

Company Number: 5820919

**LIGHTHOUSE HEALTHCARE LIMITED**

(the "Company")

**WRITTEN RESOLUTION**

Circulation Date: 28 January 2010

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution (the "Resolution") is passed as a special resolution:

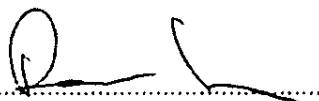
**SPECIAL RESOLUTION**

That the regulations contained in the printed document attached to this written resolution are approved and adopted as the Company's articles of association in substitution for and to the exclusion of all existing articles of association of the Company.

**AGREEMENT**

We, the undersigned, being entitled to vote on the Resolution on the Circulation Date, irrevocably agree to the Resolution.

Signed: .....



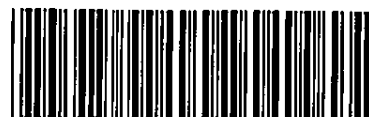
Date: .....

1/2/2010

For and on behalf of: Alcentra Mezzanine No.1 Fund LP

**Notes**

1. If you agree with the Resolution, please signify your agreement by signing and dating this document where indicated above, and returning it to the Company using by fax or e-mail.
2. If the Resolution is not agreed to by the necessary majority, it will lapse 28 days from the Circulation Date. You will not be taken to have agreed to the Resolution until the Company actually receives this signed document from you, so please ensure that we receive it within 28 days of the Circulation Date.
3. Once you have signified your agreement to the Resolution, you are not permitted to revoke your agreement.
4. If you do not agree with the Resolution, you do not need to do anything. You will not be deemed to agree if you do not reply.
5. If you are signing this document on behalf of someone else under a power of attorney or other authority, please enclose a copy of the power of attorney or authority when you return it to us.



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**AGREEMENT**

We, the undersigned, being entitled to vote on the Resolution on the Circulation Date, irrevocably agree to the Resolution.

Signed: .....

Date: .....

Signed: .....

Date: .....

For and on behalf of: Shiofra 1 S.a.r.l

**Notes**

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**AGREEMENT**

We, the undersigned, being entitled to vote on the Resolution on the Circulation Date, irrevocably agree to the Resolution.

Signed: Joanna Whitaker

Date: 28.1.10

For and on behalf of: JOANNA WHITTAKER

**Notes**

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Company Number: 5820919

**LIGHTHOUSE HEALTHCARE LIMITED**

(the "Company")

**WRITTEN RESOLUTION**

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That the regulations contained in the printed document attached to this written resolution are approved and adopted as the Company's articles of association in substitution for and to the exclusion of all existing articles of association of the Company.

**AGREEMENT**

We, the undersigned, being entitled to vote on the Resolution on the Circulation Date, irrevocably agree to the Resolution.

Signed:.......... Date:.....28/1/10.....

For and on behalf of:.....DAVID WHITTAKER.....

**Notes**

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Company Number: 5820919

## Lighthouse Healthcare Limited

(the "Company")

### WRITTEN RESOLUTION

Circulation Date: 28 January 2010

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution (the "**Resolution**") is passed as a special resolution:

### SPECIAL RESOLUTION

That the regulations contained in the printed document attached to this written resolution are approved and adopted as the Company's articles of association in substitution for and to the exclusion of all existing articles of association of the Company.

## AGREEMENT

We, the undersigned, being entitled to vote on the Resolution on the Circulation Date, irrevocably agree to the Resolution.

ADP OneSource  
Corporate Director

Signed: Authorized Signatory

Date: 29-01-2010

**ADLTwo Limited**  
Corporate Director:

**Corporate Director**

for and on behalf.

WOLVERCOTE INVESTMENTS LIMITED

Notes .....  
 Authorised Signatory

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Company No: 05820919

**THE COMPANIES ACT 1985 AND 1989**

**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
LIGHTHOUSE HEALTHCARE LIMITED**

(Adopted by special resolution on 1 February 2010)

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**Lovells**  
C1/KW

Company No: 05820919

**THE COMPANIES ACTS 1985 AND 1989**

**COMPANY LIMITED BY SHARES**

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**NEW ARTICLES OF ASSOCIATION  
OF  
ACORN CARE ACQUISITIONS LIMITED  
(the "Company")**

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(Adopted by special resolution passed on 1 February 2010)

**1. PRELIMINARY**

**1.1 In these Articles:**

**"A Director"** means a director appointed pursuant to Article 16.8;

**"A Ordinary Shares"** means A Ordinary shares of £0.01 each in the capital of the Company;

**"A Ordinary Shareholders"** means the holders of the A Ordinary Shares;

**"Asset Sale"** means the sale or a series of combined sales pursuant to which all or a substantial part of the business and/or assets of any Group Company is sold by a Group Company to a Third Party Purchaser;

**"Bad Leaver"** means a Leaver who does not fall within any of the categories of "Good Leaver";

**"Bank"** means the Governor and Company of the Bank of Scotland;

**"Board"** means the board of directors of the Company (or any duly authorised committee thereof) from time to time;

**"B Ordinary Shares"** means B Ordinary Shares of £0.01 each in the capital of the Company;

**"B Ordinary Shareholders"** means the holders of the B Ordinary Shares;

**"C Director"** means the director appointed pursuant to Article 16.5;

**"C Ordinary Shares"** means C Ordinary Shares of £0.01 each in the capital of the Company;

**"C Ordinary Shareholders"** means the holders of the C Ordinary Shares;

**"Called Shareholders"** has the meaning given to such term in Article 13.1;

**"Called Shares"** has the meaning given to such term in Article 13.2;

**"Companies Act"** means the Companies Act 1985 as amended including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;

**"Completion Date"** has the meaning given to such term in Article 12.4;

**"Controlling Interest"** means an interest (within the meaning of Schedule 13, Part 1 and Section 324 of the Companies Act) in shares in a company conferring, in aggregate, more than 50 per cent of the total voting rights conferred by all the issued shares in that company, taking account at the relevant time of provisions regarding voting rights contained in the articles of association of that company;

**"Connected Person"** has the meaning given to such term by section 839 of the Income and Corporation Tax Act 1988;

**"director"** means a director of the Company, and **"directors"** shall be construed accordingly;

**"Drag Along Option"** has the meaning given to such term in Article 13.1;

**"Drag Along Notice"** has the meaning given to such term in Article 13.2;

**"Equity Shareholders"** has the meaning given to such term in Article 7.2;

**"Equity Value"** means:

- (a) in the case of a Share Sale, the consideration payable (whether in cash or non-cash) for the entire issued share capital of the Company (including any deferred consideration);
- (b) in the case of a Listing, the valuation placed upon all of the Shares on the date of admission to the Official List of the UK Listing Authority as shown in a prospectus published in connection with the Listing; or
- (c) in the case of a Liquidation, the total capital sum returned by the Company to the Shareholders; or
- (d) in the case of an Asset Sale, the total sum returned by the Company to the Shareholders, either by way of dividend (other than dividends declared and paid out of the trading profits of the Company) or a return of capital,

after, in each case, repayment of all amounts owed by the Group to third parties and/or Shareholders, including, without limitation, all outstanding bank debt and all amounts outstanding under any loan note instrument and all amounts outstanding under any PIK facility and after deducting all allowable costs and expenses incurred by the Company and/or the Shareholders in connection with the Exit and in the event of any dispute between the Shareholders, the Equity Value shall be determined by an Independent Expert;

**"Excess Shares"** has the meaning given to such term in Article 7.2;

**"Exit"** means an Asset Sale, a Liquidation, a Listing or a Share Sale;



**"Fair Price"** means such price as an Independent Expert may determine pursuant to Article 10.4;

**"Family Trust"** means a trust, the terms and trustees of which have been approved by the Board, which does not permit any of the property subject to the trust or the income therefrom (or any interest in such property and/or income) to be applied otherwise than for the benefit of:

- (a) a Shareholder and/or a Privileged Relation of that Shareholder; or
- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the property (or any interest in such property and/or income) or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities),

and under which no power of control is capable of being exercised over the voting powers conferred by any Shares which are the subject of the trust by any person other than the trustees or the relevant Shareholder or a Privileged Relation of the Shareholder; and **"trust"** includes a trust arising under a settlement, or declaration of trust, inter vivos but excludes testamentary disposition or a trust arising on an intestacy;

**"financial year"** and **"financial period"** means an accounting reference period (as defined by the Companies Act) of the Company;

**"Good Leaver"** means a Leaver who ceases to be a director or employee of any Group Company where such cessation occurs by reason of:

- (c) death;
- (d) illness or disablement giving rise to permanent incapacity to continue in employment; or
- (e) retirement at normal retirement age;

**"Group"** means the Company and its subsidiaries and **"Group Company"** means any of them;

**"Independent Expert"** means an umpire (acting as an expert and not as an arbitrator) nominated by the relevant parties 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 on application by any such party;

**"Individual Shareholder"** means a Shareholder who is not a partnership, unincorporated association or body corporate;

**"Investment Deed"** means the investment deed entered in to on around the date of adoption of these Articles between, inter alia, the persons listed therein as **"Investors"**;

**"Issue Price"** means, in relation to a Share, the price at which such Share is issued, being the aggregate of the Paid Up Amount and any share premium thereon;

**"Leaver"** means:

- (f) a B Ordinary Shareholder who ceases to be a director or employee of any Group Company for any reason; or
- (g) the relevant Privileged Relation or trustee of the Family Trust of a B Ordinary Shareholder in circumstances where the B Ordinary Shareholder ceases to be a director or employee of any Group Company for any reason and he has transferred his B Ordinary Shares or any of them to such Privileged Relation or Family Trust prior to the cessation of his appointment as a director or employee of any Group Company; or
- (h) both (a) and (b) (as applicable);

**"Leaver Fair Price"** has the meaning given to such term in Article 12.4;

**"Leaver Transfer Notice"** has the meaning given to such term in Article 12.2;

**"Liquidation"** means the making of a winding up order by the Courts or the passing of a resolution by the members (subject to Article 4.2(d)) that the Company be wound up;

**"Listing"** mean the admission of any Shares to the Official List of the UK Listing Authority and such admission becoming effective or the grant of permission for any Shares to be dealt in on a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or any other public securities market and such permission becoming effective;

**"Loan Agreement"** means the agreement dated on or around the date of adoption of these Articles entered into between the Company and the Bank;

**"Listing"** means the admission of the Shares to listing on the Official List of the UK Listing Authority and to trading on the market for listed securities of the London Stock Exchange plc and such admission becoming effective or the grant of permission for such Shares to be dealt in on a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or any other public securities market and such permission becoming effective;

**"Majority A Shareholders"** means the persons who, together at the relevant time, hold not less than 60% in number of the A Ordinary Shares in issue at that time provided that, where the terms **"Majority A Shareholders"** or **"Majority A Shareholder Consent"** are used in Article 12, the A Ordinary Shares held by the Leaver shall not be counted in determining the total number of A Ordinary Shares in issue at that time, nor shall they be counted towards the 60% threshold required for such consent to be given;

**"Majority A Shareholder Consent"** means the giving of a prior written consent by the Majority A Shareholders, and such consent shall be given at the absolute discretion of the Majority A Shareholders unless otherwise specified in these Articles;

**"Majority C Shareholders"** means the persons who, together at the relevant time, hold more than 50% in number of the C Ordinary Shares in issue at that time;

**"Majority C Shareholder Consent"** means the giving of a prior written consent by the Majority C Shareholders, and such consent shall be given at the absolute discretion of the Majority C Shareholders unless otherwise specified in these Articles;

**"Maximum"** has the meaning given to such term in Article 11.2;

**"Offerees"** has the meaning given to such term in Article 12.2;

**"Ordinary Shares"** means the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares and **"Ordinary Share"** shall be construed accordingly;

**"Ordinary Shareholder"** means a holder of Ordinary Shares;

**"Paid Up Amount"** means the amount paid up or credited as paid up on the nominal value of such Shares disregarding any premium;

**"person"** includes, without limitation, a reference to an individual, partnership, unincorporated association or body corporate wherever incorporated or situate, and includes a reference to that person's legal personal representatives and successors;

**"Privileged Relation"** means, in relation to a Shareholder, the spouse of the Shareholder and the Shareholder's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Shareholder's children;

**"Purchaser"** has the meaning given to such term in Article 11.2;

**"Sale Price"** has the meaning given to such term Article 10.3;

**"Sale Shares"** has the meaning given to such term in Article 10.1;

**"Seller"** has the meaning given to such term in Article 13.1;

**"Seller Shareholder"** means the holder of a Share which is the subject of a Transfer Notice;

**"Share"** means any share in the capital of the Company from time to time and **"Shares"** shall be construed accordingly;

**"Shareholder"** means a holder of any Share;

**"Share Sale"** means the completion of any sale of any interest in any Shares (whether in one transaction or a series of related transactions) resulting in the transferee (either alone or together with its Connected Persons) holding a Controlling Interest in the Company;

**"Table A"** means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended as amended by the Companies (Table A to F) (Amendment) Regulations 2007 and The Companies (Table A to F) (Amendment) (No.2) Regulations 2007;

**"Tag Along Offer"** has the meaning given to such term in Article 13.8;

**"Tag Shareholders"** has the meaning given to such term in Article 13.8;

**"Third Party Purchaser"** means a bona fide arm's length purchaser who is not a Shareholder or a Connected Person of a Shareholder;

**"Transfer Notice"** means a notice which a Shareholder has given, or is required to give or is deemed to have given pursuant to any of Articles 9.5 or 9.6 or the Investment Deed, stating that the Shares held by him are to be transferred pursuant to Article 10;

**"voting rights"** shall be construed in accordance with section 736(A) of the Companies Act; and

**"Wolvercote"** means Wolvercote Investments Limited.

- 1.2 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith, and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.
- 1.3 In the last paragraph of Regulation 1 of Table A, the words "and in articles of association adopting the same" shall be inserted after the word "regulations" in the first line, the words from "but excluding" to "company" shall be deleted and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force." shall be inserted at the end of that paragraph.
- 1.4 Regulations 26, 54, 64, 73-82 (inclusive), 85, 86, 94-98 (inclusive) and 118, and the last sentence of regulation 112, of Table A shall not apply to the Company.

## **2. SHARE CAPITAL**

The authorised share capital of the company is £140.65 divided into 9,200 A Ordinary Shares, 800 B Ordinary Shares and 4,065 C Ordinary Shares.

## **3. SHARE RIGHTS**

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

### **3.1 Capital**

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company shall be applied as follows:

- (a) first in paying to the Ordinary Shareholders the Issue Price of each Ordinary Shares; and
- (b) the balance of such assets shall be distributed amongst the A Shareholders and the C Shareholders (pari passu, as if the A Shares and C Shares constituted one class of Share), save where such assets are returned following an Exit, in which event Article 3.4 shall apply.

### **3.2 Voting**

- (a) Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands every A Ordinary Shareholder and C Ordinary Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by proxy or by a representative not being himself an A Ordinary Shareholder or a C Ordinary Shareholder shall have one vote, and on a poll every A Ordinary Shareholder and/or C Ordinary Shareholder who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every A Ordinary Share and C Ordinary Share of which he is the holder.
- (b) The B Ordinary Shares shall carry a right to receive notice of and to attend and speak, but not to vote at, all general meetings of the Company.

### **3.3 Dividends**

Subject to any restrictions in the Loan Agreement and obtaining any relevant consent, any profits which the Directors may lawfully determine to distribute in respect of any financial year shall be distributed among the A Ordinary Shareholders and the C Ordinary Shareholders (pari passu, as if the A Ordinary Shares and the C Ordinary Shares same constituted one class of Share), save where such assets are returned following an Exit, in which event Article 3.4 shall apply.

### 3.4 Exit

On an Exit, the Equity Value shall be apportioned amongst the Ordinary Shares as follows:

- (a) the first £35,000,000 (inclusive) of the Equity Value shall be apportioned amongst the A Shareholders and the C Shareholders (pari passu, as if the A Shares and C Shares constituted one class of Share); and
- (b) any amount of Equity Value above £35,000,000 (the "**Excess Equity Value**") shall be apportioned amongst the Ordinary Shareholders (pari passu, as if the Ordinary Shares constituted one class of Share), save that all of the B Ordinary Shares then in issue shall not be entitled to more than 10% of the Excess Equity Value and all of the C Ordinary Shares then in issue shall not be entitled to less than 28.5% of the Excess Equity Value.

## 4. CLASS RIGHTS

4.1 Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may be varied or abrogated only with the consent in writing of the holders of more than 80 per cent in nominal value of the issued Shares of that class.

4.2 Without prejudice to the generality of Article 4.1 and where the capital of the Company is divided into different classes of Shares, the rights attached to the A Ordinary Shares and the C Ordinary Shares shall be deemed to be varied by:

- (a) any alteration or variation of any of the rights attached to any of the Shares for the time being in the capital of the Company or the shares of any Group Company;
- (b) the redemption of any of the Company's Shares or the shares of any Group Company (otherwise than pursuant to these Articles) or by the entering into of a contract by the Company to purchase any of its Shares or any Group Company to purchase any of its shares;
- (c) any alteration to the memorandum of association or articles of association of the Company or any Group Company (in each case, from time to time);
- (d) any resolution to wind up the Company or any Group Company;
- (e) the giving, variation, revocation or renewal of an authority for allotment under section 80 of the Companies Act; or
- (f) the disapplication of the provisions of sections 89(1) and 90(1) of the Companies Act in relation to any allotment or issue of Shares by the Company,

and the rights attached to the B Ordinary Shares shall be deemed to be varied by the matters specified in Article 4.2.1 above if the proposed alteration or variation is in respect of the B Ordinary Shares and their rights would be materially prejudiced by such proposed alteration or variation.

5. **LIEN**

The lien conferred by Regulation 8 of Table A shall apply and the Company have a first and paramount lien on all Shares whether fully paid or not standing registered in the name of any person indebted or under liability to the Company, whether he is the sole registered holder thereof or one of two or more joint holders, for all monies presently payable by him or his estate to the Company.

6. **CALLS**

The liability of any Shareholder in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

7. **ISSUES OF SHARES**

7.1 Subject to these Articles, the pre-emption provisions of sub-section (1) of section 89 and sub-sections (1) to (6) of section 90 of the Companies Act shall apply to any allotment of the Company's equity securities, provided that:

- (a) the period specified in section 90(6) of the Companies Act shall be 14 days; and
- (b) the holders of equity securities ("**Equity Shareholders**") who accept Shares shall be entitled to indicate (i) that they would accept Shares that have not been accepted by other Equity Shareholders ("**Excess Shares**") on the same terms as originally offered to all Equity Shareholders and (ii) the number of Excess Shares they would accept. Any Shares not accepted by an Equity Shareholder shall be allotted to those Equity Shareholders who have indicated that they would accept Excess Shares and such Excess Shares shall be allotted in the numbers in which they have been accepted by such Equity Shareholders or, if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all of the Excess Shares they have indicated they would accept, then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares applied for.

7.2 No A Ordinary Share nor any right to subscribe for or convert any security into an A Ordinary Share shall be allotted otherwise than to the holder of an A Ordinary Share; no B Ordinary Share nor any right to subscribe for or convert any security into a B Ordinary Share shall be allotted otherwise than to the holder of a B Ordinary Share; and no C Ordinary Share nor any right to subscribe for or convert any security into a C Ordinary Share shall be allotted otherwise than to the holder of a C Ordinary Share.

8. **PROVISIONS APPLYING ON EVERY TRANSFER OF SHARES**

8.1 The Board shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles or the Investment Deed but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of Shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the Board may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Board within a period of 28 days after such request, the Board shall be entitled to refuse to register the transfer in question.

8.2 Save for transfers pursuant to Articles 9, 10, 11, 12 and 13, no Shares may be transferred unless a Majority A Shareholder Consent and a Majority C Shareholder Consent has been obtained and the proposed transferee has entered into an agreement to be bound by the Investment Deed (in the form required by the Investment Deed).

8.3 A reference in these Articles to a transfer of Shares shall include a transfer of any interest in Shares (whether legal, beneficial or otherwise) and these Articles shall take effect accordingly.

## **9. PERMITTED AND MANDATORY TRANSFERS OF SHARES**

### **9.1 Permitted Transfers by Individual Shareholders to Privileged Relations and Family Trusts**

Any Individual Shareholder (or the legal representative of a deceased Individual Shareholder) may, at any time, transfer any Shares held by him to a Privileged Relation over the age of 17 or to the trustees of a Family Trust of which he is the settlor provided that:

- (a) any transfer of Shares to trustees to be held upon a Family Trust made during the lifetime of the Shareholder making the transfer may only be made with the prior approval of the Board;
- (b) any transfer of Shares by an Individual Shareholder to a Privileged Relation or trustees of his Family Trust pursuant to this Article 9.1 will be on terms (as previously approved by the Board) that the Privileged Relation or trustees (as the case may be) shall:
  - (i) undertake to exercise all voting rights attaching to such Shares and to sign all proxies, consents to short notice and other documents relating to such exercise in accordance with the directions of the Individual Shareholder; and
  - (ii) give the Individual Shareholder full, unconditional and irrevocable authority to sell such Shares on behalf of the trustees or Privileged Relation (as the case may be) on a Listing or a Share Sale or pursuant to Articles 12 or 13; and
- (c) the Privileged Relations and/or the trustees of the Family Trusts to whom Shares are transferred by an Individual Shareholder pursuant to this Article 9.1 may transfer such Shares in accordance with Article 9.2 at any time but shall not otherwise be entitled to transfer such Shares.

### **9.2 Permitted transfers by Privileged Relations and/or Family Trusts**

- (a) The Privileged Relations to whom Shares are transferred by an Individual Shareholder pursuant to Article 9.1 may transfer such Shares back to the relevant Individual Shareholder at any time, but shall not otherwise be entitled to transfer such Shares.
- (b) Where any Shares are held by trustees upon a Family Trust:
  - (i) on any change of trustees, such Shares may be transferred to the new trustees of that Family Trust; and
  - (ii) such Shares may be transferred at any time to the relevant Individual Shareholder, or, at the direction of the Individual Shareholder, to the

trustees of another Family Trust of which the Individual Shareholder is the settlor, or to any Privileged Relation of the Individual Shareholder,

provided that nothing in this Clause 9.2 shall affect the right of an Individual Shareholder to exercise its authority to sell the Shares pursuant to Clause 9.1.2(b).

### 9.3 Permitted transfers of Investor Shares

Notwithstanding any other provision in these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall be registered by the Board (subject to stamping):

- (a) any Shareholder which is a body corporate may transfer any Shares held by it to its ultimate parent company or any other body corporate controlled, directly or indirectly, by it or its ultimate parent company **PROVIDED ALWAYS THAT** the transferee gives an undertaking to the Company that, in the event of any such body corporate ceasing to be controlled, directly or indirectly, by the original Shareholder or such ultimate parent company, immediately prior to it so ceasing such Shares shall be transferred back to the original Shareholder or to another body corporate controlled by it or its ultimate parent company (for which purpose "control" shall have the same meaning as in section 840 of the Income and Corporation Taxes Act 1988);
- (b) any Shares held by a nominee or trustee of a partnership may be transferred to the partnership or to any new nominee or trustee for such partnership;
- (c) any Shares held by or on behalf of a partnership, unit trust, investment trust, unincorporated association or other fund or corporation may be transferred to another partnership, unit trust, investment trust, unincorporated association or other fund or corporation which is managed or advised by the same manager or adviser as the transferor or by a holding company of such manager or adviser or any subsidiary company of such holding company;
- (d) any Shares held by a corporate trust or trustee or by a body corporate wholly-owned by a corporate trust or trustee ("**Trust Body Corporate**") may be transferred to the settlor, trustees or beneficiaries of such trust or, in the case of a corporate trustee, a Trust Body Corporate of such trust to which such trustee or Trust Body Corporate relates;
- (e) any Shares which are held by or on behalf of an Investment Trust (as defined in chapter 21 of the Listing Rules published by the UK Listing Authority) whose shares are listed on the Official List maintained by the UK Listing Authority may be transferred to another such Investment Trust whose shares are also so listed; and
- (f) any holder of Shares which is a nominee or trustee, whether directly or indirectly, for an approved scheme or schemes as defined in section 612 of the Income and Corporation Taxes Act 1988 may transfer any Shares to any other nominee or trustee, whether direct or indirect, for the same approved scheme or schemes.

### 9.4 Other Permitted Transfers

#### (a) Transfers to the Company

Any holder of Shares may at any time, with the approval of the Board and with the necessary class consents pursuant to Article 4.2, transfer Shares to the Company in accordance with the Companies Act and these Articles.



**(b) Transfers with Shareholder Approval**

Notwithstanding any other provisions of these Articles other than Article 9.4(a) above, a transfer of any Shares approved by the Shareholders holding not less than 80% in number of the A Ordinary Shares in issue at that time and a Majority C Shareholder Consent may be made without restriction as to price or otherwise.

**(c) Transfers pursuant to a Listing or Article 13**

Notwithstanding any other provision of these Articles, a transfer of any Share made pursuant to and in accordance with a Listing or Article 13 shall be registered by the Board (subject to stamping).

**(d) Transfers pursuant to the Investment Deed**

Notwithstanding any other provision of these Articles, a transfer of any Share made pursuant to and in accordance with Clause 6.4 of the Investment Deed shall be registered by the Board (subject to stamping).

**9.5 Mandatory transfers by Family Trusts**

If and whenever any Shares held by trustees of a Family Trust cease to be so held upon a Family Trust (otherwise than in accordance with Article 9.2) or there cease to be any beneficiaries of the Family Trust other than a charity or charities:

- (a) the trustees of the Family Trust shall notify the Company in writing that such event has occurred;
- (b) within 30 days of such event, the trustees shall transfer the Shares to the relevant Individual Shareholder or, at the direction of the Individual Shareholder, to a Privileged Relation of such Individual Shareholder (at a price to be agreed between the transferor and the transferee), and if they fail to do so the Company may serve notice on the trustees requiring them to effect such transfer within 14 days of such notice; and
- (c) in default of compliance with such notice, the trustees shall be deemed to have given a Transfer Notice in respect of the Shares held by such trustees and such Shares may not be transferred otherwise than in accordance with Article 10.

**9.6 Compulsory transfers by Privileged Relations**

If and whenever a Privileged Relation to whom Shares have been transferred pursuant to Article 9.1 ceases to be a Privileged Relation of the relevant Individual Shareholders:

- (a) the relevant Individual Shareholder shall notify the Company in writing that such cessation has occurred;
- (b) within 30 days of such event, the former Privileged Relation shall transfer the Shares to the relevant Individual Shareholder or, at the direction of the Individual Shareholder, to a Privileged Relation of such Shareholder and, if they fail to do so, the Company may serve notice on the former Privileged Relation requiring them to effect such transfer within 14 days of such notice; and
- (c) in default of compliance with such notice, the former Privileged Relation shall be deemed to have delivered a Transfer Notice in respect of the Shares held by such former Privileged Relation and such Shares may not be transferred otherwise than in accordance with Article 10.

## 10. TRANSFER PROVISIONS - GENERAL

### 10.1 Transfer notices

Save as otherwise provided in these Articles (including, without limitation, any transfers pursuant to Articles 9, 12 and 13), every Shareholder who desires to transfer any Shares shall give to the Company notice in writing of such desire (a **"Transfer Notice"**). Transfer Notices shall constitute the Company as the agent of the Shareholder who desires to transfer the Shares (the **"Selling Shareholder"**) for the sale of the Shares specified therein (the **"Sale Shares"**). In the event that the Selling Shareholder has reached an agreement or arrangement with a Third Party Purchaser for the sale of the Sale Shares to such Third Party Purchaser that is binding, subject only to the provisions of the Articles, the Selling Shareholder shall state in the Transfer Notice the name of such Third Party Purchaser and the price per share at which the Sale Shares are to be sold (the **"Third Party Price"**).

- 10.2 Any Shares which are currently the subject of a Transfer Notice as a result of the operation of Articles 9.5 or 9.6 or a Leaver Transfer Notice shall, until transferred, not entitle the transferor of such Shares to receive notice of, attend or vote at any general meeting of the Company or meeting of the holders of Shares of the same class, and such Shares shall 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 or a written consent of any member or class of members, nor shall the holder of such Shares be entitled to participate in any offer made to the members pursuant to Article 11, nor in any allotment of Shares pursuant to Article 7.

### 10.3 Calculation of the Sale Price

The price for the Sale Shares (the **"Sale Price"**) shall be:

- (a) the Third Party Price; or
- (b) if no Third Party Price has been agreed, the price agreed by the Selling Shareholder and the Board; or
- (c) if the Selling Shareholder and the Board are unable to agree a price within 14 days of the Transfer Notice or Leavers Transfer Notice being given or deemed to be given by the Selling Shareholder, the Sale Price shall be the price which the Independent Expert shall certify to be, in his opinion, a fair price for the Sale Shares (the **"Fair Price"**).

### 10.4 If the Fair Price falls to be determined by an Independent Expert:

- (a) the Company shall immediately instruct the Independent Expert to determine the Fair Price on the basis which, in the Independent Expert's opinion, represents a fair price for the Sale Shares as between a willing seller and a willing buyer;
- (b) the Independent Expert shall certify the Fair Price as soon as possible after being instructed by the Company to do so 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 to him;
- (c) the certificate of the Independent Expert shall, in the absence of manifest error, be final and binding on the selling Shareholder and the Company; and
- (d) the Company shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company unless:

- (i) such an arrangement would not be permitted by the Companies Act; or
- (ii) the Fair Price is the same as, or within 10% of, the price (if any) which the Board had previously notified to the Selling Shareholder as being in its opinion a fair price for the Sale Shares, in which event the cost shall be borne by the Selling Shareholder.

10.5 If a person who is deemed to have given a Transfer Notice pursuant to Articles 9.5 or 9.6 has not transferred such Shares in accordance with the Transfer Notice by the date falling 30 days after the date on which the Transfer Notice is deemed to have been given or within 5 days of the expiry of the final offer period pursuant to Article 11.3, if later, the Company may nominate some person to execute an instrument of transfer of such Shares in the name and on behalf of the holder of such Shares and thereafter, when the instrument has been duly stamped, the Company shall cause the name of the transferee to be entered in the Company's register of members as the holder of such Shares.

**10.6 Certification of the Sale Price and right of the Selling Shareholder to cancel**

If the Independent Expert is asked to determine the Fair Price, his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Selling Shareholder. The Selling Shareholder shall be entitled, by notice in writing given to the Company within 10 days of the service upon him of the copy certificate, to cancel the Company's authority to sell the Sale Shares unless the Shares are to be sold pursuant to a Transfer Notice deemed to be given pursuant to Article 9.5, 9.6 or 12.

**10.7 Right of Selling Shareholder to reject partial sales**

A Transfer Notice issued by a Selling Shareholder, otherwise than pursuant to Articles 9.5, 9.6 or 12, may contain a condition (a "**Total Transfer Condition**") that, unless all the Shares comprised therein are sold by the Company pursuant to Article 11, none shall be sold. Any such provision shall be binding on the Company.

**11. PRE-EMPTION PROVISIONS**

11.1 Forthwith upon the Sale Price being agreed or determined in accordance with Article 10 then, unless the Selling Shareholder gives a valid notice of cancellation pursuant to Article 10.6, the Sale Shares shall be offered for sale as set out in this Article 11. All offers made by the Company pursuant to the Article 11 shall give details of the number and Sale Price of the Sale Shares and details of any Total Transfer Condition.

- 11.2 Forthwith upon the Sale Price being agreed or determined in accordance with Article 10, the Directors shall forthwith give written notice to the Shareholders (other than the Selling Shareholder or any Leaver), as applicable, of the number and description of the Sale Shares and the Sale Price and (unless the Transfer Notice is deemed given as provided by these Articles) the identity(ies) of the Third Party Purchaser. In response to such written notice, each such Shareholder, as applicable, must state by notice in writing to the Company within 60 days whether it or he is willing to purchase any and, if so, what maximum number of the Sale Shares (the "**Maximum**"), and shall also forthwith give a copy of such notice to the proposing transferor. Any Shareholder who, pursuant to such a notice, expresses a willingness to purchase any Sale Shares is referred to below as a "**Purchaser**".
- 11.3 Within 10 days of the expiration of the said period of 60 days the Directors shall, subject to Article 10.6 below, allocate the Sale Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows:
- (a) in the case of A Ordinary Shares:
    - (i) first to the holders of A Ordinary Shares; and
    - (ii) second to the holders of C Ordinary Shares;
  - (b) in the case of B Ordinary Shares, to the holders of Ordinary Shares; and
  - (c) in the case of C Ordinary Shares, to the holders of A Ordinary Shares.
- 11.4 Each allocation among the relevant Shareholders identified in Article 11.3 shall in the case of competition be made pro rata to the number of Shares held by them but individual allocations shall not exceed the Maximum which the relevant person shall have expressed a willingness to purchase.
- 11.5 If the Transfer Notice contains a Total Transfer Condition, no allocation shall be made unless all the Sale Shares are allocated.
- 11.6 Subject to any Total Transfer Condition, the Company shall, forthwith upon allocating any Sale Shares, give notice in writing (a "**Sale Notice**") to the Selling Shareholder and to each Purchaser the number of Sale Shares so allocated to each Purchaser and the aggregate price payable therefor. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within 5 days after the date of the Sale Notice whereupon the Selling Shareholder shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the person to whom they have been allocated and deliver the relevant Share certificates.
- 11.7 Save in the case of an acquisition of Sale Shares by the Company, if the Selling Shareholder defaults in transferring any Sale Shares pursuant to Article 11.5 to the person to whom the Sale Shares have been allocated (the "**allocated person**"), the Company may receive the relevant purchase money from the allocated person and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Selling Shareholder and thereafter, when the instrument has been duly stamped, the Company shall cause the name of the allocated person to be entered in the Company's register of members as the holder of such Sale Shares and shall hold the purchase money on trust (without interest) for the Selling Shareholder. The receipt by the Company of the purchase money shall be a good discharge to the allocated person (who shall not be bound to see to the application thereof) and, after his name has been so entered in the Company's register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Sale Shares by the Company, if the Selling Shareholder defaults in transferring any Sale Shares pursuant to Article 11.5, the Company may nominate some person to execute an instrument of

transfer of such Sale Shares in the name and on behalf of the Selling Shareholder and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Companies Act and shall hold the purchase money on trust (without interest) for the Selling Shareholder.

- 11.8 If all of the Sale Shares are not sold pursuant to Articles 11.1 to 11.7 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Selling Shareholder. The Selling Shareholder shall then be entitled to sell any of the Sale Shares for which no buyer has been found (including, without limitation, all of the Sale Shares if not all of the Sale Shares have been sold pursuant to a Transfer Notice validly containing a Total Transfer Condition in accordance with Article 10.7) to:

- (a) a Third Party Purchaser for the Third Party Price; or
- (b) a third party for a price not less than the Fair Price (in each case after deducting, where appropriate, any dividend or other distribution declared or made in respect of the Sale Shares after the giving of the Transfer Notice),

at any time up to the expiration of 2 months after the above notification is received by the Selling Shareholder.

- 11.9 For the purposes of this Article 11, references to Ordinary Shareholders who are to be offered any Sale Shares shall be deemed to be a reference to such of those Ordinary Shareholders who are on the Company's register of members at the close of business on the date of the Transfer Notice as holders of Ordinary Shares, other than any Ordinary Shareholder who, at any time before such offer is made has given (or is deemed to have given) a current Transfer Notice or a Leaver Transfer Notice in respect of his Shares or any of them.

## 12. **COMPULSORY TRANSFERS**

- 12.1 Article 12 applies to a B Ordinary Shareholder who becomes a Leaver.

- 12.2 Within 6 months from the date on which the B Ordinary Shareholder becomes (on any occasion) a Leaver, the Majority A Shareholders may serve notice (a "**Leaver Transfer Notice**") requiring such Leaver (or, where relevant, his personal representatives in the case of his death) to offer some or all of his B Ordinary Shares to:

- (a) a person or persons intended to take the Leaver's place as a director or employee or consultant of the Company;
- (b) any of the existing employees or with subject to a Majority C Shareholder Consent directors of the Company or any Group Company;
- (c) participants or potential participants in, or trustees of, an employees' share scheme of the Company or a Group Company; and/or
- (d) any other person or persons approved by Majority A Shareholder Consent and a Majority C Shareholder Consent,

(together, the "**Offerees**" and each an "**Offeree**").

- 12.3 Subject to Articles 12.2(b) and 12.2(d) the Leaver Transfer Notice may reserve the right of the Majority A Shareholders to finalise the identity of the Offerees once the price for the B Ordinary Shares has been determined.

- 12.4 The Leaver shall then offer his B Ordinary Shares to the Offerees free from all liens, charges and encumbrances together with all rights attaching to them on the following terms:
- (a) the price per B Ordinary Share shall be:
    - (i) if a Leaver ceases to be a director in circumstances which constitute him a Good Leaver, the higher of (i) the price agreed between the Leaver and the Majority A Shareholders or, in the absence of an agreement within 14 days of the Leaver Transfer Notice, the Fair Price determined by an Independent Expert in accordance with Article 10.4 (the "**Leaver Fair Price**") and (ii) the amount subscribed per B Ordinary Share; or
    - (ii) if a Leaver ceases to be a director in circumstances which constitute him a Bad Leaver, the lower of the Leaver Fair Price and the amount subscribed per B Ordinary Share.
  - (b) within 7 days after the price per B Ordinary Share has been agreed or certified:
    - (i) the Company shall notify the Leaver of the names and addresses of the Offerees and the number of B Ordinary Shares to be offered to each;
    - (ii) the Company shall notify each Offeree of the number of B Ordinary Shares on offer to him; and
    - (iii) the Company's notices shall specify the price per B Ordinary Share (as determined pursuant to Article 12.4.1 above) and state a date, between 7 and 14 days later, on which the sale and purchase of the Leaver's B Ordinary Shares is to be completed (the "**Completion Date**").
- 12.5 By the Completion Date, the Leaver shall deliver stock transfer forms for the B Ordinary Shares, with the relevant share certificates, to the Company. On the Completion Date, the Company shall pay the Leaver, on behalf of each of the Offerees, the relevant price (as the case may be) for the B Ordinary Shares to the extent the Offerees have put the Company in the requisite funds.
- 12.6 To the extent that Offerees have not, by the Completion Date, put the Company in funds to pay the relevant price, the Leaver shall be entitled to the return of the stock transfer forms and Share certificates for the relevant B Ordinary Shares and the Leaver shall have no further rights or obligations under Article 12 in respect of those B Ordinary Shares.
- 12.7 If a Leaver fails to deliver stock transfer forms for the B Ordinary Shares to the Company by the Completion Date, the Directors may (and shall, if requested by the Majority A Shareholders) authorise any Director to transfer the B Ordinary Shares on the Leaver's behalf to each Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the relevant price for the B Ordinary Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price on trust for the defaulting Leaver without any obligation to pay interest. The defaulting Leaver shall surrender his share certificate for the B Ordinary Shares to the Company. On surrender, he shall be entitled to the relevant price for the B Ordinary Shares.
- 12.8 While B Ordinary Shares are liable to be transferred by virtue of this Article 12, they may not be transferred under Articles 9 or 11, and Articles 9 and 11 shall not apply during such period.

**13. DRAG ALONG AND TAG ALONG**

- 13.1 Subject to 13.2 below, if the holders of not less than 60% in aggregate nominal value of the A Ordinary Shares in issue (the "**Sellers**") wish to transfer all of their interests in their Shares to a Third Party Purchaser, the Sellers (or any Seller) shall have the option (the "**Drag Along Option**") to require all the other Shareholders (the "**Called Shareholders**") to sell, with full title guarantee, and transfer all their Shares to the same Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this Article 13.
- 13.2 The Sellers shall not be entitled to exercise the Drag Along Option until 23 December 2014 unless on completion of the sale pursuant to the Drag Along Option the aggregate of the net cash payable (excluding any reasonable third party fees payable by the Company on behalf of the C Ordinary Shareholders or the lenders under the PIK Agreement in connection with the sale) to (i) Alcentra (as defined under the Investment Deed) for the C Ordinary Shares held by Alcentra; and (ii) Alcentra to repay all amounts outstanding under the provisions of the PIK Agreement, is greater than or equal to £16.3 million.
- For the purpose of this Article 13.2, Alcentra shall include any entity to whom a transfer has been made pursuant to Article 9.3.
- 13.3 The Sellers (or any Seller) may exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Shares to the Third Party Purchaser. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") pursuant to this Article 13;
  - (b) the person to whom they are to be transferred;
  - (c) the price at which the Called Shares are to be transferred (calculated in accordance with Article 13.4); and
  - (d) the proposed date of transfer.
- 13.4 A Drag Along Notice is irrevocable but the Drag Along Notice (and all obligations thereunder) will lapse if, for any reason, there is not a sale of Shares by the Sellers to the Third Party Purchaser within 60 days after the date of the Drag Along Notice.
- 13.5 The Called Shareholders shall be obliged to sell each of the Called Shares at the price attributed by the offer from the Third Party Purchaser for an Ordinary Share held by the Sellers and otherwise on the same terms as the Sellers.
- 13.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Sellers agree otherwise; or
  - (b) that date is less than 3 days after the Drag Along Notice, in which event it shall be deferred until the third day after the Drag Along Notice.
- 13.7 The rights of pre-emption set out in these Articles shall not arise on any transfer of Shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice or Tag Along Offer has been duly served.
- 13.8 If any Called Shareholder does not, on completion of the sale of Called Shares, execute transfer(s) in respect of the Called Shares held by him, the Board shall be irrevocably entitled to, and shall authorise and instruct such person as they shall think fit to, execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such member) of the purchase monies payable for the Called Shares, deliver such

transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. The Company's receipt of the purchase monies payable for such Called Shares shall be a good discharge to the Third Party Purchaser. The Company shall hold the purchase monies on trust for the defaulting Shareholder without any obligation to pay interest. The defaulting Shareholder shall surrender his share certificate for the Called Shares to the Company. On surrender, he shall be entitled to the relevant purchase monies for the Called Shares.

- 13.9 If the holders of more than 60% in aggregate nominal value of the A Ordinary Shares in issue for the time being (the "**Tag Shareholders**") wish to transfer all their interest in their Shares to a Third Party Purchaser (other than pursuant to Article 9.3) the Tag Shareholders shall procure that the relevant Third Party Purchaser shall make an offer to all other Shareholders to acquire their Shares at the price per Ordinary Share offered by the Third Party Purchaser to the Tag Shareholders and to complete on the same proposed date of transfer (a "**Tag Along Offer**") and completion of the acquisition of any Shares which are the subject of a Tag Along Offer, if accepted by any of the other holders, will take place at the same time as completion of the sale by the Tag Shareholders.

- 13.10 All other regulations of the Company relating to the transfer of Shares and the right to registration of transfers shall be read subject to the provisions of this Article 13.

14. **COMPLIANCE**

For the purpose of ensuring compliance with the transfer provisions of these Articles, the Company may require any Shareholder to procure that:

- (a) he or it (as the case may be);
- (b) any proposed transferee of any Shares; or
- (c) such other person as is reasonably believed to have information and/or evidence relevant to such purpose,

provides to the Company any information and/or evidence reasonably relevant to such purpose and, until such information and/or evidence is provided, the Company shall refuse to register any relevant transfer.

- 14.2 Each Shareholder hereby irrevocably appoints the Company as its attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this power of attorney) to give effect to the provisions of these Articles.

15. **GENERAL MEETINGS**

- 15.1 The final sentence of Regulation 38 of Table A shall be modified by the insertion of the words "known by the Board to be" after the words "to all persons".
- 15.2 No meeting of Shareholders shall be quorate unless those Shareholders present include (whether in person or by a duly authorised representative or a proxy) holders of not less than 80 per cent of the A Ordinary Shares in issue for the time being and Regulation 40 of Table A shall be construed accordingly.



- 15.3 Regulation 62 of Table A shall be modified by the substitution in paragraph (a) of the words "at any time" in place of "not less than 48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "not less than 24 hours".

16. **DIRECTORS**

16.1 **Numbers of Directors**

The number of directors shall not be less than 2 nor more than 5 in number.

- 16.2 For so long as Wolvercote Investments Limited holds any Shares they shall have the right from time to time to appoint one person to be a non-executive director of the Company (an "**Wolvercote Director**") and to remove from office any person so appointed and to appoint another person in his place. Wolvercote shall also be entitled to require that any such Wolvercote Director be appointed as a non-executive director of each subsidiary of the Company and to be appointed to (a) any committee or sub-committee of or established by the Board (or any committee thereof) and (b) any committee or sub-committee of or established by the board of directors of any subsidiary.
- 16.3 On any resolution to remove a Wolvercote Director, or to amend or alter Articles 16.2, 16.3 and 16.4 (or to alter their effect), shares held by Wolvercote shall together carry at least one vote in excess of 75 per cent. of the vote exercisable at the general meeting at which such resolution is to be proposed.
- 16.4 Any appointment or removal pursuant to Article 16.2 shall be in writing served on the Company. Such appointment or removal of a Wolvercote Director may be signed by or on behalf of Wolvercote, by a duly appointed attorney or by its duly authorised representative.
- 16.5 The Majority C Shareholders shall have the right from time to time to:
- (a) appoint one person to be a non-executive director of the Company (an "**C Director**") and to remove from office any person so appointed and to appoint another person in his place. The Majority C Shareholders shall also be entitled to require that any such C Director be appointed as a non-executive director of each subsidiary of the Company and to be appointed to (a) any committee or sub-committee of or established by the Board (or any committee thereof) and (b) any committee or sub-committee of or established by the board of directors of any subsidiary; and
  - (b) if there is no C Director, to appoint any person as an observer of the board of Company and any other Group Company (a "C Observer") from time to time and to remove any person so appointed and to appoint another person in his place. Each C Observer shall have the right to attend at all meetings of the directors and of any committee of the board and to receive such other information as the C Director would be entitled to receive at the same time as such information is provided to the directors. Any C Observer shall be entitled to attend and speak at such meetings of the board but shall not be entitled to vote.
- 16.6 On any resolution to remove a C Director or C Observer, or to amend or alter Articles 16.5, 16.6 and 16.7 (or to alter their effect), shares held by the Majority C Shareholders shall together carry at least one vote in excess of 75 per cent. of the vote exercisable at the general meeting at which such resolution is to be proposed.
- 16.7 Any appointment or removal pursuant to Article 16.5 shall be in writing served on the Company. Such appointment or removal of a C Director or C Observer (as the case may be) may be signed by or on behalf of the Majority C Shareholders, by their duly appointed attorney or by their duly authorised representative.

- 16.8 The Majority A Shareholders shall have the right from time to time to appoint two persons to be non-executive directors of the Company (the "**A Directors**" and each an "**A Director**") and to remove from office any person so appointed and to appoint another person in his place. The Majority A Shareholders shall also be entitled to require that any such A Director be appointed as a non-executive director of each subsidiary of the Company and to be appointed to (a) any committee or sub-committee of or established by the Board (or any committee thereof) and (b) any committee or sub-committee of or established by the board of directors of any subsidiary.
- 16.9 On any resolution to remove an A Director, or to amend or alter Articles 16.8, 16.9 and 16.10 (or to alter their effect), shares held by the Majority A Shareholders shall together carry at least one vote in excess of 75 per cent. of the vote exercisable at the general meeting at which such resolution is to be proposed.
- 16.10 Any appointment or removal pursuant to Article 16.8 shall be in writing served on the Company. Such appointment or removal of an A Director may be signed by or on behalf of the Majority A Shareholders, by their duly appointed attorney or by their duly authorised representative.
- 16.11 **Appointment and removal of Directors**
- (a) The Board may appoint a person who is willing to act to be a director to fill a vacancy.
  - (b) Regulation 84 of Table A shall be modified by the deletion of the third and fourth sentences.
  - (c) No director shall be required to vacate his office as a director, nor shall any person be ineligible for appointment as a director, by reason of his having attained any particular age.
  - (d) The office of a director shall be vacated if:
    - (i) he ceases to be a director by virtue of any provision of the Companies Act or these Articles (including, without limitation, Articles 16.2, 16.5, 16.8 and 16.11(f)) or he becomes prohibited by law from being a director of a company;
    - (ii) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
    - (iii) he is, or may be, suffering from mental disorder and either:
      - (1) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
      - (2) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
    - (iv) he resigns his office by notice in writing to the Company;
    - (v) he is convicted of a criminal offence (other than a minor motoring offence) and the directors resolve that his office be vacated; or

- (vi) he shall for more than 6 consecutive months have been absent without permission of the Board from meetings of directors held during that period and the Board resolves that his office be vacated.
- (e) Without prejudice to Article 16.1, an Investor Majority (as such term is defined in the Investment Deed) may, by ordinary resolution, appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- (f) In addition and without prejudice to the provisions of Section 303 of the Companies Act and subject to the provisions of Clause 14 of the Investment Deed, the provisions of directors' appointment letters and Articles 16.2, 16.3, 16.5, 16.6, 16.8 and 18.9, the Company may, by ordinary resolution, remove any director before the expiration of his period of office and may, by ordinary resolution, appoint another director in his place.

#### 16.12 Alternate Directors

A Director shall be entitled to appoint (with prior consultation with the Board as to identity) any person willing to act, whether or not he is a director, to be his alternative director.

#### 16.13 Proceedings of Directors

- (a) Notice of every meeting of the Board shall be given to each director at any address in the United Kingdom supplied by him to the Company for that purpose, whether or not he is present in the United Kingdom, provided that any director may waive notice of any meeting, either prospectively or retrospectively, and if he does so it shall be no objection to the validity of the meeting that notice was not given to him.
- (b) Regulation 89 of Table A shall be modified:
  - (i) by the deletion of the words "may be fixed by the directors and unless so fixed at any other number" in the first sentence; and
  - (ii) by the addition of the following as the final sentence:

"In the event that a meeting of the directors is attended by a director who is acting as alternate for one or more other directors, the director or directors for whom he is the alternate shall be counted in the quorum notwithstanding their absence and, if on that basis there is a quorum, the meeting may be held notwithstanding the fact (if it is the case) that only one director is physically present".
- (c) The quorum of a meeting shall be two, one of which shall be either David Whittaker (or his alternate (if any)) or the Wolvercote Director (or his alternate (if any)) and the other of which shall be the C Director. Questions arising at any meeting shall be decided by a majority of votes provided no question, matter or resolution shall be passed unless at least two directors have voted in favour of such question, matter or resolution. In the case of equality of votes, the Chairman shall have a second or casting vote. Regulation 88 of Table A shall be modified accordingly.
- (d) For so long as Wolvercote Investments Limited holds any Shares they shall have the right from time to time to appoint the Chairman and to remove from office any person so appointed and to appoint another person in his place.
- (e) Notices of meetings of the Board shall be given in writing and, in its application to the Company, Regulation 111 of Table A shall be modified accordingly.

- (f) Any director (including an alternate director) may participate in a meeting of the Board or a committee of the Board of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Companies Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- (g) Subject to the provisions of the Companies Act and provided that he has disclosed to the Board the nature and extent of any material interest of his, a director, notwithstanding his office:
  - (i) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
  - (ii) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
  - (iii) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested; and
  - (iv) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit,

but shall not, subject to Article 16.13(h)(iii), be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article 16.13(g).

- (h) For the purposes of this Article:
  - (i) a general notice 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 so specified;
  - (ii) 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; and
  - (iii) an interest of a person who is for any purpose of the Companies Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise provided always that:

- (1) the Wolvercote Director (if appointed) and his alternate (if any) shall not be treated as connected with Wolvercote and they shall each accordingly be entitled to vote and count in the quorum on any matter in which Wolvercote is interested; and
- (2) David Whittaker (if appointed) and his alternate (if any), shall be entitled to vote and count in the quorum on any matter in which David Whittaker is interested; and
- (3) the C Director (if appointed) and his alternate (if any), shall be entitled to vote and count in the quorum on any matter in which such C Director or any C Ordinary Shareholder is interested,

in each case, notwithstanding the provisions of Article 16.13(g).

## **17. INDEMNITIES AND INSURANCE**

- 17.1 Subject to the provisions of the Companies Act (but without prejudice to any indemnity to which a director may otherwise be entitled), every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 17.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefits scheme or another trust in which an officer or employee, or former officer or employee, is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any liability which may lawfully be insured against by the Company.