders on or about 2 April, 2008, as amended or restated from time to time,

"SSAP" together with a number means the statement of standard accounting practice issued by the Institute of Chartered Accountants for application in England and Wales and identified by reference to that number;

"Target" means a company, a partnership, a limited liability partnership or a sole trader each formed under the laws of England and Wales, Scotland or Northern Ireland and which in each case is identified in an Acquisition Agreement and which in each case engages in the core business of insurance broking, underwriting agency, insurance agency, risk assessment and risk management services and other insurance business,

"Target Assets" means any assets described in an Acquisition Agreement which is an asset purchase agreement,

"Taxes" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), and

"Term Repurchase" shall have the meaning given in Article 4 3 1

5. SUBORDINATED JUNIOR PREFERRED ORDINARY SHARE RIGHTS

The rights attached to the Subordinated Junior Preferred Ordinary Shares are as follows

5 1 As to income

5 1.1 Each Subordinated Junior Preferred Ordinary Share shall confer on the holder the right to receive, following the full discharge of all obligations owed to the holders of the Preference Shares and the Junior Preferred Ordinary Shares but in priority to the holders of any other class of shares in the capital of the Company, a preferential dividend (the "**Subordinated Junior Preferential Dividend**") at the rate of 2 per cent per annum higher than the prevailing Junior Preferred Rate from time to time provided that at and from any time when there are no Junior Preferred Ordinary Shares in issue such rate shall be 2 per cent per annum higher than the last prevailing Junior Preferred Rate applicable to the Junior Preferred Ordinary Shares when last in issue (the "**Subordinated Junior Preferred Ordinary Rate**") on the sum from time to time of

5 1 1 1 the capital for the time being paid up on that Subordinated Junior Preferred Ordinary Share (the "**SJPOS Initial Amount**"), and

5 1.1 2 the sum of all Subordinated Junior Accrued Amounts (as defined in article 5 1 3 below) in respect of that Subordinated Junior Preferred Ordinary Share,

(the SJPOS Initial Amount and all such Subordinated Junior Accrued Amounts together, being the "**Subordinated Junior Accreted Value**")

5 1 2 The Subordinated Junior Preferential Dividend shall accrue from day to day at the Subordinated Junior Preferred Ordinary Rate on the Subordinated Junior Accreted Value and, at the option of the Company, may be paid in cash on 31 March in each year (each a "**Subordinated Junior Preferential Dividend Payment Date**") in respect of the year ending on that date

5 1 3 If the Company elects not to pay the whole amount of a Subordinated Junior Preferential Dividend in cash on the due date for payment in respect of a

Subordinated Junior Preferred Ordinary Share, then the amount of such accrued and unpaid (in cash) Subordinated Junior Preferential Dividend (the "**Subordinated Junior Accrued Amount**") shall as from the relevant Subordinated Junior Preferential Dividend Payment Date be added to and thus increase the Subordinated Junior Accreted Value of the Subordinated Junior Preferred Ordinary Shares

Where the Subordinated Junior Preferential Dividend is by the election of the Company to be paid in cash, the Subordinated Junior Preferential Dividend shall be due and payable on the date specified for its payment and it shall on such date *ipso facto* and without any resolution of the Board or of the Company in general meeting (and notwithstanding anything contained in regulations 102 to 108 (inclusive) of Table A) become, a debt due from and immediately payable by the Company to the holders of the Subordinated Junior Preferred Ordinary Shares, subject only to (i) there being profits out of which the same may be lawfully paid, (ii) the prior redemption in full of the Preference Shares at the Redemption Price (iii) the prior Repurchase in full of the Junior Preferred Ordinary Shares (iv) compliance with the limitations on Permitted Sweep Items in the Debt Facilities and (v) Articles 3.9.2 and 4.9.2

5.2 As to capital

5.2.1 On a return of capital on a winding up or otherwise the assets of the Company available for distribution to its members after application and full discharge of the obligations listed under Articles 4.2.1.1, 4.2.1.2, 4.2.1.3 and 4.2.1.4, shall be applied.

5.2.1.1 firstly, in paying to each holder of a Subordinated Junior Preferred Ordinary Share a sum equal to any Subordinated Junior Accrued Amounts in respect of that Subordinated Junior Preferred Ordinary Share and any other arrears and accruals of the Subordinated Junior Preferred Dividend on that Subordinated Junior Preferred Ordinary Share calculated down to and including the date of the commencement of the winding up (in the case of a winding up) or the date of the return of capital (in any other case),

5.2.1.2 secondly, in paying the SJPOS Initial Amount in respect of each Subordinated Junior Preferred Ordinary Share to its holder; and

5 2 1 3 thirdly, in making payments (to the extent of any surplus assets remaining after the payments under Articles 5 2 1 1 and 5 2 1 2) rateably among the holders of the Equity Shares pursuant to Article 6 2 and so that the holders of the respective Preference Shares, the Junior Preferred Ordinary Shares and the Subordinated Junior Preferred Ordinary Shares shall have no right of participation in those assets whatsoever.

5 2 2 On a Sale or Listing the proceeds receivable by the Company and the Shareholders after application and full discharge of the obligations listed under Articles 4 2 2 1, 4 2 2 2 and 4 2 2.3 shall be applied

5 2.2 1 first, in paying to each holder of a Subordinated Junior Preferred Ordinary Share a sum equal to any Subordinated Junior Accrued Amounts in respect of that Subordinated Junior Preferred Ordinary Share and any other arrears and accruals of the Subordinated Junior Preferential Dividend on that Subordinated Junior Preferred Ordinary Share calculated down to and including the date of the completion of the Share Sale or Listing

5 2 2 2 secondly, in paying the SJPOS Initial Amount in respect of each Subordinated Junior Preferred Ordinary Share to its holder, and

5 2 2 3 thirdly, in making payments (to the extent of any surplus funds remaining after the payments under Articles 5 2 2 1 and 5 2 2 2) rateably among the holders of the Equity Shares and so that the holders of the respective Preference Shares, the Junior Preferred Ordinary Shares and the Subordinated Junior Preferred Ordinary Shares shall have no right of participation in those funds whatsoever

5 3 **As to redemption**

5 3 1 Subject to the Acts, the provisions of the Debt Facilities the prior redemption in full of the Preference Shares at the Redemption Price, and the prior Repurchase in full of the Junior Preferred Ordinary Shares at the Repurchase Price, the Company may on 31 March 2015 redeem each of the Subordinated Junior Preferred Ordinary Shares in issue (if any) on that date at the Subordinated Redemption Price (a "**SJPOS Term Redemption**")

- 5 3 2 Subject to the Acts, the provisions of the Debt Facilities, the prior redemption in full of the Preference Shares at the Redemption Price and the Repurchase in full of the Junior Preferred Ordinary Shares, the Company may redeem any Subordinated Junior Preferred Ordinary Share for the time being in issue at the SJPOS Redemption Price
- 5 3.3 Except in the case of a SJPOS Term Redemption under Article 5 3 1 above, the Company shall give at least 28 days' notice in writing (a "**SJPOS Redemption Notice**") to the holders of Subordinated Junior Preferred Ordinary Shares to be redeemed under this Article 5 A SJPOS Redemption Notice shall specify the particular Subordinated Junior Preferred Ordinary Shares to be redeemed, the date when the redemption is to be effective (the "**SJPOS Redemption Date**"), the SJPOS Redemption Price and the place at which the certificates for those Subordinated Junior Preferred Ordinary Shares are to be presented for redemption
- 5 3 4 If only some of the Subordinated Junior Preferred Ordinary Shares are to be redeemed, the particular Subordinated Junior Preferred Ordinary Shares to be redeemed shall be a proportionate part, as nearly as practicable, of each separate holding of Subordinated Junior Preferred Ordinary Shares
- 5 3 5 Subject to the holder of a Subordinated Junior Preferred Ordinary Share to be redeemed delivering to the Company on or before the SJPOS Redemption Date the certificate for that share, the Company shall redeem that share and pay to the holder (or, in the case of joint holders, the holder whose name first appears in the register of members in respect of that Subordinated Junior Preferred Ordinary Share) on the SJPOS Redemption Date the SJPOS Redemption Price
- 5 3 6 As from the relevant SJPOS Redemption Date the Subordinated Junior Preferred Dividend shall cease to accrue on the Subordinated Junior Preferred Ordinary Share to be redeemed under this Article, unless on presentation of the certificate for that share, payment of the moneys due at the redemption is refused, in which case the Subordinated Junior Preferred Dividend on that share shall be deemed to have accrued and shall continue to accrue from and excluding the SJPOS Redemption Date to and including the date of actual payment

5 4 As to further participation

A Subordinated Junior Preferred Ordinary Share shall not entitle the holder to participate in the profits or assets of the Company except as expressly stated in this Article

5 5 As to voting

5 5 1 A Subordinated Junior Preferred Ordinary Share shall entitle the holder to receive notice of and attend and speak at all general meetings of the Company but shall not entitle the holder to vote at any such meeting unless the business of the meeting includes either the consideration of any resolution directly or indirectly modifying or varying any of the rights, privileges or restrictions attached to the Subordinated Junior Preferred Ordinary Shares or, if the Preference Shares shall have been redeemed in full and the Junior Preferred Ordinary Shares shall have been Repurchased in full, a resolution proposing the winding up of the Company

5 5 2 If a holder is entitled to attend and vote as a result of Article 5 5 1 above, he shall be entitled to cast one vote in respect of each Subordinated Junior Preferred Ordinary Share of which he is the holder in respect of any resolution referred to in Article 5 5 1 above only.

5 5 3 Whenever the holders of the Subordinated Junior Preferred Ordinary Shares are entitled to vote, on a show of hands each holder of Subordinated Junior Preferred Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member entitled to vote, shall have one vote and on a poll each holder of Subordinated Junior Preferred Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, not being himself a member entitled to vote, shall have one vote for every Subordinated Junior Preferred Ordinary Share of which he is the holder

5 5 4 Regulation 56 shall be modified by the deletion of the words "instruments of proxy, not less than 48 hours before the time appointed for holding" and substituting instead the words "forms of proxy, within the time limits

prescribed by these articles for deposit of forms of proxy for use at" and by including the words "or poll" after the words "adjourned meeting"

5 5 5 Subject to article 5 5 6, a form appointing a proxy shall be in writing in any form which is usual or in such other form which the directors may approve, and shall be executed by or on behalf of the appointor

5 5 6 Subject to the Acts, the directors may resolve to allow a proxy to be appointed by electronic means subject to such limitations, restrictions or conditions as the directors think fit (including, without limitation, the ability to require such evidence as they consider appropriate to decide whether the appointment of a proxy in such manner is effective)

5 5 7 In order for the appointment of a proxy to be valid

(a) in the case of an appointment of a proxy by hard copy, the form of proxy, together with the relevant documents, if any, must be

(i) delivered or sent by post to the office (or such other place within the United Kingdom as may be specified in the notice convening the meeting and/or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting) by the relevant time, or

(ii) duly delivered in accordance with article 5 5 9, and

(b) in the case of an appointment of proxy by electronic means, the communication appointing the proxy by electronic means together with the relevant evidence must be received at the address by the relevant time

5 5 8 For the purposes of article 5 5 7

(a) for the purpose of appointing a proxy by electronic means, "address" means the number or address which has been specified by the Company for the purpose of receiving communications appointing proxies by electronic means,

(b) **"relevant documents"** means either (i) the power of attorney or other authority relied on to sign the form of proxy, or (ii) a copy of such document certified as a true copy of the original by a notary or solicitor or certified in some other way approved by the directors;

(c) **"relevant evidence"** means any evidence required by the directors in accordance with the provisions of article 5 5 6, and

(d) **"relevant time"** means

(i) 48 hours before the time appointed for the commencement of the meeting or adjourned meeting to which the proxy appointment relates, and

in the case of a poll taken more than 48 hours after it is demanded, 24 hours before the time appointed for the taking of the poll

In calculating the relevant time or any other period of time referred to in this article 5 5 8(d), any part of a day that is not a working day shall be excluded

5 5 9 If a meeting is adjourned for less than 48 hours, or if a poll is not taken immediately but is taken not more than 48 hours after it was demanded, a form of proxy may also be delivered in hard copy form at the adjourned meeting or at the meeting at which the poll was demanded to any director or the secretary In calculating the periods referred to in this article 5 5 9, any part of a day that is not a working day shall be excluded

5 5 10 A vote given or poll demanded by proxy or by a duly authorised representative of a corporation shall be valid even though the authority of the person voting or demanding a poll has previously terminated, unless notice of the termination was received by the Company

(a) in the case of a duly authorised representative of a corporation, at the office, or

- (b) where the proxy was appointed by a form of proxy in hard copy form, at the office or such other place as is specified for depositing such form of proxy, or
- (c) where the proxy was appointed by electronic means, at the address as defined in article 5.5.8(a); or
- (d) in each case either (i) before the time appointed for the commencement of the meeting or adjourned meeting at which such vote is given or (ii) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, before the time appointed for the taking of the poll at which the vote is cast

5.6 As to transfers

A holder of Subordinated Junior Preferred Ordinary Shares may transfer all or any part of its ownership of Subordinated Junior Preferred Ordinary Shares to any person to whom he may transfer an Equity Share

5.7 As to other matters

5.7.1 Each of the following shall, without limitation, be deemed to be a variation of the rights attached to the Subordinated Junior Preferred Ordinary Shares

5.7.1.1 the allotment by the Company of any share capital or the grant by the Company of any rights to subscribe for or to convert securities into share capital where such share capital would rank equally or in priority to the Subordinated Junior Preferred Ordinary Shares as regards entitlement to receive dividends or a return of principal, unless (i) all of the net proceeds of such allotment or grant will be applied to redeem the Preference Shares, repurchase the Junior Preferred Ordinary Shares, and repay Financial Indebtedness, and (ii) such allotment or grant will not result in an immediate breach of any other provision of this Article, or

5.7.1.2 the allotment by any of the subsidiaries of the Company of any share capital or the grant by any of such subsidiary of any rights to subscribe for or to convert securities into share capital other than to

another member of the Group, unless (i) all of the net proceeds of such allotment or grant will be applied to redeem the Preference Shares, Repurchase the Junior Preferred Ordinary Shares, and repay Financial Indebtedness, and (ii) such allotment of grant will not result in an immediate breach of any other provision of this Article, or

5 7 1 3 the making of any distribution by the Company other than out of profits available for distribution (as defined for the purposes of Part 23 of the 2006 Act) (other than on a redemption of Preference Shares or a Repurchase of Junior Preferred Ordinary Shares or a redemption of the Subordinated Junior Preferred Ordinary Shares each in accordance with these Articles or a capital reduction to facilitate any such redemption or Repurchase), or

5 7 1 4 the application (by way of capitalisation of any profits or reserves of the Company or any of its subsidiaries) of any sum in or towards paying up any debenture or debenture stock (whether secured or unsecured), or

5.7 1 5 any amendment or alteration to the memorandum or articles of association of the Company which may, directly or indirectly, affect the rights attaching to the Subordinated Junior Preferred Ordinary Shares, or

5 7 1 6 the passing of a resolution for the voluntary winding up of the Company or any of its subsidiaries (other than a solvent winding-up of a dormant subsidiary); or

5 7 1 7 the taking of any step by the Company to commence a scheme of arrangement pursuant to Part 26 of the 2006 Act where such scheme may, directly or indirectly, adversely affect the rights attaching to the Subordinated Junior Preferred Ordinary Shares

5 7 2 For the avoidance of doubt, the Subordinated Junior Preferred Ordinary Shares will rank as regards participation in the profits and assets of the Company (in each case limited to the extent of any amounts of accrued but unpaid Subordinated Junior Preferential Dividend or the SJPOS Redemption Price from time to time but not otherwise) subordinate to the Preference

Shares and the Junior Preferred Ordinary Shares but otherwise equally amongst themselves and in priority to any other class of shares in the capital of the Company and, except for any amounts due and payable to the holders of the Preference Shares or the Junior Preferred Ordinary Shares or a dividend paid out of a Permitted Sweep Amount where permitted under Article 3 8.1 6 and Article 4 8 1 6, no dividend may be paid or any other amount distributed in respect of any other class of shares in the capital of the company and no such shares (other than the Preference Shares and the Junior Preferred Ordinary Shares) may be redeemed or purchased by the Company where any amount of Subordinated Junior Preferential Dividend is outstanding or any Subordinated Junior Preferred Ordinary Shares remain in issue. Without limitation to the foregoing, no dividend may be paid or any other amount distributed in respect of any Subordinated Junior Preferred Ordinary Share and no Subordinated Junior Preferred Ordinary Share may be purchased by the Company where any Preference Shares remain in issue.

5.7 3 If any amount would otherwise be payable under this Article 5 on a day which is not a Business Day it shall be payable on the next following Business Day.

5.8 Definitions

For the purposes of this Article 5 the terms "**Board**", "**Debt Facilities**", "**Financial Indebtedness**", "**Issue Amount**", "**Mezzanine Facility Agreement**", "**New Facility Agreement**", "**Permitted Sweep Items**", "**Repurchase**" and "**Sale**" shall have the meanings set out in Article 4 10 but otherwise the following words and expressions shall (except where the context otherwise requires) have the following meanings:

"**Acts**" means the Act to the extent amended and/or replaced pursuant to the 2006 Act or otherwise;

"**SJPOS Redemption Notice**" shall have the meaning set out in Article 5 3 3,

"**SJPOS Initial Amount**" shall have the meaning set out in Article 5 1 1 1,

"**SJPOS Redemption Date**" shall have the meaning set out in Article 5 3 3,

"**SJPOS Term Redemption**" shall have the meaning set out in Article 5 3 1,

"Subordinated Initial Amount" shall have the meaning given in Article 5 1 1 1,

"Subordinated Junior Accreted Value" shall have the meaning given in Article 5 1 1,

"Subordinated Junior Accrued Amount" shall have the meaning given in Article 5 1 3,

"Subordinated Junior Preferred Ordinary Rate" shall have the meaning given in Article 5 1.1,

"Subordinated Junior Preferred Ordinary Shareholders" shall mean any persons that hold any of the Subordinated Junior Preferred Ordinary Shares in issue at the relevant time,

"Subordinated Junior Preferential Dividend" shall have the meaning given in Article 5 1 1,

"Subordinated Junior Preferential Dividend Payment Date" shall have the meaning given in Article 5 1 2,

"SJPOS Redemption Price" shall mean, in respect of each relevant Subordinated Junior Preferred Ordinary Share, the aggregate of

- (a) the Subordinated Initial Amount, and
- (b) all Subordinated Junior Accrued Amounts in respect of that Subordinated Junior Preferred Ordinary Share and all arrears and accruals of the Subordinated Junior Preferential Dividend on that Subordinated Junior Preferred Ordinary Share calculated down to and including the relevant SJPOS Redemption Date irrespective of whether or not that Subordinated Junior Preferential Dividend has been declared or earned or become due and payable

6. EQUITY SHARE RIGHTS

The rights and restrictions attaching to the Ordinary Shares, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the E Ordinary Shares and the F Ordinary Shares shall be as follows

6 1 As regards income

6 1 1 The Company shall pay to the Ordinary Shareholders, the A Ordinary Shareholders, the B Ordinary Shareholders, the C Ordinary Shareholders, the D Ordinary Shareholders, the E Ordinary Shareholders and the F Ordinary Shareholders out of the profits available for distribution to the holders of Equity Shares a non-cumulative dividend of such amount as the Company shall determine (but not exceeding the amount recommended by the Directors) on the capital from time to time paid up or credited as paid up on each Ordinary Share, A Ordinary Share, B Ordinary Share, C Ordinary Share, D Ordinary Share, E Ordinary Share and F Ordinary Share (pari passu as if the same constituted one class of Share)

6 1 2 Any dividend payable to the holders of Equity Shares under these Articles at any time shall belong to and be paid to the holders of the Ordinary Shares, the holders of the A Ordinary Shares, the holders of the B Ordinary Shares, the holders of the C Ordinary Shares, the holders of the D Ordinary Shares, the holders of the E Ordinary Shares and the holders of the F Ordinary Shares (pari passu) in proportion to their holdings of Equity Shares

6 2 As regards capital

On a return of assets whether in a winding-up or reduction of capital or otherwise (except in the case of the redemption of shares of any class or the purchase by the Company of its own shares), the assets and retained profits of the Company available for distribution among the holders of the Equity Shares shall be applied (subject to Article 3 2, Article 4 2 and Article 5 2) in distributing the same amongst the Ordinary Shareholders, the A Ordinary Shareholders, the B Ordinary Shareholders, the C Ordinary Shareholders, the D Ordinary Shareholders, the E Ordinary Shareholders and the F Ordinary Shareholders (pari passu) in proportion to the amounts paid up or credited as paid up on the Equity Shares held by them (save to the extent that the provisions of Article 6 4 shall apply to the contrary in respect of the F Ordinary Shares)

6 3 As regards voting

6 3 1 Save as otherwise provided in these Articles, regulation 54 of Table A shall apply to the voting rights of the Ordinary Shareholders, the A Ordinary

Shareholders, the C Ordinary Shareholders, the D Ordinary Shareholders, the E Ordinary Shareholders and the F Ordinary Shareholders of the Company

6 3 2 The holders of the B Ordinary Shares shall be entitled to receive notice of and to attend but not vote at any general meeting of the Company

6 3 3 Regulation 56 shall be modified by the deletion of the words "instruments of proxy, not less than 48 hours before the time appointed for holding" and substituting instead the words "forms of proxy, within the time limits prescribed by these articles for deposit of forms of proxy for use at" and by including the words "or poll" after the words "adjourned meeting"

6 3 4 Subject to article 6 3 5, a form appointing a proxy shall be in writing in any form which is usual or in such other form which the directors may approve, and shall be executed by or on behalf of the appointor

6 3 5 Subject to the Act and the 2006 Act, the directors may resolve to allow a proxy to be appointed by electronic means subject to such limitations, restrictions or conditions as the directors think fit (including, without limitation, the ability to require such evidence as they consider appropriate to decide whether the appointment of a proxy in such manner is effective)

6 3 6 In order for the appointment of a proxy to be valid

6 3 6 1 in the case of an appointment of a proxy by hard copy, the form of proxy, together with the relevant documents, if any, must be

(a) left at or sent by post to the office (or such other place within the United Kingdom as may be specified in the notice convening the meeting and/or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting) by the relevant time, or

(b) duly delivered in accordance with article 6 3 8, and

6 3 6 2 in the case of an appointment of proxy by electronic means, the communication appointing the proxy by electronic means together with the relevant evidence must be received at the address by the relevant time

6 3.7 For the purposes of article 6 3 6:

6 3 7 1 for the purpose of appointing a proxy by electronic means, "**address**" means the number or address which has been specified by the Company for the purpose of receiving communications appointing proxies by electronic means,

6 3 7 2 "**relevant documents**" means either (i) the power of attorney or other authority relied on to sign the form of proxy, or (ii) a copy of such document certified as a true copy of the original by a notary or solicitor or certified in some other way approved by the directors,

6 3 7 3 "**relevant evidence**" means any evidence required by the directors in accordance with the provisions of article 6 3 5, and

6 3 7 4 "**relevant time**" means

(a) 48 hours before the time appointed for the commencement of the meeting or adjourned meeting to which the proxy appointment relates, and

(b) in the case of a poll taken more than 48 hours after it is demanded, 24 hours before the time appointed for the taking of the poll

In calculating the relevant time or any other period of time referred to in this article 6 3 7 4, any part of a day that is not a working day shall be excluded

6 3 8 If a meeting is adjourned for less than 48 hours, or if a poll is not taken immediately but is taken not more than 48 hours after it was demanded, a form of proxy may also be delivered in hard copy form at the adjourned meeting or at the meeting at which the poll was demanded to any director or the secretary. In calculating the periods referred to in this article 6 3 8, any part of a day that is not a working day shall be excluded

6 3 9 A vote given or poll demanded by proxy or by a duly authorised representative of a corporation shall be valid even though the authority of the

person voting or demanding a poll has previously terminated, unless notice of the termination was received by the Company

6.3.9.1 in the case of a duly authorised representative of a corporation, at the office,

6.3.9.2 where the proxy was appointed by a form of proxy in hard copy form, at the office or such other place as is specified for depositing such form of proxy, or

6.3.9.3 where the proxy was appointed by electronic means, at the address as defined in article 6.3.9.1,

in each case either (i) before the time appointed for the commencement of the meeting or adjourned meeting at which such vote is given or (ii) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, before the time appointed for the taking of the poll at which the vote is cast

6.4 F Ordinary Shares

6.4.1 Of the F Ordinary Shares authorised in the capital of the Company if all of the F ordinary shares (of whatever sub-class) of £1.00 each in the capital of PGHL are acquired by the Company pursuant to the Offer 58,232 F1 Ordinary Shares and 1,194 F2 Ordinary Shares shall be in issue at the date of the adoption of these Articles. Save to the extent that the provisions in this Article 6.4 shall apply, the F1 Ordinary Shares and F2 Ordinary Shares shall in terms of voting rights and in respect of income and return of capital, have the rights attached thereto and rank in all respects with the F Ordinary Shares in accordance with the provisions in Articles 6.1, 6.2, 6.3 and 6.4

6.4.2 If, at any time and from time to time after the date of adoption of these Articles, any further F Ordinary Shares are allotted and issued then the number of F Ordinary Shares comprising such further allotment and issue shall on each occasion become a sub-class of F Ordinary Shares each such sub-class being consecutively numbered after the last preceding such class issued (e.g. F3 Ordinary Shares, F4 Ordinary Shares, F5 Ordinary Shares, etc through to F20 Ordinary Shares, which together with the F1 Ordinary Shares

and F2 Ordinary Shares, shall each be an "F Sub-class") and the provisions in Article 6 4 4 shall apply in determining the rights attached to each such F Sub-class and any corresponding adjustment to the rights attached to the F1 Ordinary Shares then in issue

6 4 3 If no F1 ordinary shares of £1 00 each in PGHL are acquired by the Company pursuant to the Offer, no further F Sub-class(es) shall be allotted and issued

6 4 4 Subject to Article 6 4 3, Shares comprising an F Sub-class not then already allotted and in issue in the capital of the Company may be so allotted and issued at any time provided that

6 4 4 1 the Shares comprising any single F Sub-class may only be issued simultaneously in one single tranche comprising such number of Shares as may be determined by the Board, provided always that the number of issued Shares comprised in all F Sub-classes shall not, in aggregate, exceed 59,426 and provided further that (following the application of Article 6 4 4 7) the number of F1 Ordinary Shares in issue can never be less than one F1 Ordinary Share,

6 4 4 2 on or before the allotment and issue of any Shares comprising an F Sub-class, the Board shall use reasonable endeavours to determine the market value of the Company at the date thereof for the purposes of attributing a threshold to the relevant F Sub-class ("**Realisation Threshold**") below which the relevant F Sub-class will have no right to participate in F Equity Return. For the purpose of this Article "**F Equity Return**" means the aggregate realisation or proceeds available to the F Ordinary Shareholders on a return of assets whether in a reduction of capital, winding up, Listing or Share Sale,

6 4 4 3 the Realisation Threshold attached to the Shares comprising each F Sub-class from time to time issued shall be documented in a written minute of the Board and also clearly annotated and recorded on the relevant page(s) in the register of members of the Company in respect of which the members holding the relevant F Sub-class are recorded and the Realisation Threshold(s) so documented and recorded in respect of an F Sub-class shall be binding and apply

without question to the relevant F Sub-class as if set out in full herein,

6 4 4 4 in respect of any particular F Sub-class (for this purpose the "**Relevant F Sub-class**"), the right to participate in F Equity Return which is below the Realisation Threshold applicable to that Relevant F Sub-class shall be attributed either

- (a) if there are no other F Sub-classes in issue which have a Realisation Threshold which is less than the Realisation Threshold of the Relevant F Sub-class, to the F1 Ordinary Shares, or
- (b) if and to the extent that there are F Sub-classes in issue (other than F1 Ordinary Shares) which have a Realisation Threshold which is less than that for the Relevant F Sub-class (for this purpose such F Sub-class(es) with a lower Realisation Threshold being "**Participating F Class(es)**"), pro rata to the F1 Ordinary Shares and the Participating F Classes in proportion to the amounts paid up or credited as paid up on them, but subject always to any F Equity Return below the relevant Realisation Threshold applicable to a Participating F Class being in turn subject to the application of this Article 6 4 4 4 as if the Participating F Class is a Relevant F Sub-class for that purpose;

6 4.4 5 in respect of any Relevant F Sub-class (as defined above), the right to participate in an F Equity Return which is above the Realisation Threshold applicable to that Relevant F Sub-class ("**Relevant Threshold**") shall be attributed pro rata to the F1 Ordinary Shares, the Relevant F Sub-class and any other F Sub-class which has a Realisation Threshold which is lower than or equal to the Relevant Threshold, in proportion to the amounts paid up or credited as paid up on them, save that, if there is another F Sub-class in issue which has a higher Realisation Threshold than the Relevant Threshold ("**Higher Threshold**"), if and to the extent that F Equity Returns reach the Higher Threshold, the apportionment of F Equity Return

above that Higher Threshold shall in turn be subject to the application of this Article 6 4 4.5 as if the F Sub-class with the Higher Threshold is a Relevant F Sub-class for that purpose,

6 4 4 6 the provisions in this Article 6 4.4.6 shall be deemed to vary the provisions regarding return of capital in Article 6 2 to the extent set out above (but in all other respects the provisions regarding voting in Article 6 3 and income in Article 6 1 shall remain unaffected) but, for the avoidance of doubt, the effect of these provisions shall only be to adjust the relevant apportionment of F Equity Return as between relevant F Sub-classes and shall not have the effect of reducing or increasing the overall F Equity Return to the F Ordinary Shares as a whole, and

6 4 4 7 conditionally upon the issue of Shares of any F Sub-class, an equal number of F1 Ordinary Shares shall automatically be redesignated into Deferred Shares such that, for each one new F Ordinary Share issued, one F1 Ordinary Share is redesignated into a Deferred Share, the resultant effect being that the aggregate number of F Ordinary Shares in issue from time to time shall be the number of F Ordinary Shares issued pursuant to the Offer and in any event shall not exceed 59,426 F Ordinary Shares

6 4 5 For the purposes of determining the amount of F Equity Return that is available to the holders of F2 Ordinary Shares pursuant to Article 6 4 4 4 to 6 4.4 6, the Realisation Threshold that shall be attributed to the F2 Ordinary Shares shall be the amount equal to the aggregate Realisation Threshold attributable to the aggregate nominal value of the F2 ordinary shares of £1 00 each in the capital of PGHL ("PGHL F2 Shares") that are acquired by the Company pursuant to the Offer

7. DEFERRED SHARE

The rights attaching to the Deferred Shares shall be as follows:

7 1 Dividends and other income

Deferred Shares shall not be entitled to any dividend or distribution, whether pursuant to these Articles or otherwise

7 2 Capital

In the event of a winding-up of the Company or other return of capital, the holder of each Deferred Share *pari passu* with the holders of the all other Deferred Shares shall have the right to receive a sum equal to the subscription price of that Deferred Share (inclusive of any premium), subject to the provisions of Article 3 2, Article 4 2 and Article 5 2 and after the payment in respect of each Share of £10,000,000

7 3 Voting

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

7 4 Transfer or Repurchase

The Company shall be hereby deemed to have irrevocable authority at any time or times to appoint any person to execute on behalf of the holders of Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such person(s) as the Company may determine as custodian thereof and/or to purchase the same (in accordance with the provision of the Acts) in any such case for a price not more than an aggregate sum of £1 for all such Deferred Shares without obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate for such Deferred Shares

7 5 Transfer

Deferred Shares are not, subject to Article 7 4, transferable

7 6 Pre-emption

Deferred Shares shall not entitle the holder thereof to any pre-emption rights (whether pursuant to the Acts or otherwise)

8. MODIFICATION OF RIGHTS

8 1 Subject to the Acts, all or any of the special rights for the time being attached to any class of Shares for the time being in issue may, from time to time (whether or not the Company is being wound up), be altered or abrogated with the written consent of the holders of not less than three-quarters of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such Shares.

8 2 To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply except that

8 2 1 the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued Shares of the class (provided that where all the Shares of a class are registered in the name of one holder that holder present in person or by proxy may constitute a meeting),

8 2 2 every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him;

8 2 3 any holder of Shares of the class present in person or by proxy may demand a poll, and

8 2 4 at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of Shares held by him) shall be a quorum

9. ISSUE OF NEW SHARES

9 1 Subject to Article 8

9 1 1 any Shares for the time being unissued and any new Shares from time to time created shall before they are issued be offered by the Directors for subscription to the holders of the Equity Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of Equity Shares (of whatever class) The offer shall be made by notice specifying the number and class of Shares offered and the price per share and limiting a time (not being less than 10 Business Days) within which the offer if not accepted will be deemed to be declined,

- 9 1 2 after the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that he/they decline(s) to accept the Shares offered or any of them, the Directors shall offer the Shares declined ("**Declined Shares**") in like manner (save that the minimum period for acceptance may be five Business Days) to the other holders of Equity Shares who have agreed to subscribe for all the Shares initially offered to them inviting such holders to apply for such number of the Declined Shares as they may specify in their application,
- 9 1 3 after the expiry of the relevant offer period prescribed by Article 9 1 2, the Board will within five Business Days allocate the Declined Shares as follows.
- 9 1 3 1 if the total number of Declined Shares applied for is equal to or less than the available number of Declined Shares, each offeree will be allocated the number applied for in accordance with his application, or
- 9.1 3 2 if the total number of Declined Shares applied for is greater than the available number of Declined Shares, applications will be satisfied pro rata by reference to the proportion that the number of Equity Shares held by each such applicant for Declined Shares bears to the total number of Equity Shares held by all such applicants;
- 9 1 4 allocations of Declined Shares made by the Company pursuant to Article 9 1 3 will constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Declined Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Declined Shares which he has indicated to the Company he is willing to purchase
- 9 2 In the event that all or any of the Shares to which Article 9 1 applies are not subscribed for in accordance with the provisions of such Article 9 1 the Directors may offer such Shares to a third party of whom they approve and subject to these Articles and the provisions of section 80 of the Act such Shares shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that

- 9.2.1 no Shares shall be issued at a discount,
- 9.2.2 no Shares to which Article 9.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under Article 9.1 unless the procedure set out in Article 9.1 is repeated in respect of such Shares, and
- 9.2.3 no Shares shall be issued at a price less than that at which they were offered to the members of the Company in accordance with Article 9.1 and so that (if the Directors are proposing to issue such Shares wholly or partly for non-cash consideration) the cash value of such consideration for the purposes of this sub-paragraph shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its members
- 9.3 The provisions of Articles 9.1 and 9.2 shall mutatis mutandis apply to all equity securities (as defined in section 94(2) of the Act) of the Company from time to time created
- 9.4 The provisions of sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company
- 9.5 Each of the Shareholders waives any right of pre-emption in respect of and the provisions of Articles 9.1 to 9.3 (inclusive) shall not apply to the allotment and issue of any F Ordinary Shares in accordance with the provisions of Article 6.4.

10. TRANSFERS OF SHARES - GENERAL

- 10.1 The Directors may in their absolute discretion decline to register the transfer of any Shares (including the transfer of any Shares otherwise permitted under Article 11) to 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 but must give reasons for so declining, save that this restriction will not apply to:
- 10.1.1 any transfers pursuant to a Qualifying Offer in accordance with Article 16.1.1,
- 10.1.2 any transfers pursuant to Article 16.5, or

- 10 1 3 any transfers pursuant to Article 11 9
- 10 2 Without prejudice to the provisions of Regulation 24 of Table A (as modified hereby), the Directors shall not register any transfer of Shares:
- 10 2 1 to any person who does not have legal capacity to transfer Shares, or
- 10 2 2 which is otherwise not a transfer permitted by, in accordance with, or required by the provisions of these Articles.
- 10 3 For the purposes of ensuring that a transfer of Shares is duly authorised under the provisions of these Articles or that no circumstances have arisen whereby a Shareholder may be bound or be required to give or is deemed to have given a Sale Notice (as defined in Article 12 1) or for the purpose of ascertaining when a Sale Notice should have been or is deemed to have been given hereunder the Directors may from time to time require any member or the legal personal representatives of any deceased member or the trustee in bankruptcy of any member or the receiver, administrative receiver, administrator or liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within 5 Business Days after request the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) may resolve to require by notice in writing that a Sale Notice be given in respect of the Shares concerned If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a Shareholder may be bound or required to give or be deemed to have given a Sale Notice, the Directors may resolve by notice in writing to require that a Sale Notice be given in respect of the Shares concerned A resolution of the Directors hereunder shall be binding upon the Shareholders concerned who shall be bound to give a Sale Notice in respect of the Shares concerned forthwith upon receipt of the said notice from the Directors
- 10 4 In any case where the Directors have duly required a Sale Notice (as defined in Article 12 1) to be given in respect of any Shares and such Sale Notice is not duly given within a period of one week such Sale Notice shall be deemed to have been given at the expiry of the said period and the provisions of these Articles relating to Sale Notices shall take effect accordingly

- 10 5 A Sale Notice given or deemed to be given pursuant to this Article or Article 11 or 12 or 13 shall not be capable of revocation nor may it specify that unless all relevant Shares are sold by the Company pursuant to the Sale Notice, none shall be so sold Subject as provided to the contrary in this Article or Article 11 and/or 13 and/or 14, the provisions of Article 12 shall apply to any Sale Notice given or deemed to be given under or pursuant to this Article or Article 11 or 13 or 14
- 10 6 In any case where a Shareholder (or his personal representatives) has (or have) been required to give or has been deemed to have given a Sale Notice pursuant to the provisions of this Article or Article 11 or 13 or 14 and subsequently becomes the holder of (or is deemed pursuant to Article 13 or 14 to be the holder of) further Shares by virtue of the holding of any Shares comprised in such Sale Notice (whether by way of rights or bonus issue, conversion, transfer or otherwise howsoever) a majority of the Directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Sale Notice pursuant to this Article or Article 11 or 13 or 14 (as appropriate) in respect of such further Shares

11. PERMITTED TRANSFERS OF SHARES

11 1 Group transfers

11 1 1 Any Shares held by an undertaking ("**Original Undertaking**") may be transferred to any other undertaking ("**Transferee Undertaking**") **provided always** that each and any such Transferee Undertaking is a subsidiary or holding company (or a subsidiary of such holding company) of that Original Undertaking ("**Group Undertaking**")

11 1 2 In the event that any Transferee Undertaking ceases to be a Group Undertaking in relation to the Original Undertaking then such Transferee Undertaking shall forthwith transfer any Shares held by it to the Original Undertaking or to an undertaking which in relation to the Original Undertaking is a Group Undertaking

11 1 3 In the event of any default of Articles 11 1 1 and 11.1 2 above the Original Undertaking or (as the case may be) the Transferee Undertaking shall be deemed to have served a Sale Notice (as defined in Article 12 1) in respect of

all such Shares **provided always** that the price shall be the issue price (including any premium)

11.2 **Nominees**

11.2.1 Any Shares may be transferred by the beneficial owner of such Shares ("**Beneficial Owner**") to a person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only

11.2.2 Where any Shares have been transferred to a nominee pursuant to Article 11.2.1 any such nominee may transfer any Shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only

11.2.3 Where a person to whom any Shares have been transferred as a nominee pursuant to this Article 11.2 ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default thereof he shall be deemed to have given a Sale Notice (as defined in Article 12.1) in respect thereof provided that the price shall be the issue price (including any premium).

11.3 **To Privileged Relations and trustees**

11.3.1 Any Shares may be transferred by a Beneficial Owner who is an individual

11.3.1.1 to a Privileged Relation of such Beneficial Owner,

11.3.1.2 to trustees to be held upon Family Trusts

11.3.2 Where any Shares have been transferred to Privileged Relations or trustees pursuant to Article 11.3.1 the Privileged Relation or the trustees (as the case may be) may transfer any such Shares to a person or persons shown to the reasonable satisfaction of the Directors to be

11.3.2.1 the trustees for the time being (on a change of trustee) of the family trusts in question; and/or

11 3 2 the Beneficial Owner or any Privileged Relation of the Beneficial Owner

In any case where a member proposing to transfer Shares under this Article 11 3 ("**Proposing Transferor**") holds those Shares as a result of an earlier transfer authorised under this Article 11 3 from another member ("**Original Member**") the Proposing Transferor may only transfer those Shares to a person to whom the Original Member could have transferred such Shares under this Article 11 3.

11 4 Where Shares are held by trustees of a Family Trust and any such Shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 11 3 2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 11 3 2 and in default thereof the trustees shall be deemed to have given a Sale Notice (as defined in Article 12 1) in respect of the Shares in question provided that the price shall be the issue price (including any premium)

11 5 For the purposes of this Article 11, the following expressions shall have the following meanings

11 5 1 "**Privileged Relation**" means the parent or spouse of the Beneficial Owner or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the Beneficial Owner or of any such lineal descendant,

11 5 2 "**Family Trust**" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations and no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his Privileged Relations

11 6 **Shareholder consent**

Any Equity Shares and/or any interest therein may be transferred at any time to any person with the written consent of the holders of not less than 75 per cent in nominal value of the issued Equity Shares for the time being

11.7 **Employee Benefit Trust**

Subject to the provisions of Article 10 1 hereof and regulation 24 of Table A (as modified hereby), any Shares may be transferred free of restriction by the trustees of any Employee Benefit Trust to any beneficiary thereof or to any replacement trustees

11.8 **Tag along/drag along**

The restrictions on transfer contained in these Articles shall not apply to any transfer made pursuant to a Qualifying Offer in accordance with Article 16 1 1 or to any transfer in accordance with the provisions of Article 16 5

11.9 **Permitted transfers**

11 9 1 Any New Ordinary Shares that are issued to Stuart Pender pursuant to the Offer may be transferred by Stuart Pender at any time to any person with the prior written consent of the Board, such consent not to be unreasonably withheld or delayed

11 9 2 Any New Ordinary Shares that are issued to Stuart Pender pursuant to the Offer and which such shares have been mortgaged or charged by Stuart Pender by way of security may be transferred by Stuart Pender to Bank of Scotland plc ("**Bank**") or its nominee pursuant to such security or to any receiver or manager or similar officer appointed pursuant to any such security However, any New Ordinary Shares so transferred may not subsequently be transferred by the Bank or its nominee or by any such receiver, manager or similar officer to any person to whom would otherwise be permitted to transfer such New Ordinary Shares pursuant to this Article
11

12. **PRE-EMPTION RIGHTS ON TRANSFER**

12 1 Subject to Articles 10 and 11, any member wishing to transfer all or any Shares held by him specified in column (A) of the table ("**Table**") set out in Article 12 4 ("**Retiring Shareholder**") shall first give a notice ("**Sale Notice**") in writing to the Company specifying

12 1 1 the number and class of the Shares he wishes to transfer ("**Sale Shares**"),

12.1.2 the name of the third party (if any) to whom he proposes to transfer the Sale Shares, and

12.1.3 the price per Share at which the Retiring Shareholder wishes to transfer the Sale Shares

The Sale Notice shall constitute the Company as the agent of the Retiring Shareholder for the sale of the Sale Shares at the price stated therein ("Price"). A Sale Notice (other than a deemed Sale Notice) may require that unless all the Shares comprised in it are sold, none shall be sold ("**Total Transfer Condition**"). A Sale Notice once given pursuant to this Article 12.1 may not be varied or cancelled without the consent of the Board

12.2 The following provisions of this Article 12.2 will apply where a Sale Notice is given or is deemed to be given in respect of any Original Ordinary Shares

12.2.1 within 10 Business Days

12.2.1.1 in the case of a Sale Notice given under Article 12.1, of the receipt by the Company of that Sale Notice, and

12.2.1.2 in the case of a deemed Sale Notice, of the determination of the Price,

the Board may direct the Company (in its capacity as agent for the Retiring Shareholder) immediately to offer at the Price such number of Sale Shares as it may determine to such of the following categories of persons and in such numbers as in each case the Board may specify

12.2.1.3 the trustees of any Employee Benefit Trust,

12.2.1.4 employees or directors or consultants of any member of the Group, and

12.2.1.5 if the Retiring Shareholder is a director or employee or consultant of any member of the Group, and is not continuing as such, to any proposed replacement director or employee or consultant,

12.2.2 if any offeree of the Sale Shares pursuant to this Article 12.2 applies for any of them within 10 Business Days after the date of the offer, the Company

will, subject to compliance by the relevant offeree with the terms of the offer, allocate to such offeree the number of Sale Shares applied for by the 15th Business Day after the date of the offer

12.2.3 If all of the Sale Shares are so allocated, the provisions of Articles 12.3 and 12.4 to 12.8 will not apply. If none or some only of the Sale Shares are so allocated, the provisions of Articles 12.3 and 12.4 to 12.8 will have effect as if reference to Sale Shares was to those Sale Shares not allocated in accordance with this Article 12.2.3

12.3

12.3.1 Subject to Article 12.2 (which applies only in respect of a Sale Notice relating to Original Ordinary Shares), within 10 Business Days of (a) in the case of a Sale Notice given under Article 12.1, the receipt by the Company of a Sale Notice or (b) in the case of a deemed Sale Notice, the Price being agreed, the Company shall (as agent for the Retiring Shareholder), by notice in writing, offer the Sale Shares for sale at the Price to the persons specified in column (B) of the Table (other than the Retiring Shareholder and any other holder of Shares who has served or is deemed to have served a Sale Notice in respect of any part of his holding of Shares pursuant to which the sale of such Shares has not then been concluded) entitled to first refusal thereof in accordance with Articles 12.4 and 12.5 ("**First Offer**")

12.3.2 The First Offer shall specify that the persons to whom the shares are offered will have a period of 15 Business Days from the date of such notice within which to apply for some or all of the Sale Shares

12.3.3 Where the Sale Shares comprise New Ordinary Shares the Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the First Offer to the persons specified in Column C of the Table at the Price ("**Second Offer**") Any such offer shall be made within five Business Days of the date on which the First Offer lapses or if earlier the date on which all persons entitled to accept the First Offer have indicated the maximum number of Sale Shares they wish to accept and shall specify that such offer must be accepted within 10 Business Days from the date of such notice or in default will lapse

12 3 4 Where the Sale Shares comprise New Ordinary Shares if the Company shall not have found purchasers for all of such Sale Shares pursuant to the procedure described in Article 12 3 3 the Company shall within five Business Days of the date on which the Second Offer lapses or if earlier the date on which all persons entitled to accept the Second Offer have indicated the maximum number of Sale Shares they wish to accept by notice in writing offer such Sale Shares not so accepted pursuant to the Second Offer to the persons specified in Column D of the Table at the Price ("**Third Offer**") (the First Offer, the Second Offer and Third Offer being together the "**Pre-emption Offers**" and each being a "**Pre-emption Offer**") Such offer shall specify that such offer must be accepted within 10 Business Days from the date of such notice or in default will lapse

12 4 Pre-emption procedure

12 4 1 In accordance with Article 12 3, it will be a term of any Pre-emption Offer made pursuant to Article 12 3 that the Sale Shares of a particular class specified in column (A) in the Table will be treated as offered first to all persons in the category set out in the corresponding row in column (B) in the Table and then in respect only of Sale Shares that comprise New Ordinary Shares to all persons in the category set out in the corresponding row in column (C) and then to all persons in the category set out in column (D) in the table There shall be no Second Offer or Third Offer in respect of any Original Ordinary Shares that are Sale Shares

(A)	(B) FIRST OFFER	(C) SECOND OFFER	(D) THIRD OFFER
Ordinary Shares	holders of Original Ordinary Shares	No Second Offer	No Third Offer
A Ordinary Shares	holders of Original Ordinary Shares	No Second Offer	No Third Offer
B Ordinary Shares	holders of Original Ordinary Shares	No Second Offer	No Third Offer
C Ordinary Shares	holders of C Ordinary Shares	holders of C Ordinary Shares ¹	holders of D, E and F Ordinary Shares ³

¹ Other than any C Ordinary Shareholders who have not accepted any Sale Shares already offered to them pursuant to the First Offer

(A)	(B) FIRST OFFER	(C) SECOND OFFER	(D) THIRD OFFER
D Ordinary Shares	holders of D, E and F Ordinary Shares	holders of D, E and F Ordinary Shares ²	holders of C Ordinary Shares
E Ordinary Shares	holders of D, E and F Ordinary Shares	holders of D, E and F Ordinary Shares ²	holders of C Ordinary Shares
F Ordinary Shares	holders of D, E and F Ordinary Shares	holders of D, E and F Ordinary Shares ²	holders of C Ordinary Shares

12 4 2 It will be a further term of the Pre-emption Offers that, if there is competition within any class of Shareholder for the Sale Shares offered to that class in accordance with the table, such Sale Shares will be treated as offered among the holders of such class to whom the relevant Pre-emption Offer has been made in proportion (as nearly as possible) to their existing holdings of Shares of that class ("**Proportionate Entitlement**") However, where the Sale Shares which are the subject of the First Offer comprise Original Ordinary Shares the First Offer will also invite the offerees to indicate in their application for Sale Shares whether they would be willing to buy Original Ordinary Shares in excess of their Proportionate Entitlement should any such Original Ordinary Shares be available and, if so, how many ("**Extra Shares**")

12 5 Allocation of Shares

12 5 1 After the expiry of the relevant offer periods specified in Article 12 3 and subject, where applicable to the provisions of Articles 12 3 3 and 12 3 4, the Board will within five Business Days allocate the Sale Shares (or the balance of the Sale Shares (as the case may be)) as follows

12 5 1 1 If the total number of Sale Shares applied for pursuant to the relevant Pre-emption Offer (including (where applicable) Extra Shares) 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 12 8), or

² Other than any D Ordinary Shareholders, E Ordinary Shareholders or F Ordinary Shareholders (as the case may be) who have not accepted any Sale Shares already offered to them pursuant to the First Offer

12.5 1 2 If the total number of Sale Shares applied for pursuant to the relevant Pre-emption Offer 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

12.5.1 3 Applications for Extra Shares in respect of Sale Shares comprising Original Ordinary Shares will be allocated in accordance with such applications or, in the event of competition within any class of Shareholder, among the Shareholders of that class applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares of the same class held by such offerees

12.5 2 Allocations of Sale Shares made by the Company pursuant to this Article 12.5 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

12.6 The Company shall, immediately upon allocating the Sale Shares give notice ("**Allocation Notice**") thereof to the Retiring Shareholder and each person to whom Sale Shares have been allocated. The Retiring Shareholder shall then become bound to sell and transfer the Sale Shares to the respective purchasers, free from all liens, charges, encumbrances and third party rights, and together with all rights attaching thereto at the date of sale

12.6 1 The Allocation Notice shall state the name and address of each of the purchasers and the number of Shares to be purchased by him and the aggregate price payable and (subject to Article 12.7) shall designate a place and a time (being not less than three nor more than 10 Business Days following the date of the notice) for completion of the sale of the Shares comprised in such notice;

12.6 2 subject to Article 12.7, completion of the sale and purchase of the Sale Shares will take place at the place and time specified in the Allocation Notice when the Retiring Shareholder will, upon payment of the due price, deliver executed stock transfer form(s) in respect of those Sale Shares specified in

the Allocation Notice, and deliver the relevant share certificates to the person(s) to whom they have been allocated, and

12 6 3 if a Sale Notice validly states that the Retiring Shareholder is not willing to sell part only of his Shares, (such that a Total Transfer Condition applies), no transfer of any of the Sale Shares shall take effect unless the Company shall have found purchasers for all such Shares Any offer made by the Company in respect of Shares comprised in such a Sale Notice shall state as a condition of the offer that it is not capable of being accepted unless acceptances are received in respect of all the Shares comprised in the relevant Sale Notice

12 7 If the Sale Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares

12 7 1 the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 15 Business Days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares, and

12 7 2 completion of the transfer in accordance with the preceding paragraphs of this Article 12 7 will be conditional upon all such Sale Shares being so allocated

12 8 If the Company shall not within the said time limits find purchasers for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period(s) specified in Article 12 3 and (if applicable) Article 12 7, the Company shall promptly give notice in writing thereof to the Retiring Shareholder who shall be at liberty at any time within two months after the date of such notice to transfer such Sale Shares for which purchasers have not been found or in respect of which the sale was not completed as aforesaid to any person he may wish provided that

12 8 1 the proposed purchaser is approved by the Board (who shall be entitled to withhold such approval without giving any reason),

12 8 2 such sale is completed at the Price or any higher or (subject as provided below) lower price and that otherwise the terms of payment of the purchase price are no more favourable to the purchaser than those offered to the Shareholders or other persons hereunder;

12 8 3 no Sale Shares shall be sold at a lower price than the Price without the Retiring Shareholder first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 12 shall mutatis mutandis apply in respect of such further Sale Notice save that the Price shall be such lower price,

12 8 4 if the Sale Notice states that the Retiring Shareholder is not willing to transfer part only of the Sale Shares he shall not be entitled to sell part only of such Shares hereunder, and

12 8 5 the Directors may call for such evidence as they shall reasonably request in order to satisfy themselves that the consideration for any sale hereunder is as stated in the transfer without any rebate, allowance or deduction to the purchaser and if not so satisfied they may refuse to register a transfer hereunder

12 9 If any Shareholder shall fail or refuse to transfer any Shares which he shall have become bound to transfer in accordance with the provisions of these Articles, the Directors may authorise some person to execute and deliver on his behalf a transfer or transfers of such Shares to the purchaser or purchasers and the Company may give a good receipt for the purchase price of such Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto The Shareholder shall in such case be bound to deliver up his certificate for the Shares to the Company whereupon the Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Shareholder but without interest If such certificate shall comprise any Shares which the Shareholder has not become bound to transfer as aforesaid, the Company shall issue to the Retiring Shareholder a balance certificate for such Shares

13. COMPULSORY TRANSFERS AND TRANSFERS ON DEATH OR BANKRUPTCY: A ORDINARY SHARES

13 1 If an employee or director or consultant of the Company or any of its subsidiary undertakings ("**Relevant Individual**") ceases, for any reason (including death), to be an employee or director or consultant of the Company or any of its subsidiary undertakings and is not continuing as either a director or employee or consultant of

the Company or any of its subsidiary undertakings (the date of such cessation being the "Cessation Date") and

13 1 1 the Relevant Individual is a holder of A Ordinary Shares (whether solely or jointly with any other person), and/or

13 1 2 the Relevant Individual has established a Family Trust which holds A Ordinary Shares, and/or

13 1 3 any holder of Shares holds A Ordinary Shares as the nominee of such Relevant Individual, and/or

13 1 4 A Ordinary Shares are held by a Privileged Relation of such Relevant Individual, and/or

13 1 5 A Ordinary Shares are held by a company any part of the issued share capital of which is beneficially owned by such Relevant Individual and/or a Privileged Relation and/or the trustees of a Family Trust of the Relevant Individual (as the case may be),

there shall, unless the Board determines otherwise, within three months of the Cessation Date, be deemed (in accordance with Article 13 4) to have been served a Sale Notice by each of the holders of A Ordinary Shares referred to in this Article 13 1 (or their personal representatives in the case of their death) or the trustee in bankruptcy in the case of their bankruptcy ("**Compulsory Vendors**") in respect of all their respective holdings of A Ordinary Shares (howsoever acquired) and any other A Ordinary Shares to which he is or they are or may become entitled whether as a result of his or their holding of A Ordinary Shares (all of which Shares shall together constitute the Sale Shares for the purposes of Article 12)

13 2 The references to A Ordinary Shares in Article 13 1 shall apply to any other Shares derived therefrom (whether by conversion, consolidation or sub-division or by way of rights or bonus issue) but shall not, for the avoidance of doubt, include any Ordinary Shares held by a Compulsory Vendor.

13 3 All Shares being the subject of a deemed Sale Notice under this Article 13 shall be offered to the other Shareholders (other than the Compulsory Vendors and any other member who has served or who is deemed to have served a Sale Notice in respect of his entire holding of Shares which is still outstanding) in accordance with the

provisions of Article 12, which shall apply mutatis mutandis except to the extent that such provisions of Article 12 are varied by the provisions of this Article 13. If a Sale Notice is deemed served in accordance with Article 13.1, no further Sale Notice shall be issued in respect of such Shares during the process set out in Article 12.

13.4 A Sale Notice deemed to have been given under Article 13.1 shall be deemed to have been given three months after the Cessation Date ("**Deemed Notice Date**")

13.5 The price for the Sale Shares shall be as follows

13.5.1 if the Relevant Individual is a Bad Leaver who has become a Bad Leaver by reason of being summarily dismissed, the lower of

13.5.1.1 the Acquisition Price, and

13.5.1.2 the Fair Price,

13.5.2 if the Relevant Individual is a Bad Leaver otherwise than for the reason set out in Article 13.5.1

13.5.2.1 in respect of 25 per cent of the Sale Shares, the price shall be the lower of

(a) the Acquisition Price, and

(b) the Fair Price, and

13.5.2.2 in respect of 75 per cent of the Sale Shares, the price shall be the higher of

(a) the Acquisition Price, and

(b) the Fair Price, and

13.5.2.3 if the Relevant Individual is a Good Leaver, the price shall be the higher of

(a) the Acquisition Price, and

(b) the Fair Price

13 6 For the purposes of Article 13 5

13 6.1 "**Acquisition Price**" means the price paid for the A Ordinary Shares upon issue (including any premium paid thereupon),

13 6.2 "**Bad Leaver**" means a Relevant Individual ceasing to be an employee as a result of such person resigning or being summarily dismissed (including summary dismissal after the date of any notice of resignation served by such person (if any)) in circumstances where the Company is not liable to pay him compensation for the cessation of his employment other than compensation required by statute or statutory instrument (and, for the avoidance of doubt, such person is not a Bad Leaver

- (a) if he ceases to be employed as a result of his death;
- (b) if he is dismissed or resigns by reason of his permanent incapacity,
- (c) if he retires once he has reached the age of 60,
- (d) if he resigns in circumstances constituting constructive dismissal, or
- (e) where the Company has given notice to terminate his employment (other than a notice of summary dismissal as set out above)),

13 6.3 "**Fair Price**" means the price per Sale Share as at the Cessation Date as agreed between the Compulsory Vendor(s) and the Directors or, in the absence of such agreement, the price as at such date certified in writing by the Valuer as being in its opinion the fair value of the Sale Shares as between a willing seller and a willing buyer provided that the Valuer, in determining the fair value of any such Shares shall (i) determine the sum which a willing buyer would offer to a willing seller for the whole of the issued share capital of the Company and (ii) divide the resultant figure by the number of issued Equity Shares and outstanding options or rights to acquire shares (assuming exercise in full), but so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the Sale Shares or in relation to any restrictions on the transferability of the Sale Shares and provided further that the Valuer shall take into account any bona fide offer from any third party to purchase any of the Sale Shares,

- 13.64 **"Good Leaver"** means a person who ceases to be an employee or director or consultant but is not a Bad Leaver,
- 13.65 **"Valuer"** means the Auditors (or in the event of their being unwilling or unable to act or, at the option of the Company, an independent firm of chartered accountants nominated by the President of the Institute of Chartered Accountants in England and Wales (or his equivalent from time to time) in each case acting as an expert and not as an arbiter).
- 13.7 The provisions of Article 13.1 shall lapse and cease to have any further force or effect immediately prior to but conditional upon the occurrence of a Listing or (in circumstances where the consideration payable for the A Ordinary Shares shall be solely in cash) a Share Sale
- 13.8 Without prejudice to the provisions of Article 13.1 (which, in the event of conflict, shall override the provisions of this Article), if a majority of the Directors so resolve they may at any time give notice to the legal personal representatives of a deceased member ("**PRs**") or the trustee in bankruptcy of a member ("**trustee in bankruptcy**") requiring such person to elect to be registered himself/themselves and/or to give a Sale Notice (as defined in Article 13.1) in respect of the Shares to which he/they become entitled in consequence of the death or bankruptcy of any member and if such notice is not complied with within 10 Business Days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the PRs or trustee in bankruptcy and the Company may give a good receipt for the purchase price of such Shares and may register the purchaser or purchasers as the holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. In any such case the PRs or trustee in bankruptcy shall be bound to deliver up the certificates for the Shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest
- 13.9 The purchase price payable for the Sale Shares in the case of a Sale Notice given pursuant to Article 13.8 shall be the price agreed between the PRs or trustee in bankruptcy (as the case may be) and the Directors or, if they fail to agree a price within 15 Business Days of the date upon which the Sale Notice has been given

("Notice Date"), the price certified by the Valuer (as defined in Article 13 6) acting as experts and not as arbitrators, to be the market value of the Sale Shares upon the Notice Date (calculated on the basis of a sale by a willing seller to a willing buyer by reference to the value of the whole of the issued share capital of the Company and taking no account of the percentage of the capital represented by the Sale Shares as the case may be) The costs of the Valuer shall be borne by the Company

**14. COMPULSORY TRANSFERS AND TRANSFERS ON DEATH OR BANKRUPTCY:
B ORDINARY SHARES**

14 1 In the event that an employee of or a director of the Company or any holding company of the Company or any subsidiary undertaking of either of the Company or such holding company from time to time (each being a "**Relevant Company**") ceases for any reason (including death) to be an employee or director of such Relevant Company and is not continuing as either a director and/or employee of any Relevant Company and the employee or director is a holder of B Ordinary Shares (whether solely or jointly with any other person) there shall be deemed to have been served a Sale Notice (as defined in Article 12) by such employee or director (or their personal representatives in the case of their death) (each being a "**Compulsory Vendor of B Ordinary Shares**") in respect of all their shares in the Company (howsoever acquired)

14 2 A Sale Notice deemed to have been given under Article 14 1 shall be deemed to have been given on the Cessation Date

14 3 The price for the Sale Shares comprised in any Sale Notice deemed to have been given pursuant to Article 14 1 shall be as follows

14 3 1 if the Cessation Date is a date falling at any time on or prior to 18th November 2006 and the Compulsory Vendor of B Ordinary Shares' employment and/or office of director with the Relevant Company has ceased as a result of

14 3.1 1 wrongful termination of his contract of employment by the Relevant Company, or

14 3 1.2 the death of the Compulsory Vendor of B Ordinary Shares, or

14 3.1 3 the Relevant Company having terminated the Compulsory Vendor of B Ordinary Shares' employment by giving notice to terminate in

accordance with the terms of his service agreement with such Relevant Company, or

14.3.1.4 the Compulsory Vendor of B Ordinary Shares' employment having been terminated by reason of redundancy

14.3.1.5 then the price for the Sale Shares shall be the lower of Agreed Value and Market Value,

14.3.2 if the Cessation Date is a date falling at any time on or prior to 18th November 2006 and the Compulsory Vendor of B Ordinary Shares' employment and/or office of director with the Relevant Company has ceased as a result of any reason other than a reason set out in Article 14.3.1 (including but not limited to where the Relevant Company has terminated the Compulsory Vendor of B Ordinary Shares' employment and/or office of director for cause (other than in circumstances subsequently judged by a court or tribunal of competent jurisdiction as being wrongful dismissal) or where the Compulsory Vendor of B Ordinary Shares has terminated his employment and/or office of director (except in the case of constructive dismissal as subsequently judged by a court or tribunal of competent jurisdiction)) then the price for the Sale Shares shall be the lower of Market Value and Lower Agreed Value,

14.3.3 if the Cessation Date is a date falling at any time after 18th November 2006 and the Compulsory Vendor of B Ordinary Shares' employment and/or office of director with the Relevant Company has ceased as a result of

14.3.3.1 wrongful termination of his contract of employment by the Relevant Company, or

14.3.3.2 the death of the Compulsory Vendor of B Ordinary Shares, or

14.3.3.3 the Relevant Company having terminated the Compulsory Vendor of B Ordinary Shares' employment by giving notice to terminate in accordance with the terms of his service agreement with such Relevant Company, or

14.3.3.4 the Compulsory Vendor of B Ordinary Shares' employment having been terminated by reason of redundancy

14 3 3 5 then the price for the Sale Shares shall be the higher of Agreed Value and Market Value,

14 3 4 if the Cessation Date is a date falling at any time after 18th November 2006 and the Compulsory Vendor of B Ordinary Shares' employment and/or office of director with the Relevant Company has ceased as a result of any reason other than a reason set out in Article 14 3 3 (including but not limited to where the Relevant Company has terminated the Compulsory Vendor of B Ordinary Shares' employment and/or office of director for cause (other than in circumstances subsequently judged by a court or tribunal of competent jurisdiction as being wrongful dismissal) or where the Compulsory Vendor of B Ordinary Shares has terminated his employment and/or office of director (except in the case of constructive dismissal as subsequently judged by a court or tribunal of competent jurisdiction)) then the price for the Sale Shares shall be the lower of Agreed Value and Market Value

14 4 For the purposes of this Article 14

14 4 1 the "**Market Value**" shall be the price agreed between a Compulsory Vendor of B Ordinary Shares and the Board or, if they fail to agree a price within 21 days of the Deemed Notice Date, the price certified by the Auditors acting as experts and not as arbitrators, to be the market value of the Sale Shares upon the Cessation Date, (calculated on the basis of a sale by a willing seller to a willing buyer by reference to the value of the whole of the issued share capital of the Company and assuming (for the avoidance of doubt) repayment of all debt outstanding at such time and further taking no account of the percentage of the capital represented by the Sale Shares as the case may be The costs of the Auditors shall be borne as determined by the Auditors,

14 4 2 the "**Agreed Value**" of the Sale Shares shall be the proportion of the total value of all B Ordinary Shares in issue as the Sale Shares bear to the total number of B Ordinary Shares in issue, calculated by reference to a deemed valuation of all B Ordinary Shares in issue as at the Cessation Date of £381,239 48 plus a sum equal to two per cent over the base rate of The Royal Bank of Scotland plc from time to time calculated from 18th November 2003 down to the Cessation Date compounded annually as agreed between a

Compulsory Vendor of B Ordinary Shares and the Board, or, if they fail to agree a price within 21 days of the Cessation Date, the price certified by the Auditors acting as experts and not as arbitrators, the costs of the Auditors being borne as determined by the Auditors;

14.4.3 the "**Lower Agreed Value**" of the Sale Shares shall be the proportion of the total value of all B Ordinary Shares in issue as the Sale Shares bear to the total number of B Ordinary Shares in issue, calculated by reference to a deemed valuation of all B Ordinary Shares in issue as at the Cessation Date of £381,239.48

14.5 (Without prejudice to Article 14.1) if a majority of the Directors so resolve they may at any time give notice to the PR's or the trustee in bankruptcy requiring such person to elect either to be registered himself or to give a Sale Notice (as defined in Article 10) in respect of the shares to which he/they become entitled in consequence of the death or bankruptcy of any member and if such notice is not complied with within 14 days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the PR's or trustee in bankruptcy and the Company may give a good receipt for the purchase price of such shares and may register the purchaser or purchasers as the holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto. In any such case the PR's or trustee in bankruptcy shall be bound to deliver up the certificates for the shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest.

14.6 For the avoidance of doubt

14.6.1 where an individual is employed by and/or serves as a director of a Relevant Company (as defined in Article 14.1) which is a subsidiary undertaking of the Company or any holding company of the Company Article 14.1 shall apply upon such Relevant Company ceasing to be a subsidiary undertaking of either the Company or the holding company of the Company and the individual not continuing to be an employee or director of any company still remaining a subsidiary undertaking of the Company or the holding company of the Company, and

14.6.2 Article 14.1 shall also apply in circumstances where any individual remains an employee and/or director of a Relevant Company solely for the purposes of remaining a member of any permanent health insurance scheme operated by any Relevant Company.

14.7 The provisions of Article 14.1 shall lapse and cease to have any further force or effect immediately prior to but conditional upon the occurrence of a Listing or (in circumstances where the consideration payable for the B Ordinary Shares shall be solely in cash) a Share Sale

15. COMPULSORY TRANSFERS AND TRANSFERS ON DEATH OR BANKRUPTCY: NEW ORDINARY SHARES

15.1 Subject to Article 15.4, a Leaver shall be deemed on the Leaving Date to have served a separate Sale Notice in respect of all of the New Ordinary Shares (in accordance with the relevant provision of Article 15.3) then held by him (and such deemed Sale Notice shall supersede any previous Sale Notice which has not completed) and, subject to Article 15.3, the provisions of Article 11 (*Permitted Transfer of Shares*) shall apply (save that the deemed Sale Notice shall be deemed not to include the information set out in Article 12.1)

15.2 The provisions of this Article 15 shall not apply if the Leaver is a Good Leaver at any time after 8 November 2009

15.3 Notwithstanding any other Article or provision hereof, if Stuart Pender becomes a Leaver at any time then those New Ordinary Shares which have been issued by the Company to Stuart Pender under the Offer in consideration for those shares in PGHL (and any other equity shares which are owned by Stuart Pender at the relevant time) will be dealt with as if Stuart Pender is a Good Leaver. Provided that the rights bestowed upon Stuart Pender under this Article 15.3 shall be treated as entrenched provisions for all the purposes of the 2006 Act and will only be amended with his express prior written consent.

15.4 A deemed service of a Sale Notice pursuant to Article 12.1 shall provide that the Price in respect of any New Ordinary Shares the subject of the deemed Sale Notice shall be

15 4.1 in respect of the New Ordinary Shares held by a Very Bad Leaver, who becomes a Very Bad Leaver at any time up to and including 8 November 2009, the Issue Price,

15 4.2 in respect of any E Ordinary Shares or F Ordinary Shares held by a Bad Leaver, who becomes a Bad Leaver at any time up to and including 8 November 2009, the Issue Price,

15 4.3 in respect of any other Bad Leaver holding C Ordinary Shares and/or D Ordinary Shares, in respect of his Relevant Percentage (as defined below) of C Ordinary Shares or D Ordinary Shares the lower of

15 4.3.1 the Issue Price, and

15 4.3.2 the Fair Price,

and in respect of his Remaining Percentage of C Ordinary Shares or D Ordinary Shares the higher of

15 4.3.3 the Issue Price, and

15 4.3.4 the Fair Price

The "Relevant Percentage" and "Remaining Percentage" shall be determined in accordance with the date of cessation of employment as set out below

Date of Cessation of Employment	Relevant Percentage	Remaining Percentage
For the period up to and including 8 November 2009	33%	67%

15 4.4 in respect of New Ordinary Shares held by any Very Bad Leaver or Bad Leaver, who becomes a Very Bad Leaver or Bad Leaver (as the case may be) at any time after 8 November 2009, the lower of the Fair Price as at 8 November 2009 (following the application of this Article 15) and the Fair Price of the relevant Shares as at the Leaving Date,

15 4 5 in respect of New Ordinary Shares held by a Good Leaver, who becomes a Good Leaver at any time up to and including 8 November 2009, the higher of

15 4 5 1 the Issue Price paid for the relevant Shares by the relevant Good Leaver; and

15 4 5 2 the Fair Price

15 5 The Board may, by notice in writing served on the Company and the Leaver at any time whether or not the relevant person is at the time of the notice a Leaver prior to the expiry of six months from the date upon which the relevant person becomes a Leaver, specify that not all of the Leaver's New Ordinary Shares are to be the subject of the deemed Sale Notice and/or may, by notice in writing served on the Leaver, suspend the operation of the provisions of Article 12 (*Pre-emption Rights on Transfer*) for all or any part of such six month period. In addition, the Board may by notice in writing served on the Company and any Relevant Employee who holds New Ordinary Shares, at any time specify that the New Ordinary Shares (or any of them) held by such person shall be treated as if he is a Good Leaver, whether or not such person is a Leaver at the time of such written notice.

15 6 For the purposes of this Article 15

15 6 1 "**Bad Leaver**" means a Relevant Employee (other than Stuart Pender) who is a Leaver but is not a Very Bad Leaver,

15 6 2 "**Fair Price**" means the price per Sale Share, as at the Leaving Date (or, in the case of the first valuation to be made in accordance with Article 15 4 4, as at 8 November 2009 agreed between the Leaver and the Directors (taking into account the provisions set out below), or in the absence of such agreement, the price as at such date certified in writing by the Independent Expert as being in its opinion the fair value of the Shares as between a willing seller and a willing buyer provided that the Independent Expert in determining the fair value of any such Sale Shares shall

15 6 2 1 determine the sum which a willing buyer would offer to a willing seller for the whole of the issued share capital of the Company and, assuming that the Company is then carrying on business as a going

concern, that it will continue to do so and assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arms length treaty for cash payable on completion, and

15.6.2 divide the resultant figure by the number of issued Equity Shares and outstanding options or rights to acquire shares (assuming exercise in full),

but so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding of the Sale Shares, or in relation to any restrictions on the transferability of the Sale Shares and provided further that the Independent Expert shall take into account in relation to determining the appropriate figure for sub-paragraph 15.6.2.1 above any bona fide offer from any third party to purchase any of the Sale Shares or bona fide offer for the entire issued share capital of the Company from an unconnected third party within six months prior to the relevant valuation date,

15.6.3 **"Good Leaver"** means a Relevant Employee who:

15.6.3.1 ceases to be employed by a Group member as a result of his death,

15.6.3.2 is dismissed or resigns from a Group member by reason of his permanent incapacity,

15.6.3.3 retires from a Group member once he has reached the age of 65, or

15.6.3.4 has been given notice by a Group member to terminate his employment (other than a notice of summary dismissal which results in that person being classed as a Very Bad Leaver),

and provided that Stuart Pender shall only be treated as a Good Leaver

15.6.4 **"Independent Expert"** means a partner of at least 10 years' standing at a leading UK firm of accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales,

15 6 5 "Issue Price" means the amount equal to the aggregate nominal value of the PGHL Shares which were held by a Relevant Employee and which were exchanged for New Ordinary Shares pursuant to the Offer,

15 6 6 "Leaver" means

15 6 6 1 any Shareholder of New Ordinary Shares who ceases, or has ceased, to be a Relevant Employee,

15 6 6 2 any Shareholder of New Ordinary Shares who is (or is the nominee of) a Privileged Relation of any person who ceases to be a Relevant Employee,

15 6 6 3 any Shareholder of New Ordinary Shares who is (or is the nominee of) the trustee of a Family Trust of any person who ceases to be a Relevant Employee in respect of the New Ordinary Shares held on behalf of such person or on behalf of any Privileged Relation of such person,

15 6 6 4 any Shareholder holding New Ordinary Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Shareholder was a permitted transferee under the provisions of Article 11 (*Permitted Transfers*) who ceases to be a permitted transferee in relation to such person, including, without limitation, any Shareholder who ceases to be the spouse of a Relevant Employee,

15 6 6 5 any person who holds or becomes entitled to any new Ordinary Shares

(a) following the death of a Shareholder who is a Relevant Employee,

(b) following the bankruptcy of a Shareholder (if an individual) who is a Relevant Employee or the receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of a Shareholder (if a company), or

(c) following the exercise of an option after ceasing to be a Relevant Employee, or

15 6 6 any Shareholder holding New Ordinary Shares as a nominee for any person who ceases, or who has ceased, to be a Relevant Employee in respect of the New Ordinary Shares held on behalf of such person,

15 6 7 **"Leaver's Shares"** means all of the New Ordinary Shares held by a Leaver, or to which he is entitled, on the Leaving Date and any New Ordinary Shares acquired by a Leaver after the Leaving Date under an employee share scheme,

15 6 8 **"Leaving Date"** means the date on which the relevant person becomes a Leaver,

15 6 9 **"Relevant Employee"** shall mean

15 6 9 1 in the case of any of a C Ordinary Shareholder, a D Ordinary Shareholder, an E Ordinary Shareholder or an F Ordinary Shareholder an employee of the Company or any other Group member, or

15 6 9 2 in the case of any of a C Ordinary Shareholder, a D Ordinary Shareholder, an E Ordinary Shareholder or an F Ordinary Shareholder a Director or a director of any other Group member, and

15 6 10 **"Very Bad Leaver"** means a Relevant Employee (other than Stuart Pender) who ceases to be an employee, director or consultant of the Company or any Group member as a result of such person being summarily dismissed (including summary dismissal after the date of any notice of resignation served by such person (if any)) in circumstances where the Company or Group member is not liable to pay him compensation for the cessation of his employment other than compensation required by statute or statutory instrument

15 7 The Independent Expert shall certify the Fair Price as soon as possible after being instructed by the Company and, in so certifying, the Independent Expert shall be deemed to be acting as expert and not as arbitrator and the Arbitration Act 1996 shall not apply. The certificate of the Independent Expert shall in the absence of manifest

error, be final and binding and the costs of obtaining such certificate shall be borne as directed by the Independent Expert. In the absence of a direction as to costs the costs shall be for the account of the Company.

16. TRANSFER OF CONTROL

16.1 Notwithstanding any other provision of these Articles, no transfer of any Equity Shares which if made and registered would result in a Share Sale or any person or group of persons (who are not at such time a holder or holders of any Equity Shares) acting in concert (as defined by the City Code on Takeovers and Mergers) acquiring control of more than 30 per cent of the aggregate voting rights attaching to the Equity Shares shall be made or registered without the previous written consent of the holders of not less than 75 per cent of the Equity Shares unless

16.1.1 before the transfer is lodged for approval by the Directors for registration the proposed transferee has made an offer in accordance with this Article 16 ("**Qualifying Offer**") to purchase all the Equity Shares at the Specified Price, and

16.1.2 before or at the same time as the transfer of the Equity Shares is approved by the Directors (subject to stamping) each such accepted Qualifying Offer is completed and the consideration thereunder paid except insofar as failure to complete is due to the fault of the offeree.

16.2 A Qualifying Offer shall be in writing and shall be stipulated to be open for acceptance in the United Kingdom for at least 15 Business Days and in default of acceptance in writing within such time by an offeree shall be deemed to have been rejected by such offeree.

16.3 For the purposes of this Article

16.3.1 "**Connected Person**" shall have the meaning as set out in section 839 of the Income and Corporation Taxes Act 1988 and persons will be regarded as "acting in concert" if they would be so regarded for the purposes of the City Code on Takeovers and Mergers,

16.3.2 "**Specified Price**" shall mean

16 3 2 1 a price per share of not less than that offered or paid or agreed to be paid by the proposed transferee or any Connected Person with or any person acting in concert with such person for each Equity Share, or, if higher,

16 3 2 2 if the proposed transferee or any Connected Person with or any person acting in concert with such person has acquired any Equity Shares during the preceding 12 months, the "**Specified Price**" shall mean a price of not less than the highest average price per Equity Share paid or agreed to be paid in respect of all such Shares so acquired during the preceding 12 months including the Equity Shares,

16 3 3 "**Transfer**" and "**transferee**" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment

16 3 4 In determining the price paid or agreed to be paid for a Share for the purposes of Articles 16 3 2 1 or 16 3 2 2, there shall be included in each case an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the seller of the relevant shares (or any Connected Person or person acting in concert with him) which (having regard to the substance of the transaction as a whole) can reasonably be regarded as forming part of the consideration for the relevant Shares

16 4 In the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of 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 (or any successor body thereto) at the request of any of the parties concerned) whose decision shall be final and binding In the absence of fraud such umpire shall be under no liability to any person by reason of his calculation or anything done or omitted to be done by him for the purposes thereof or in connection therewith The proposing transferor and any other Shareholder shall provide such umpire with whatever information the umpire reasonably requests for the purposes of the calculation

16 5 In the event that the holders of 51 per cent in nominal value of the Equity Shares shall accept a Qualifying Offer made on arm's-length terms by a bona fide purchaser each of the other holders of Equity Shares shall be required to accept the Qualifying Offer in respect of all the Shares held by him/it and if any such member shall refuse or fail to transfer any of the Equity Shares held by him/it in accordance with the provisions of this Article the Board may authorise some person to execute and deliver on his/its behalf a transfer or transfers of such Shares to the person or persons making the Qualifying Offer and the Company may give a good receipt for the purchase price for such Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto The transferor shall in each case be bound to deliver up his certificate for all of his Shares to the Company whereupon the transferor shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the transferor

17. NOTICE OF GENERAL MEETINGS

17 1 General meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than 90 per cent. in nominal value of the shares giving that right

17 2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted

17 3 Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors

17 4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

18. PROCEEDINGS AT GENERAL MEETINGS

18 1 If under regulation 41 of Table A a meeting is adjourned 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 shall form a quorum and regulations 40 and 41 of Table A shall be modified accordingly

18 2 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 and regulation 46 of Table A shall be modified accordingly

18 3 Regulation 56 shall be modified by the deletion of the words "instruments of proxy, not less than 48 hours before the time appointed for holding" and substituting instead the words "forms of proxy, within the time limits prescribed by these articles for deposit of forms of proxy for use at" and by including the words "or poll" after the words "adjourned meeting"

18 4 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present by a duly authorised representative or by proxy, unless the proxy (in either case) or the representative is himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is a holder

18 5 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof "

18 6 Regulation 62 of Table A shall be 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 or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Directors resolve otherwise"

19. DIRECTORS

19 1 Unless and until otherwise determined by ordinary resolution of the Company, the number of the Directors shall be not less than two There shall be no maximum number

19 2 No person shall be disqualified from being appointed a Director and no Director shall 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 nor shall it be necessary to give special notice under the Acts of any resolution appointing, re-appointing or approving the appointment of a

Director by reason of his age but where the Board convenes any general meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for election or re-election who has at the date of such meeting attained the age of 70 years the Board shall give notice of his having attained such age in the notice convening the meeting or in any document sent therewith but the accidental omission to give such notice shall not invalidate any proceedings at that meeting or any election or re-election of such Director thereat

- 19 3 Regulation 68 of Table A shall be modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors "
- 19 4 A Director shall not retire by rotation and a Director appointed to fill a vacancy or as an addition to the Board shall not retire from office at the next general meeting held at least one year following his appointment. Regulations 78 and 79 of Table A shall be modified accordingly
- 19 5 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and regulation 81 of Table A shall be modified accordingly
- 19 6 The holders of not less than one half in nominal value of the Shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any Director from office or appoint any person to be a Director Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice This Article 19 6 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director

20. PROCEEDINGS OF DIRECTORS

- 20 1 The quorum necessary for the transaction of business at any meeting of the Directors shall be two
- 20 2 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by his alternate or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum
- 20 3 A Director who is in any way whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with section 182 of the 2006 Act Subject to such disclosure as aforesaid, a Director may vote in respect of any contract or proposed contract or arrangement in which he is interested and if he does so vote his vote shall be counted and he may be counted in ascertaining whether a quorum is present at any meeting at which such contract or proposed contract or arrangement shall come before the Directors for consideration and may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom For the purposes of this Article 20 3
- 20 3 1 a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent specified, and
- 20 3 2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his
- 20 4 Regulation 93 shall be modified by including the words "and may be delivered in hard copy form or by electronic means" after the words "signed by one or more directors "

21. DIRECTORS' INTERESTS

21 1 For the purposes of section 175 of the 2006 Act, a director shall be authorised:

21 1.1 to hold office as a director or other officer of, be employed or engaged by, hold shares or other securities in, or otherwise be interested in, whether directly or indirectly, any group undertaking of the Company and/or any associated company,

21 1.2 to participate in any scheme, transaction or arrangement for the benefit of employees or former employees of the Company or any group undertaking of the Company (including any pension fund or retirement, death or disability scheme or other bonus or employee benefit scheme), and

21 1.3 to act as a trustee of any scheme for the benefit of employees or former employees of the Company or any group undertakings of the Company (including any pension, retirement, death or disability scheme or other bonus or employee benefit scheme)

For the purposes of this Article 21 1, "associated company" shall mean Broomco (4099) Limited and its subsidiaries or subsidiary undertakings from time to time and Cullum Capital Ventures Limited

21 2 The following provisions of this article apply to any authorisation of a matter by the directors for the purposes of section 175 of the 2006 Act

21.2 1 an authorisation may extend to any actual or potential conflict of interest (including a conflict of interest and duty and a conflict of duties) which may reasonably be expected to arise out of the matter so authorised,

21 2.2 an authorisation shall be subject to such conditions or limitations as the directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the directors at any time, and

21 2.3 a director shall comply with any obligations imposed on him by the directors pursuant to any authorisation

21 3 If a matter, office, employment, position or interest, has been authorised pursuant to Article 21 1 or by the directors for the purposes of section 175 of the 2006 Act, then

the director in question shall not be required to disclose to the Company any confidential information relating to such matter, or to such office, employment, position or interest, or to use such information in relation to the Company's affairs if to do so would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, office, employment, position or interest

21 4 A director shall not be accountable to the Company for any remuneration or other benefit which he (or a person connected with him) derives from any office, employment, position or interest authorised pursuant to Article 21 1 or by the directors for the purposes of section 175 of the 2006 Act, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the 2006 Act

21 5 Without prejudice to the obligation of any director to disclose his interest in proposed or existing transactions or arrangements with the Company in accordance with the Acts and subject always to section 175(6) of the 2006 Act and the terms on which any authorisation by the directors for the purposes of section 175 of the 2006 Act has been given, a director (including an alternate director) may vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest, and, if he does so vote, his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution

22. INDEMNITIES

22 1 Subject to the provisions of the Acts but without prejudice to any indemnity to which he may otherwise be entitled, every Director, alternate director, secretary and other officer or employee for the time being of the Company or any associated company of the Company (including any associated company which is a trustee of an occupational pension scheme) shall be indemnified out of the assets of the Company against any liability 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 of the Act or section 1157 of the 2006 Act in which relief is granted to him by the court.

22.2 For the purposes of this article 22 "associated company" shall be interpreted in accordance with section 256 of the 2006 Act and "occupational pension scheme" has the meaning given in section 235(6) of the 2006 Act