

Company No: 6542144

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
COPY WRITTEN RESOLUTIONS

of

CHARACTER WORLD HOLDCO LIMITED

("Company")

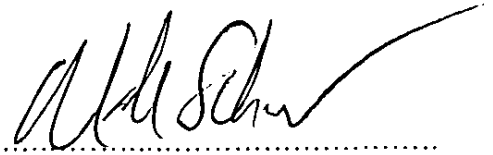
PASSED ON **21 APRIL** 2009

In accordance with the written resolution procedure in chapter 2 of part 13 of the Companies Act 2006, the following resolutions were duly passed on **21 APRIL** 2009 as indicated below:

SPECIAL RESOLUTIONS*(save for resolution 1 which is an ordinary resolution)*

1. **That** pursuant to section 80 of the Companies Act 1985 ("Act") and in addition to all existing authorities under that section the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to a maximum amount of £20,000 provided that (unless previously revoked, varied or renewed) this authority shall expire on the fifth anniversary of the date of this resolution, save that the Company may make an offer or agreement before such expiry which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.
2. **That** the directors be generally empowered pursuant to the Act or any statutory or other provision (including Investor Consent) to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by resolution 5 above as if section 89(1) of the Act nor any other rights of pre-emption conferred by the articles of association or otherwise did not apply to such allotment provided that such power shall expire on the fifth anniversary of the date of this resolution, save that the Company may make an offer or agreement before such expiry which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.
3. **That** 20,000 issued B ordinary shares of £0.10 each in the capital of the Company be re-designated as 20,000 C ordinary shares of £0.10 each, such shares to be subject to the rights and restrictions of the Articles of Association to be adopted pursuant to resolution 4 below.
4. **That** the draft regulations attached hereto and initialled by a director for identification purposes ("**Articles of Association**") be adopted as the articles of association of the Company to the exclusion of and in substitution for the existing articles of association of the Company.



A handwritten signature in black ink, appearing to read 'A. H. Shaw', is written over a horizontal dotted line.

Director

MB
1.1

7

DATED

CHARACTER WORLD HOLDCO LIMITED

ARTICLES OF ASSOCIATION

Adopted on

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Company No. 6542144

COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
CHARACTER WORLD HOLDCO LIMITED
("Company")

(adopted by Special Resolution of the Company
passed on)

1. TABLE A

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

2. DEFINITIONS AND INTERPRETATION

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

"**1985 Act**" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

"**2006 Act**" means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

"**Accepting Shareholders**" has the meaning given in Article 16.1;

"**Accounting Period**" means an accounting reference period of the Company beginning on 1 January and ending on the following 31 December, or such other date as is notified to the Registrar of Companies from time to time;

"**Accounts**" means the audited consolidated accounts of the Group;

"**Act**" has the meaning given to it in Table A;

"**Acting in Concert**" has the meaning given to it in the City Code on Takeovers and Mergers;

"**Adjusted Profits**" means in relation to any Accounting Period a sum equal to the consolidated net profit (if any) of the Group for that Accounting Period as shown in the Accounts for such period and adjusted (to the extent not already provided for) as follows:

- (a) after deducting the amount of all interest payments charged on or payable by the Group and including the amount of all interest payments received;

- (b) before making any provision or reserve for or in respect of any taxation levied upon or assessed by reference to profits earned or gains realised in that Accounting Period;
- (c) before making any credit, debit, provision or reserve for material items which are unlikely to reoccur and are outside the ordinary course of business, or for any other extraordinary or exceptional items;
- (d) before making any provision for the payment of any dividend or other distribution on any class of share in the Company or the transfer of any sum to reserves;
- (e) before any amortisation of goodwill arising on the acquisition of any company or business;
- (f) before taking account of minority interests;
- (g) after adding back any Emoluments in excess of £675,000 paid to executive directors of any Group Member in respect of that Accounting Period;

and any dispute as to the amount of Adjusted Profits will be determined in accordance with Article 2.4 whose provisions will apply as if set out in full in this definition;

"Affiliate" means, in relation to an Investor:

- (a) any Fund of which that Investor (or any group undertaking of that Investor) or that Investor's (or any group undertaking of that Investor's) general partner, trustee, nominee, manager or adviser, is a general partner, trustee, nominee, manager or adviser;
- (b) any group undertaking of that Investor or of that Investor's general partner, trustee, nominee, manager or adviser (excluding any portfolio company thereof);
- (c) any general partner, limited partner, trustee, nominee, operator, arranger or manager of, adviser to, or holder of interests (whether directly or indirectly) in, that Investor (or of, to or in any group undertaking of that Investor) or of, to or in any Fund referred to in (a) above or of, to or in any group undertaking referred to in (b) above, or
- (d) any Co-Investment Scheme of that Investor (or of any group undertaking of that Investor) or of any person referred to in (a), (b) or (c) above, or any person holding shares or other interests under such scheme or entitled to the benefit of shares or other interests under such scheme;

"Allocation Notice" has the meaning given in Article 12.12;

"Approved Offer" has the meaning given in Article 15.2.1;

"Arrears" means the whole amount of any dividend payable on the A Shares pursuant to Article 5.1 which is unpaid for any reason on any Due Date, as increased in accordance with Article 5.3.2;

"A Loan Note Deed" means the deed dated 4 April 2008 entered into by the Company constituting the A Loan Notes;

"A Loan Notes" means the secured subordinated fixed rate 10 percent A loan notes 2017 constituted by the A Loan Note Deed;

"A Share" means a cumulative participating preferred A ordinary share of 10 pence in the Company;

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

"Audit Committee" means a standing committee of the Directors, named as such and comprising all the non-executive Directors and the finance Director;

"Auditors" means the Company's incumbent auditors;

"Authorised Bank" means an authorised person (within the meaning of section 31(2) of the FSMA) with a Part IV permission (within the meaning of section 40(4) of the FSMA) which includes accepting deposits, or otherwise authorised in respect of that activity under section 31(1) of the FSMA;

"Bad Leaver" means a Relevant Individual who ceases to be an employee and/or director and/or consultant of the Company or any member of the Group and who is not a Good Leaver;

"Board" means the incumbent board of Directors including the Investor Director (if any);

"B Loan Note Deed" means the deed dated 4 April 2008 entered into by the Company constituting the B Loan Notes;

"B Loan Notes" means the secured subordinated fixed rate 10 percent B loan notes 2017 constituted by the B Loan Note Deed;

"B Share" means a B ordinary share of 10 pence in the Company;

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

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

"Buyer" has the meaning given in Article 15.1.1;

"Cessation Date" means the date on which a Relevant Individual ceases to be an employee or director or consultant of any Group Member for any reason (including death or bankruptcy);

"Co-Investment Scheme" means a scheme under which certain officers, employees or partners of an Investor or of its advisor or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares;

"Commencement Date" means the 1 October 2008;

"Compulsory Sale Notice" means a notice served on a Compulsory Seller pursuant to Article 14.2;

"Compulsory Seller" and **"Compulsory Sellers"** have the meanings given in Article 14.2;

"Confidential Information" means all information:

- (a) which is confidential and which is used in or otherwise relates to the business, customers, suppliers, financial, technical or other affairs of any member of the Group; or
- (b) which has been supplied to any member of the Group in confidence; or
- (c) in relation to which any member of the Group is bound by an obligation of confidence to a third party;

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

"Controlling Interest" in relation to a person means the ownership by that person and his or its Connected Persons of Shares carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at a general meeting of the Company;

"Credited as Paid Up" means amounts paid up or credited as paid up on a Share including any premium;

"C Share" means a C ordinary share of 10 pence in the Company;

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

"Directors" means the Company's incumbent directors;

"Drag Along Right" has the meaning given in Article 16.1;

"Due Date" means the due date or dates for payment of any dividend on the A Shares;

"Emoluments" means emoluments of every description including, without limitation, salaries, fees, bonuses, commissions, profit shares under any incentive scheme, pension contributions payable, benefits in kind as quantified for income tax purposes and any amounts referred to in schedule 6 part 1 paragraph 1 of the 1985 Act;

"Employee Benefit Trust" means any trust which may be established for the benefit of the employees (which may include past employees) of the Company and/or any other member of the Group, and which satisfies the definition of an "employees' share scheme" set out in section 743 of the 1985 Act;

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

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

"ERISA" means the Employee Retirement Income Security Act 1974 (as amended) a law of the United States of America;

"ERISA Partners" means the limited partners governed by ERISA;

"Extra Shares" has the meaning given in Article 12.9;

"Facility Agreement" has the meaning given in the Investment Agreement;

"Family Trust" means a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual beneficial owner of the Shares held in trust and/or his Privileged Relations, and no power of control over the voting powers conferred by such Shares is exercisable at any time by or subject to the consent of any person other than the trustees as trustees or such individual beneficial owner or his Privileged Relations;

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

"Fund" means any open ended investment company or closed ended investment fund (within the meaning of chapters 15 and 16 (as relevant) of the Listing Rules), bank, building society, industrial and provident or friendly society, unit trust, any other collective investment scheme (as defined in section 235 of the FSMA), any professional client within the meaning of the Conduct of Business Rules made under the FSMA, partnership, limited partnership, limited liability partnership, pension fund or insurance company or any person who is an authorised person (within the meaning of section 31(2) of the FSMA), and the term will include any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing;

"Fund Manager" means RJD Partners Limited or such other person as the Investors may from time to time notify in writing to the Company;

"Good Leaver" means a Relevant Individual:

- (a) who ceases to be an employee and/or director and/or consultant of any Group Member as a result of his death, permanent incapacity due to ill-health entitling the Company to dismiss him or which, in the opinion of the Investor Director is sufficiently serious to prevent him from carrying out his normal duties or retirement in accordance with his contract of employment; or
- (b) whose contract of employment is terminated by the Company or any member of the Group other than in circumstances justifying summary dismissal; or
- (c) in the case of a consultant, whose contract for services is terminated by the Company other than in circumstances justifying immediate termination; or
- (d) who is employed or engaged as a consultant by and/or serves as a director of a subsidiary of the Company and that subsidiary ceases for any reason to be

within the Group without the individual continuing as an employee or director or consultant of any other Group Member; or

- (e) who at any time after the third anniversary of the Commencement Date (or, in the case of a C Shareholder, at any time prior to a Realisation) ceases to be an employee and/or director of any Group Company (in circumstances where he is no longer continuing as an employee and/or director of any other Group Company) by reason of his resignation from such employment (save for where a C Shareholder resigns in response to a repudiatory breach of the terms of their appointment by the Company) provided that at the time of such resignation the relevant Group Company employer would not have been entitled to terminate his contract of employment in circumstances justifying summary dismissal had it not been for such resignation by the Relevant Individual; or
- (f) who does not fall within categories (a) to (d) above, but is determined by the Investor Director in his absolute discretion to be a Good Leaver.

In this definition the Relevant Individual will be deemed to cease to be an employee on the Cessation Date.

"Group" means the Company and its subsidiaries (as defined by section 736 of the 1985 Act) from time to time and references to a **"Member of the Group"**, **"Group Company"**, **"Group Companies"** or a **"Group Member"** will be construed accordingly;

"Investment Agreement" means an agreement dated 4 April 2008 and made between (1) the Company (2) the Managers (3) the Investors and (4) the Fund Manager;

"Investor Director" means a director appointed as such pursuant to Article 34;

"Investors" has the meaning given to it in the Investment Agreement;

"Listing" means:

- (a) the admission of all or any of the Equity Shares to trading on a market for listed securities operated by a recognised investment exchange (as that term is defined in FSMA), together with the admission of such Shares to the Official List of the UK Listing Authority; or
- (b) the admission of such Shares to trading on the Alternative Investment Market of the London Stock Exchange plc; or
- (d) if the Investors in their absolute discretion so determine(s), the admission of such Shares to, or to trading on, any other market wherever situated, together, if necessary, with the admission of such Shares to listing on any official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority

and **"Listed"** will be construed accordingly;

"Listing Rules" means the listing rules of the UK Listing Authority;

"Managers" means Daniel Schweiger, Mark Schweiger, Stephanie Farris, Rebecca Rowlands and Julie Glennon or any of them;

"Market Value" has the meaning given in Article 13 in relation to voluntary share transfers, and in Article 14.6 in relation to compulsory share transfers;

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

"Original Member" means a beneficial owner (being an individual) of Shares;

"Other Shareholders" has the meaning given in Article 16.1;

"Participating Dividend" means the cumulative participating cash dividend payable on the A Shares in accordance with Article 5;

"Privileged Relation" means in relation to any Member, the Member's spouse for the time being, and all lineal descendants of that Member (including for this purpose any step-child, adopted child or illegitimate child of the Member or his lineal descendants) or any person who for the time being is married to any such lineal descendant but no lineal descendant may be a Privileged Relation whilst a minor;

"Proportionate Entitlement" has the meaning given in Article 12.9;

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

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

"Realisation" means a Share Sale or a Listing;

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

"Remuneration Committee" means a standing committee of the Directors, named as such and comprising the chairman of the Board and the Investor Director or, if there is no Investor Director, any other non-executive Director;

"RJD Covenants" shall have the meaning given to it in the Investment Agreement;

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

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

"Share" means a share in the Company;

"Share Sale" means the completion of any transaction or series of transactions whereby any person or Connected Persons or group of persons Acting in Concert purchases or otherwise acquires or obtains all not less than 90 per cent in nominal value of the Equity Shares;

"Subsidiary" means Character World Bidco Limited (company number 6549359);

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

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

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

"Transfer Price" has the meaning given in Article 12.4;

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

2.2 Words and phrases which are defined or referred to in or for the purposes of the Act (excluding any statutory modification of that meaning not in force when these articles become binding on the Company) or Table A have the same meanings in these articles unless a contrary intention appears.

2.3 In these articles, unless a contrary intention appears:

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

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

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

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

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

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

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

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

- 2.3.4.3 any direction by a Member entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and
 - 2.3.4.4 any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Member entitled to any such Share;
- 2.3.5 reference to a **"group undertaking"** means, in relation to any undertaking, its holding company (if any) and its subsidiaries (as such terms are defined by section 736 of the 1985 Act) and any other subsidiaries of its holding company; and
- 2.3.6 reference to **"written"** or **"in writing"** includes any method of representing or reproducing words in a legible form.
- 2.4 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, whether to or in respect of Adjusted Profits, amount of dividend by reference to management accounts under Article 5.6, or otherwise pursuant to these articles, will be referred immediately to the Auditors for final determination. If the Auditors decline to act in respect of any such referral, the matter will be determined by an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within five Business Days after the Auditors have declined to act, appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales. The Auditors or independent accountants (as the case may be) will act as expert and not as arbitrator and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the Auditors/independent accountants. In the absence of any such direction, such costs will be borne equally between parties concerned. The written certificate of the Auditors/independent accountants (as the case may be) will be conclusive and binding on the Company and the Members (except in the case of fraud or manifest error).
- 2.5 Any consent required to be given by the A Shareholders and/or the Investors and/or the holders of the A Loan Notes pursuant to these articles may be given by the Fund Manager.
- 2.6 The headings in these articles are included for convenience only and do not affect the meaning of these articles;
- 2.7 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.

3. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these articles is £102,000 divided into:

- 3.1 522,500 A Shares;
- 3.2 477,500 B Shares; and
- 3.3 20,000 C Shares.

4. SHARE RIGHTS

Regulation 2 will not apply to the Company. The rights and restrictions attaching to the A Shares, B Shares and C Shares are set out in full in these articles.

5. SHARE RIGHTS - INCOME

Cumulative dividends - priority order and payment

5.1 With effect from the Accounting Period commencing on 1 January 2014 and ending on 31 December 2014 ("2014 Accounting Period"), the profits of the Company which are available for lawful distribution in respect of the 2014 Accounting Period and each Accounting Period thereafter will be applied first in paying to the A Shareholders a participating dividend equal to 25 percent of the Adjusted Profits in each such Accounting Period.

5.2 The following will apply in respect of the Participating Dividend:

5.2.1 it will be paid in cash;

5.2.2 it will accrue on a daily basis;

5.2.3 it will be participating and will be paid within 30 days after the date on which the Accounts for the relevant Accounting Period are delivered to the registrar of companies (which must not be later than six months after the end of that Accounting Period);

5.2.4 it will belong to and be paid to the holders of the A Shares pro rata according to their holdings of A Shares and also pro rata to the number of complete days in the Accounting Period in question for which the respective A Shareholders have been registered holders of A Shares;

5.2.5 it will all be cumulative. Notwithstanding anything contained in Regulations 102 to 108 (inclusive), the Company does not need to declare them. Any such dividend, as increased pursuant to Article 5.3.2, will become a debt due from and immediately payable by the Company to the A Shareholders on the date or dates set out in Article 5.2.6 without any requirement for a recommendation of the Directors or a resolution of the Members in general meeting in respect of that dividend;

5.2.6 for the purposes of Article 5.2.5 the date or dates on which any such dividend will become a debt will be:

5.2.6.1 the Due Date if such debt can lawfully arise on such date or dates; or

5.2.6.2 otherwise as soon afterwards as such debt can lawfully arise.

5.3 If the Company fails to pay in full a Participating Dividend on any Due Date:

5.3.1 on the Due Date in question (but subject to Articles 5.3.3 and 5.4) the Company will pay to the relevant Members on account of the relevant

dividends and in the order of priority set out in the table in Article 5.1, the maximum sum (if any) which can lawfully be paid by the Company;

5.3.2 the whole amount of any unpaid dividend will be increased by 4 percent per annum above the base lending rate of Royal Bank of Scotland plc (such amount accruing on a daily basis from the Due Date until the date or dates of actual payment);

5.3.3 all Arrears will be carried forward and on each succeeding Due Date the Company will pay on account of any outstanding balance, in the order of priority set out in Article 5.4 such amount as can then lawfully be paid, and this procedure will continue until such time as the relevant Arrears have been paid in full.

5.4 Whenever there are Arrears outstanding, any profits of the Company which are available for lawful distribution will be applied in the following order and priority:

Priority	Application of Profits
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1.	Payment of all Arrears of Participating Dividend
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2.	Payment of Participating Dividend accruing subsequently
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Non cumulative dividends - priority and payment

5.5 If:

5.5.1 the Company has in respect of the present and all previous Accounting Periods paid in full:

5.5.1.1 all dividends tabled in Article 5.1, together with all Arrears; and

5.5.1.2 all interest on the A Loan Notes; and

5.5.2 the Company has redeemed all Shares and A Loan Notes which have fallen due for redemption; and

5.5.3 the Board (with the consent of the Investor Director) has recommended payment of the same

then any profits which the Company determines to distribute in respect of any Accounting Period will be applied on a non cumulative basis to the A Shares, B Shares and C Shares (as if one class). Any such dividend will be paid in cash on the amounts Credited as Paid Up on the Shares in respect of which it is payable and will belong to and be paid to the holders of the relevant class of Shares pro rata according to their holdings of such class.

Dividends - general

5.6 If at any time it is not possible to determine the amount of any dividend or payment by reference to any Accounts, such amount will be determined by reference to the

latest available management accounts. Any dispute as to such amount will be determined in accordance with Article 2.4, whose provisions will apply as if set out in full in this Article

6. SHARE RIGHTS - RETURN OF CAPITAL

- 6.1 On a return of capital of the Company on a Liquidation or otherwise (other than a redemption of shares or the purchase by the Company of its own shares), the surplus assets and retained profits of the Company available for distribution among the Members will be applied in the following order and priority:

Priority	Class of Share	Amount to be paid:
1.	A Shares	Amounts Credited as Paid Up on all issued A Shares, together with an amount equal to all Arrears and accruals of unpaid dividends on the A Shares whether earned or declared or not
2.	B Shares and C Shares (as if one class)	Amounts Credited as Paid Up on all issued B Shares and C Shares
3.	A Shares, B Shares and C Shares (as if one class)	Any balance of such surplus assets and retained profits

- 6.2 Any return on some but not all of any Shares of a particular class will be made amongst their holders pro rata as nearly as possible to their respective holdings of Shares of that class.

7. SHARE RIGHTS - VOTING

- 7.1 The voting rights of Members set out in Article 22 are subject to:

- 7.1.1 the following provisions of this Article 7; and
- 7.1.2 Article 14.7 (suspension of voting rights during compulsory transfer procedure).

Swamping Rights

- 7.2 If at any time:

- 7.2.1 there has been a continuous or repetitive or serious breach or breaches of any of clauses 5 or 6 of the Investment Agreement by either the Company or the Managers or the B Shareholders or the C Shareholders which in the opinion of the Investors (acting reasonably) has or may reasonably be considered likely to have a material and adverse effect on the A Shareholders' investment in the Company; or
- 7.2.2 more than seven days have elapsed since the due date for payment of any instalment of interest under the Loan Notes without payment having been made in full of such instalment; or

- 7.2.3 the Company or the Subsidiary has failed or been unable to redeem any of the Loan Notes on their due dates for redemption; or
- 7.2.4 the financial forecasts of the Company or the Investors relating to the Group indicate that the Group may (with the passage of time or the giving of notice) breach any of the RJD Covenants when the RJD Covenants are next tested; or
- 7.2.5 the financial forecasts of the Company or the Investors relating to the Group indicate that the Group may (with the passage of time or the giving of notice) commit an event of default under the Facility Agreement when the financial covenants in the Facility Agreement are next tested; or
- 7.2.6 the Company has not paid for any reason any dividend payable on the A Shares within 30 days of a due date for payment and such dividend has not subsequently been paid;

the provisions of Article 7.3 will apply.

- 7.3 On the occurrence of an event specified in Article 7.2, and for so long as the circumstances comprising such event continue to subsist, the number of votes attaching to the A Shares at any such general meeting will represent 95 per cent of the voting rights attaching to all Shares after the application of this Article.

8. VARIATION OF SHARE RIGHTS

- 8.1 The rights attached to the A Shares, the B Shares and the C Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent of the holders of the issued Shares of that class given in accordance with Article 8.2.
- 8.2 The consent of the holders of a class of Shares may be given by:
 - 8.2.1 a special resolution passed at a separate general meeting of the holders of that class;
 - 8.2.2 a written resolution in any form signed by or on behalf of the holders of not less than 75 percent in nominal value of the issued Shares of that class.
- 8.3 Without prejudice to the general effect of Article 8.1, the following will be deemed to constitute a variation of the rights attached to the A Shares:
 - 8.3.1 any variation of the rights attaching to the A Shares, the B Shares, the C Shares or the Loan Notes;
 - 8.3.2 the convening of a meeting to consider the passing of any resolution to reduce the Company's share capital or any amount standing to the credit of its share premium account or capital redemption reserve fund, or to reduce any uncalled liability in respect of partly paid shares;

- 8.3.3 the convening of a meeting to consider the passing of any resolution to alter the Company's memorandum or articles of association;
- 8.3.4 the payment of any distribution or return of a capital nature to any shareholder;
- 8.3.5 the capitalisation of any undistributed profits (whether or not the same are available for distribution, and including profits standing to the credit of any reserve) or of any sums standing to the credit of the Company's share premium account or capital redemption reserve fund;
- 8.3.6 the payment of any distribution or return of an income nature to any shareholder otherwise than in accordance with these articles; or
- 8.3.7 any variation of the authorised or issued share capital of any Group Member (other than a wholly owned subsidiary of the Company);
- 8.3.8 the creation or grant of any option or other right to subscribe for, convert into or issue any shares or other securities in the capital of any Group Member; or
- 8.3.9 the taking of any steps to wind up or dissolve any Group Member.

9. ISSUE AND ALLOTMENT OF NEW SHARES

- 9.1 Subject to Article 9.7, Unless the Company by special resolution directs otherwise (with the consent of the Investors), subject to Article 9.2, any new Shares will be offered by the Directors for subscription to the holders of the Equity Shares in such proportions as equal (as nearly as possible) the proportion of Equity Shares held by them respectively at that time. For the purpose of this Article, the Equity Shares will be treated as one class of Share.
- 9.2 If the Investors are proposing to subscribe for loan notes or some other debt instrument at the same time as subscribing for Equity Shares then, as a condition of the B Shareholders and C Shareholders being permitted to accept the offer and subscribe for B Shares and C Shares respectively, the Investors may require that the B Shareholders and the C Shareholders also subscribe for equivalent loan notes or debt instruments on the same terms as those to be subscribed for by the Investors and in the same ratio of shares to loan notes as the ratio of shares to loan notes to be subscribed for by the Investors.
- 9.3 The offer will be made by notice specifying the number and class of Shares offered, the price per Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the Shares so offered, the Directors will offer the declined Shares in the same proportions to the holders of Equity Shares who have accepted all the Shares initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Directors, be limited to a period of seven days after which it will (to the extent that any Shares remain unaccepted) be deemed to have been withdrawn.

- 9.4 Any Shares not taken up at the end of the procedure set out in Articles 9.1 and 9.2 may be offered by the Directors to a third party (to be approved by the Fund Manager), and, subject to these articles, the provisions of section 80 of the 1985 Act and to the prior approval of the Fund Manager, such Shares will be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit. However:
- 9.4.1 no Shares will be issued at a discount;
 - 9.4.2 no Shares will be issued more than three months after the end of the period for acceptance of the last offer of such Shares under Articles 9.1 and 9.2 unless the procedure set out in those Articles is repeated in respect of such Shares; and
 - 9.4.3 no Shares will be issued on terms which are more favourable than those on which they were offered to the Members.
- 9.5 The provisions of sections 89(1) and 90(1) to (6) of the 1985 Act will not apply to the Company.
- 9.6 If, due to any inequality between the number of new Shares to be issued and the number of Shares held by Members entitled to have the offer of new Shares made to them, any difficulty arises in the apportionment of any such new Shares amongst the Members, such difficulties will be determined by the Board with the consent of the Investor Director.
- 9.7 In the event that a non-executive chairman of the Board is appointed (with the consent of the Fund Manager and the Managers) the Managers and the Investors agree that such chairman shall be offered up to 20,000 B Shares in the capital of the Company (on such terms and in such amounts as approved by the Fund Manager) and each of the Members hereby consents to such allotment and waives any rights of pre-emption in respect of the B Shares the subject of such allotment.

10. TRANSFERS OF SHARES - PROHIBITED TRANSFERS

General Prohibitions

- 10.1 The Directors will not register any transfer of Shares to any of the following:
- 10.1.1 any person who, in the opinion of the Directors is carrying on business directly or indirectly in competition with the Company or any member of the Group, except this restriction will not apply to:
 - 10.1.1.1 any syndication by the Investors pursuant to the Investment Agreement; or
 - 10.1.1.2 any transfer of Shares pursuant to Articles 15 and 16 (Tag Along Rights and Drag Along Rights); or
 - 10.1.1.3 any transfer of shares to the Investors or any of them; or
 - 10.1.2 any person who does not have legal capacity to transfer such Shares or otherwise to comply fully with the provisions of these articles.

Prohibition unless in accordance with those articles

10.2 Subject to Article 10.1, the Directors will not register a transfer of Shares unless:

10.2.1 the transfer is permitted by Article 11, or has been made in accordance with Article 12; and

10.2.2 the proposed transferee has entered into a deed of adherence to, and in the form required by the Investment Agreement.

10.3 For the purpose of ensuring that:

10.3.1 a transfer of shares is permitted under these articles; or

10.3.2 no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given; or

10.3.3 no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 15

the Board may, and will if so requested by the Investor Director, require any Member to procure that any person whom the Board or the Investor Director reasonably believes to have information relevant to such purpose provides the Company with such information and evidence as the Board or the Investor Director thinks fit. Pending the provision of such information the Board will be entitled to refuse to register any relevant transfer.

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

11. PERMITTED TRANSFERS

11.1 Subject to Articles 11.2 and 11.8, any A Shares may be transferred at any time without restriction.

11.2 Where any Shares are the subject of a Transfer Notice, no transfers of any such Shares shall be permitted pursuant to this Article 11.

11.3 Subject to Articles 11.1 and 11.2, and to Articles 11.4 to 11.8 (inclusive), any Share may be transferred:

11.3.1 subject to Article 11.4 and Article 11.5, by its beneficial owner to a person shown to the reasonable satisfaction of the Directors to be a nominee for such beneficial owner only, and by any such nominee 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; or

11.3.2 subject to Article 11.4 and Article 11.5, by its beneficial owner (being an individual) to the trustee or trustees of a Family Trust, and by any such Privileged Relation(s) or trustee(s) to the beneficial owner, or to any other person or persons shown to the reasonable satisfaction of the Investor Director to be a trustee or trustees for the time being (on a change of trustee) of the Family Trust in question; or

- 11.3.3 subject to Article 11.4 and Article 11.5, by an Original Member to his or her Privileged Relation(s), and by any such Privileged Relation(s) to the Original Member, or to any other person or persons shown to the reasonable satisfaction of the Investor Director to be a Privileged Relation of the Original Member; or
- 11.3.4 when required by, and in accordance with, Article 14 Compulsory Transfers; or
- 11.3.5 to a Buyer in acceptance of an Approved Offer pursuant to Article 15 or Article 16;
- 11.3.6 in the case of Shares held by an undertaking, subject to Article 11.5, to a group undertaking of the transferor; or
- 11.3.7 in the case of A Shares held by or on behalf of a Fund:
 - 11.3.7.1 to another nominee or trustee for, or general partner of, the Fund, and by any such nominee or trustee to another nominee or trustee for that Fund or to the Fund itself; or
 - 11.3.7.2 on a distribution in kind under the constitutive documents of the Fund, to the partners in or holders of units in, or to the shareholders of, participants in or the holders of other interests in the Fund (or to a nominee or trustee for any such partners, holders, members or investors), and by a nominee or trustee for such holders, partners, members or investors to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors; or
 - 11.3.7.3 to another Fund which is managed or advised by the same manager or advisor as the transferor (or as the Fund on behalf of whom any such Share is held by the transferor as nominee or trustee) or by a group undertaking of such manager or advisor; or
- 11.3.8 (in the case of A Shares only) to a Co-Investment Scheme; or
- 11.3.9 in the case of a Co-Investment Scheme which holds A Shares through another undertaking:
 - 11.3.9.1 to another undertaking which holds or is to hold the Shares for the Co-Investment Scheme; or
 - 11.3.9.2 to any officer, employee or partner entitled to the Shares under the Co-Investment Scheme; or
- 11.3.10 in the case of A Shares, to a syndicatee or syndicatees of the Investor(s); or
- 11.3.11 in the case of any Shares held by an Employee Benefit Trust, to any beneficiary of that trust or to any replacement trustees or into the joint name of the existing and any new or additional trustees.

Further transfers by privileged relatives, group members etc.

- 11.4 Where Shares are held by one or more nominees of their beneficial owner, or by a trustee or trustees on a Family Trust or by one or more Privileged Relations of an Original Member and any such person ceases to be:

11.4.1 a nominee of the beneficial owner of the Shares; or

11.4.2 a trustee of the Family Trust of the beneficial owner of the Shares; or

11.4.3 a Privileged Relation of the Original Member

such person will on or before the cessation transfer such Shares to a transferee permitted (as the case may be) under Article 11.3.1, Article 11.3.2 or Article 11.3.3.

- 11.5 A Manager or C Shareholder may only transfer 50 percent in aggregate of his B Shares or C Shares (as the case may be) to a Family Trust or to a Privileged Relation or to a nominee. If the holding of Shares by a nominee, a trustee of the Family Trust or a Privileged Relation has, in the opinion of the Investor Director (acting reasonably) an adverse effect on the ability of the Members to accept an Approved Offer or to complete the sale of the entire issued share capital of the Company (whether or not as a result of an Approved Offer having been made) then the Investor Director may require the nominee, trustee of the Family Trust or Privileged Relation (as the case may be) to transfer all or any of the Shares to the Original Member.

- 11.6 Where Shares have been transferred under Article 11.3.6 (transfers to group undertakings) and the transferee ceases to be a group undertaking of the transferor, it will, on or before the cessation, transfer such Shares to the original transferor or to another group undertaking of the original transferor;

- 11.7 If a Member fails or refuses to execute and deliver any transfer in respect of any Shares pursuant to its obligations under Article 11.4 or Article 11.5, the Board may (and will if requested by the Investor Director)) authorise any Director to execute and deliver the necessary transfer(s) on the defaulting Member's behalf. The Board will authorise registration of the transfer, and of the transferee as the holder of the Shares so transferred, once appropriate stamp duty (if any) has been paid. After registration, the title of the transferee as registered holder of such Shares will not be affected by any irregularity in or invalidity of such proceedings, which, will not be questioned by any person.

Provisions specific to Investor Shares

- 11.8 A Shares will, if so required by the Investor Director by notice served on the Company, immediately and without resolution of the Directors or the Members be converted into either B Shares or C Shares upon being held by any person who is not a holder of any other A Shares.

12. PRE-EMPTION

Transfer Notices

- 12.1 Except in the case of a transfer pursuant to Article 11, and subject to the prohibitions on transfers set out in Article 10, a Seller must give a Transfer Notice to the Company copied to the Fund Manager.
- 12.2 Each Transfer Notice will (except as provided in Article 14) relate to one class of Shares only and will specify:
- 12.2.1 the number and class of Sale Shares;
 - 12.2.2 the identity of the Proposed Transferee (if any);
 - 12.2.3 the price per Share at which the Seller wishes to transfer the Sale Shares; and
 - 12.2.4 whether or not the Transfer Notice is subject to a Total Transfer Condition. In the absence of any such stipulation it will be deemed not to be so conditional. No Total Transfer Condition will apply in respect of any Transfer Notice deemed to have been given pursuant to Article 14.
- 12.3 No Transfer Notice will be capable of variation or cancellation without the consent of the Board (subject to the approval of the Investor Director).

Transfer Price

- 12.4 The Transfer Notice will constitute the Company as the agent of the Seller for the transfer of the Sale Shares in accordance with this Article 12 at the following price ("**Transfer Price**"):
- 12.4.1 with the consent of the Investor Director, the price specified in the Transfer Notice; or
 - 12.4.2 such other price as may be agreed between the Seller and the Board (subject to the approval of the Investor Director); or
 - 12.4.3 In default of agreement under Article 12.4.2 the lower of:
 - 12.4.3.1 the price per Share specified in the Transfer Notice; and
 - 12.4.3.2 if the Board elects within 15 Business Days after the date of service or deemed service of the Transfer Notice to instruct the Auditors for the purpose, the Market Value of the Sale Shares as at the date of service or deemed service of the Transfer Notice, and as determined in accordance with Articles 2.4 and 13.

First offer to Company/EBT etc

- 12.5 The following provisions of this Article 12.5 will apply to any transfer of any Shares by any Member other than an Investor.

- 12.5.1 Within ten Business Days after the later of:
- 12.5.1.1 the receipt by the Company of a Transfer Notice; and
 - 12.5.1.2 the determination of the Transfer Price the Board (with the consent of the Investor Director) may direct the Company (in its capacity as agent for the Seller) immediately to offer at the Transfer Price such number of Sale Shares as it may determine to;
 - 12.5.1.3 the Company pursuant to the provisions of part V of the 1985 Act; and/or)
 - 12.5.1.4 any person who will hold the Sale Shares for the benefit of existing or future employees including (without limitation), any Employment Benefit Trust of any Group Member or any professional trustee, in any such case to hold the Sale Shares upon the terms of a discretionary trust for the benefit of the class of beneficiaries which includes (without limitation) employees and directors of any Group Member.
- 12.5.2 If any offeree of the Sale Shares pursuant to this Article 12.5 applies for any of them within ten Business Days after the date of the offer, the Company will allocate to such offeree the number of Sale Shares applied for on the later of:
- 12.5.2.1 the fifteenth Business Day following receipt of the Transfer Notice; and
 - 12.5.2.2 the date on which the Transfer Price is determined.
- 12.5.3 If all of the Sale Shares are so allocated, the provisions of Articles 12.6 to 12.10 will not apply. If none or some only of the Sale Shares are so allocated, the provisions of Articles 12.6 to 12.10 will have effect as if reference to Sale Shares was to those not allocated in accordance with this Article 12.5.

Offer to Members and notice to Investors

- 12.6 Subject to Article 12.5, within 10 Business Days after its receipt of a Transfer Notice or, where later, on the determination of the Transfer Price, the Company (in its capacity as agent for the Seller) will give notice in writing to each of the Members (other than the Seller and any other Member who has served or who is deemed to have served a Transfer Notice in respect of his entire holding of Shares pursuant to which the sale of such Shares has not then been concluded) offering the Sale Shares for sale at the Transfer Price in accordance with Articles 12.8 and 12.9. The notice will specify that the Members will have a period of up to 20 Business Days from the date of such notice within which to apply for some or all of the Sale Shares.
- 12.7 Whenever the Sale Shares are B Shares or C Shares, all holders of B Shares and C Shares to whom the offer is made must, before making their applications for Sale Shares and in any event within ten Business Days from the date of the notice given by the Company, notify the Investor(s) in writing of whether they intend to accept the

offer and, if so, the number of Sale Shares, including Extra Shares, for which they intend to apply.

Pre-emption Procedure

12.8 It will be a term of any offer made pursuant to Article 12.6 that, if Members holding Shares of more than one class apply for some or all of the Sale Shares, the Sale Shares of a particular class specified in column (1) in the table below will be treated as offered:

12.8.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below;

12.8.2 to the extent not accepted by persons in column (2) (whether as part of their Proportionate Entitlement or as Extra Shares), to all persons in the category set out in the corresponding line in column (3) in the table below; and

12.8.3 to the extent not accepted by persons in columns (2) and (3) (whether as part of their Proportionate Entitlement or as Extra Shares), to all persons set out in the corresponding line in column (4) in the table below:

(1)	(2)	(3)	(4)
Class of Sale Shares	First Priority	Second Priority	Third Priority
A Shares	A Shareholders	B Shareholders	C Shareholders
B Shares	B Shareholders	A Shareholders	C Shareholders
C Shares	C Shareholders	A Shareholders	B Shareholders

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

Allocation of Shares

12.10 After the expiry of the offer period specified in Article 12.6, (or, if sooner, upon valid applications being received for all of the Sale Shares in accordance with that Article), the Board will allocate the Sale Shares as follows:

12.10.1 if the total number of Sale Shares applied for (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 12.14); or

- 12.10.2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each offeree will be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which he has applied for; and
 - 12.10.3 applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition within any class of shareholder, among those applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares of the same class held by such offerees.
- 12.11 Allocations of Sale Shares made by the Company pursuant to this Article 12 will constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Sale Shares which he has indicated to the Company he is willing to purchase.

Completion of sale and purchase of Sale Shares

- 12.12 The Company will immediately upon allocating any Sale Shares (whether pursuant to Article 12.5.2 or Article 12.10) give notice in writing ("**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been allocated specifying:
- 12.12.1 the number of Sale Shares so allocated;
 - 12.12.2 the aggregate price payable for them;
 - 12.12.3 any additional information required by Article 12.14.1 (if applicable); and
 - 12.12.4 (subject to Article 12.14.1) the place and time (being not later than five Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares will be completed.
- 12.13 Subject to Article 12.14, completion of the sale and purchase of Sale Shares in accordance with the Allocation Notice will take place at the place and time specified in the Allocation Notice when the Seller will, upon payment of the due price, transfer those Sale Shares specified in the Allocation Notice and deliver the relevant Share certificates to the persons to whom they have been allocated.
- 12.14 If the Transfer Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares:
- 12.14.1 the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 28 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares; and
 - 12.14.2 completion of the transfer in accordance with the preceding paragraphs of this Article 12 will be conditional upon all such Sale Shares being so allocated.

Default by the Seller

12.15 Except in the case of an acquisition of Sale Shares by the Company, if the Seller fails by the due completion date to execute and deliver transfers in respect of any of the Sale Shares which he is due to transfer, the Board may (and will if requested by the Investor Director) authorise any Director to:

12.15.1 execute the necessary transfer(s) on the Seller's behalf; and

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

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

12.16 In the case of an acquisition of Sale Shares by the Company, if the Seller fails by the due completion date to transfer and/or to deliver the certificates (or a suitable indemnity) in respect of any Sale Shares, the Board may (and will if requested by the Investor Director) authorise any Director to execute, complete and deliver the necessary transfer and indemnity to the Company on the Seller's behalf. When that instrument has been duly stamped, the Company will ensure that such share capital is cancelled in accordance with the Act, and will hold the purchase monies on trust (without interest) for the Seller.

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

12.17 Immediately after the exhaustion of any pre-emption process followed in accordance with these articles, if any Sale Shares remain unallocated, the Company will notify the Seller of that fact. The Seller may, at any time within one calendar month after receiving such notice (but not otherwise unless the pre-emption procedure set out in these articles is repeated), transfer any unsold Sale Shares to the Proposed Transferee at any price which is not less than the Transfer Price, except that:

12.17.1 the Board will refuse registration of any transfer to a Proposed Transferee who is a person to whom Shares may not be transferred by virtue of Articles 10.1.1 or 10.1.2;

12.17.2 if any such transfer would, if made and registered, result in the Proposed Transferee obtaining or increasing a Controlling Interest, the Board will refuse registration of such transfer until such time as an Approved Offer has been made and the provisions of Article 15 complied with.

12.17.3 if the Seller included a Total Transfer Condition in the Transfer Notice which has not been satisfied, the Seller will be entitled to transfer all (but not some only) of the Sale Shares;

12.17.4 any such transfer must be in good faith and the Board or the Investor Director may require to be satisfied (in such manner as it or he may

reasonably think fit) that the Sale Shares are being sold at a price which is not less than the Transfer Price without any deduction, rebate or allowance whatsoever. If not so satisfied, the Board (subject to the approval of the Investor Director) may refuse to register the transfer; and

- 12.17.5 in the case of any deemed transfer process pursuant to Article 14, the Compulsory Seller will not be entitled to transfer any unsold Sale Shares to any third party.

13. VALUATION

Determination of "Market Value"

If the Auditors (or, by virtue of Article 2.4, independent accountants) are required to determine Market Value pursuant to Article 12.4.3.2, the provisions set out below will apply.

- 13.1 Market Value will be determined by the Auditors or, as the case may be, independent accountants, first valuing the Company as a whole:
 - 13.1.1 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;
 - 13.1.2 assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion;
 - 13.1.3 taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding;
 - 13.1.4 taking account of any bona fide offer for the Company received from an unconnected third party within six months prior to the Transfer Notice being served or deemed to have been served; and
 - 13.1.5 recognising that in any other circumstances the Shares are not freely marketable.
- 13.2 Having valued the Company as a whole, the Auditors or, as the case may be, independent accountants will determine the Market Value of the Shares concerned:
 - 13.2.1 having deducted from the value of the Company as a whole (if not already taken into account when so valuing the Company) any Arrears, accruals or deficiencies of a Participating Dividend;
 - 13.2.2 disregarding whether the Shares concerned represent a majority or a minority interest; and
 - 13.2.3 having regard to the rights and restrictions attached to the Shares concerned in respect of income, capital and transfer.
- 13.3 The costs and expenses of the Auditors (or independent accountants) for reporting on their opinion of the Market Value will be borne as to one half by the Seller and as to other half by the purchasing Shareholders pro-rata to the number of Sale Shares purchased by them unless:

- 13.3.1 the Seller revokes the transfer notice under Article 12.3; or
 - 13.3.2 none of the Sale Shares are purchased by Members pursuant to Article 12
- in which case the Seller will pay all such costs and expenses.

14. COMPULSORY TRANSFERS

Circumstances which trigger compulsory transfer

14.1 This Article 14 applies when:

- 14.1.1 a Relevant Individual is a B Shareholder or a C Shareholder; and/or
- 14.1.2 a Relevant Individual has established a Family Trust which holds B Shares or C Shares ; and/or
- 14.1.3 a B Shareholder holds B Shares or a C Shareholder holds C Shares as the nominee of a Relevant Individual; and/or
- 14.1.4 B Shares or C Shares are held by a Privileged Relation or other person to whom the Relevant Individual is permitted to transfer Shares under Article 11; and/or
- 14.1.5 B Shares or C Shares are held by a company, any part of the issued share capital of which is beneficially owned by the Relevant Individual or a Privileged Relation, Family Trust or other person to whom the Relevant Individual is permitted to transfer Shares under Article 11

and the Relevant Individual ceases for any reason (including death or bankruptcy) to be an employee and/or director or consultant of any member of the Group.

Compulsory Pre-emption Procedure

- 14.2 Within four months after the Cessation Date the Investor Director may serve notice ("Compulsory Sale Notice") on the Relevant Individual and/or any holder of B Shares or C Shares referred to in Article 14.1 (or the PRs or the trustee in bankruptcy of any bankrupt Member) (each a "Compulsory Seller" and together "Compulsory Sellers") requiring each such person to offer such number as the Investor Director may decide of the Shares registered in his or their name(s) or to which he is or they are or may become entitled whether as a result of his or their holding of Shares or otherwise.
- 14.3 The Shares which are the subject of the Compulsory Sale Notice will be offered for sale (other than to any Compulsory Seller or any other Member who has served or who is deemed to have served a Transfer Notice in respect of his entire holding of Shares which is still outstanding) in accordance with the provisions of Article 12, which will apply as if set out in full in this Article except to the extent that they are varied by the following provisions of this Article 14. The Investor Director may also determine in its absolute discretion to revoke any Transfer Notice previously given or deemed to have been given by the Compulsory Seller(s) which is still outstanding at the Cessation Date.

Sale Price - Good Leaver/Bad Leaver

14.4 The price for the Sale Shares held by the Managers will be:

14.4.1 if the Relevant Individual is a Bad Leaver, the lower of:

14.4.1.1 the issue price (including any premium) of the Sale Shares (or, where any of the Sale Shares were acquired by a Compulsory Seller by way of transfer rather than allotment, the lower of the issue price (including any premium) and the amount paid by such Compulsory Seller on the transfer); and

14.4.1.2 the Market Value of the Sale Shares on the Cessation Date to be agreed or determined in accordance with Articles 2.4 and 14.6 or;

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

14.5 The price for the Sale Shares held by the C Shareholders will be:

14.5.1 if the Relevant Individual is a Bad Leaver and the Cessation Date is:

14.5.1.1 before 1 April 2010, zero;

14.5.1.2 on or after 1 April 2010 but before 1 April 2011, the lower of:

(a) 50% of the issue price (including any premium) of the Sale Shares (or, where any of the Sale Shares were acquired by a Compulsory Seller by way of transfer rather than allotment, the lower of 50% of the issue price (including any premium) and 50% of the amount paid by such Compulsory Seller on the transfer); and

(b) 50% of the Market Value of the Sale Shares on the Cessation Date to be agreed or determined in accordance with Articles 2.4 and 14.6;

14.5.1.3 on or after 1 April 2011, the lower of:

(a) the issue price (including any premium) of the Sale Shares (or, where any of the Sale Shares were acquired by a Compulsory Seller by way of transfer rather than allotment, the lower of the issue price (including any premium) and the amount paid by such Compulsory Seller on the transfer); and

(b) the Market Value of the Sale Shares on the Cessation Date to be agreed or determined in accordance with Articles 2.4 and 14.6 or;

14.5.2 if the Relevant Individual is a Good Leaver and the Cessation Date is:

- 14.5.2.1 before 1 April 2010, the price will be the issue price (including any premium) of the Sale Shares;
- 14.5.2.2 on or after 1 April 2010 but before 1 April 2011, the price will be the higher of the issue price and 50% of the Market Value of the Sale Shares on the Cessation Date, to be agreed or determined as aforesaid; or
- 14.5.2.3 on or after 1 April 2011, the price will be the Market Value of the Sale Shares on the Cessation Date, to be agreed or determined as aforesaid.

14.6 "Market Value" for the purposes of Article 14 will be:

- 14.6.1 the price agreed between the Compulsory Seller(s) and the Investor Director; or
- 14.6.2 if they fail to agree a price within 15 Business Days of the date of service of the Compulsory Sale Notice (or within such other timetable as may be determined by the Investor Director), the price determined by the Auditors (or independent accountant) to be the Market Value of such Shares on the Cessation Date, according to the principles set out in Article 13, but (in the case where the Leaver is a Bad Leaver) having regard also to any adverse effect on the Group of the Relevant Individual in question ceasing to be an employee or director or consultant of any Group Member.

Suspension of voting rights during compulsory transfer procedure

- 14.7 Any Shares held by a Compulsory Seller on the Cessation Date (and any Shares issued to a Compulsory Seller after such date by virtue of the exercise of any right or option granted or arising by virtue of his holding of the Sale Shares) will cease to confer the right to be entitled to receive notice of, attend and vote at any general meeting of the Company, or any meeting of the holders of any class of Shares with effect from the Cessation Date (or, where appropriate, the date of issue of such Shares, if later), and such Shares will not be counted in determining the total number of votes which may be cast at any such meeting, or for the purposes of a written resolution of any Members or class of Members. That right will be restored immediately upon the Company registering a transfer of the Sale Shares in accordance with this Article 14.

Transmission of Shares

- 14.8 Regulations 29 to 31 shall take effect subject to Articles 14.9 and 14.10.
- 14.9 Without prejudice to Articles 14.1 and 14.2 (the provisions of which, when operable, will override the provisions of this Article 14.9 and the provisions of Articles 14.8 and 15.11), a person entitled to a Share or Shares in consequence of the death, bankruptcy, receivership or liquidation of a Member or otherwise by operation of law shall be bound at any time, if called upon in writing to do so by the Directors with the consent of the Investor Director not later than 90 days after the Directors receive notice from the person concerned that he has become so entitled, to give a Transfer Notice (without specifying a Transfer Price) in respect of all of the Shares then

registered in the name of the deceased or insolvent Member in accordance with the provisions of Article 12, which will apply as if set out in full in this Article.

14.10 If any such person fails to give a Transfer Notice in accordance with Article 14.9 within 10 Business Days after being called upon to do so:

14.10.1 the Board may (and will if requested by the Investor Director) authorise any Director to execute and deliver a transfer of the Shares concerned to a person appointed by the Directors as a nominee for the person entitled to the Shares; and

14.10.2 the Company may give a good receipt for the purchase price of such Shares, register the purchaser or purchasers as the holders of them and issue certificates for the same to such purchasers. After registration, the title of such purchaser or purchasers as registered holder(s) of such Shares will not be affected by any irregularity in, or invalidity of, such proceedings, which will not be questioned by any person. In any such case the person entitled to the Shares as a consequence of the death, insolvency or otherwise by operation of law will be bound to deliver up the certificates for the Shares concerned to the Company whereupon he will become entitled to receive the purchase price. In the meantime, the purchase price will be held by the Company on trust for such person without interest.

15. CHANGE OF CONTROL - TAG ALONG RIGHTS

15.1 With the exception of transfers of Shares pursuant to Article 11 no transfer of Shares which would result, if made and registered, in a person or persons Acting in Concert obtaining or increasing a Controlling Interest, will be made or registered unless:

15.1.1 an Approved Offer is made by the proposed transferee(s) ("**Buyer**") or, at the Buyer's written request, by the Company as agent for the Buyer; and

15.1.2 the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it.

15.2 For the purposes of this Article 15 and Article 16:

15.2.1 "**Approved Offer**" means an offer in writing served on all Members holding Equity Shares (including the proposing transferor), offering to purchase all the Equity Shares held by such Members (including any Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Equity Shares in existence at the date of such offer) which:

15.2.1.1 is stipulated to be open for acceptance for at least 15 Business Days;

15.2.1.2 offers the same or equivalent consideration for each Equity Share (whether in cash, securities or otherwise in any combination), provided that a reduction, withholding or

retention of consideration to take account of tax payable or which might be payable by a Member or by his employing company in relation to the conversion of securities, the exercise of an option over Equity Shares, and/or the disposal of Equity Shares shall not prejudice the application of this paragraph;

- 15.2.1.3 includes an undertaking by or on behalf of the Buyer that, subject to compliance by the Buyer with Article 15.2.1.4, no other consideration, (whether in cash or otherwise) is to be received or receivable by any Member which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares to be sold by such Member, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of Equity Shares;
- 15.2.1.4 in the case of the A Shares, includes provision for the payment of all Arrears and accruals of the Participating Dividend;
- 15.2.1.5 is on terms that the sale and purchase of Shares in respect of which the offer is accepted will be completed at the same time; and
- 15.2.1.6 is approved by the Investors.

16. CHANGE OF CONTROL - DRAG ALONG RIGHTS

- 16.1 Whenever an Approved Offer is made, the holders of 75% or more of the A Shares shall have the right ("**Drag Along Right**") to require (in the manner set out in Article 16.2) all of the other holders of Equity Shares including persons who acquire Equity Shares following the making of the Approved Offer pursuant to the exercise of options or conversion of securities ("**Other Shareholders**") to accept the Approved Offer in full.
- 16.2 The Drag Along Right may be exercised by the service of notice to that effect on the Other Shareholders at the same time as, or within five Business Days following the making of the Approved Offer (or, if later, within five Business Days following the acquisition by the relevant Other Shareholder of any Equity Shares).
- 16.3 On the exercise of the Drag Along Right, each of the Other Shareholders will be bound to accept the Approved Offer in respect of its entire holding of Equity Shares and to comply with the obligations assumed by virtue of such acceptance.
- 16.4 If any of the Other Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of its Equity Shares pursuant to the Approved Offer, or otherwise fails to take any action required of it under the terms of the Approved Offer, any holder of A Shares or any persons so authorised by the Board (with the consent of the Investor Director) may accept the offer on behalf of the Other Shareholder in question, or undertake any action required under the

terms of the Approved Offer on the part of the Other Shareholder in question. In particular, such person may execute the necessary transfer(s) on that Other Shareholder's behalf; and against:

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

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

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

17. ELECTRONIC COMMUNICATION

Regulation 1 is modified by:

17.1 deleting the definition given of "electronic communication" and substituting in its place the definition given in these articles; and

17.2 deleting the words "'communication" means the same as in the Electronic Communications Act 2000."

18. SHARE CERTIFICATES

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

19. LIEN

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

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

20. GENERAL MEETINGS

20.1 Regulation 37 is modified by the insertion of the words "or the Investor Director acting alone" after the second word of that Regulation.

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

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

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

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

A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Members required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Member indicating to the chairman (in such manner as the chairman may direct) whether the Member votes in favour of or against the resolution or abstains. References in this Article 20 to Members includes their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

21. PROCEEDINGS AT GENERAL MEETINGS

21.1 Regulation 40 is modified so that the quorum for any general meeting (other than a separate class meeting) will include at least one A Shareholder.

21.2 If any meeting is adjourned pursuant to Regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present will form a quorum. Regulation 41 is modified accordingly.

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

21.4 A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such a person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Members. The provisions of the Act shall apply to determine the powers that may be exercised at any such meeting by any person so authorised. The corporation shall, for the purposes of these articles, be deemed to be present in person at any such meeting if any person so authorised is present at it, and all references to attendance and voting in person shall be construed accordingly.

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

22. VOTES OF MEMBERS

22.1 Regulation 54 shall not apply to the Company.

- 22.2 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".
- 22.3 Regulation 57 is modified by the inclusion after the word "shall" of the phrase", unless the Directors otherwise determine,".
- 22.4 Regulation 59 shall be modified by including the words "and on a show of hands" after the words "On a poll" and by including the words ", provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. When two or more valid but different forms of proxy or appointments of proxy by electronic means are delivered or received in respect of the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that share. If the Company is unable to determine which was last delivered or received, none of them shall be treated as valid in respect of that share. Deposit or delivery of an appointment of proxy will not preclude a Member from attending and voting at the meeting or at any adjournment of the meeting" after the words "to attend on the same occasion".
- 22.5 Subject to Article 22.6 a form appointing a proxy shall be in writing in the usual form, or in such other form which the directors may approve, and shall be executed by or on behalf of the appointor.
- 22.6 Subject to the Act, the directors may resolve to allow a proxy to be appointed by an Electronic Communication 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).
- 22.7 In order for the appointment of proxy to be valid:
- 22.7.1 (in the case of an appointment of proxy by hard copy) the form of the proxy, together with the relevant documents, if any, must be:
- 22.7.1.1 left at or sent by post to the office (or such other place within the United Kingdom as is 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
- 22.7.1.2 duly delivered in accordance with Article 22.9;
- 22.7.2 (in case of an appointment of proxy by Electronic Communication) the communication appointing the proxy, together with the relevant evidence, must be received at the address by the relevant time.
- 22.8 For the purposes of Article 22.7;
- 22.8.1 for the purpose of appointing a proxy by Electronic Communication the "address" means the number or address which has been specified by the

Company for the purpose of receiving Electronic Communications appointing proxies;

22.8.2 **"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;

22.8.3 **"relevant evidence"** means any evidence required by the Directors in accordance with the provisions of Article 22.6; and

22.8.4 **"relevant time"** means 48 hours before the time appointed for the commencement of the meeting or adjourned meeting to which the proxy appointment relates.

22.9 If a meeting is adjourned for less than 48 hours, a form of proxy may also be delivered in hard copy form at the adjourned meeting to the chairman or to the secretary or to any Director.

22.10 Regulations 60 to 62 (inclusive) shall not apply to the Company.

23. NUMBER OF DIRECTORS

Unless and until otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) is not subject to any maximum and the minimum is one. Regulation 64 shall be modified accordingly.

24. ALTERNATE DIRECTORS

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

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

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

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

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

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

25. DELEGATION OF DIRECTOR'S POWERS

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

26. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 26.1 A Director will not retire by rotation. Regulations 76 and 77 will not apply to the Company and reference in Regulations 67, 78 and 84 to retirement by rotation will be disregarded.
- 26.2 Regulation 81 will not apply to the Company.
- 26.3 The holder or holders of such number of Shares as give the right to a majority of votes at general meetings of the Company may, by giving notice on the Company, remove any Director from office and/or appoint any person to be a Director. The notice must be signed by or on behalf of such holder or holders (and may consist of several documents in similar form each signed by or on behalf of one or more holders) and must be left at or sent by post or fax to the registered office or such other place designated by the Directors for the purpose. Such removal or appointment will take effect when the notice is received by the Company or on such later date (if any) as may be specified in the notice. This Article 26.3 will not apply to the appointment or removal of the Investor Director. This Article 26.3 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.

27. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a Director will be vacated if:

- 27.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- 27.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- 27.3 he becomes, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
- 27.4 he resigns his office by notice in writing to the Company;

- 27.5 (other than in the case of the Investor Director) he has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the Directors resolve that his office be vacated;
- 27.6 (other than in the case of the Investor Director) he is removed from office by notice addressed to him at his last-known address and signed by all his co-Directors;
- 27.7 (other than in the case of the Investor Director) he is removed from office by notice given by a member or members under Article 26.3; or
- 27.8 being an executive Director he ceases, for whatever reason, to be employed by any member of the Group.

28. REMUNERATION AND AUDIT COMMITTEES

Without prejudice to Regulation 72 there will be a Remuneration Committee and an Audit Committee which will operate in accordance with the Investment Agreement. Regulation 82 will not apply to the Company.

29. DIRECTORS' APPOINTMENTS

- 29.1 Regulation 84 is modified by addition the of the words: "with the consent of the Fund Manager " after the words "the directors" and before the words "may appoint" in the first sentence, and after the words "the directors" and before the word "determine" and after the words "as they" and before the words "think fit" in the second sentence.
- 29.2 Regulation 85 is modified by the addition of the words: "and except in the case of the Investor Director, to the consent of the Investors" after the words "provisions of the Act" and before the words ", and provided that he has disclosed" in the first sentence.

30. DIRECTORS' INTERESTS

30.1 Group Companies

A director shall be authorised for the purposes of section 175 of the 2006 Act to act or continue to act as a director of the Company notwithstanding that at the time of his appointment or subsequently he also:

- 30.1.1 holds office as a director of any other Group Company;
- 30.1.2 holds any other office, employment or engagement with any other Group Company;
- 30.1.3 participates in any scheme, transaction or arrangement for the benefit of the employees or former employees of the Company or any other Group Company (including any pension fund or retirement, death or disability scheme or other bonus or employee benefit scheme); or
- 30.1.4 is interested directly or indirectly in any shares or debentures (or any rights to acquire shares or debentures) in the Company or in any other Group Company.

30.2 Directors appointed by the Investors

- 30.2.1 A director for the time being appointed to the Board or any committee of the Board by the Investors pursuant to these articles or the Investment Agreement shall be authorised for the purposes of sections 173(2) and 175 of the 2006 Act to act or continue to act as a director of the Company notwithstanding that at the time of his appointment or subsequently he also:
- 30.2.1.1 holds office as a director of an Investor or of an Affiliate of that Investor or of a portfolio company of such Investor or Affiliate;
 - 30.2.1.2 holds any other office, employment or engagement with an Investor or an Affiliate of that Investor or a portfolio company of such Investor or Affiliate; or
 - 30.2.1.3 is interested directly or indirectly (including, for the avoidance of doubt, by virtue of any Co-Investment Scheme) in any shares or debentures (or any rights to acquire shares or debentures) in an Investor or an affiliate of that Investor or a portfolio company of such Investor or Affiliate.
- 30.2.2 A director for the time being appointed to the Board or any committee of the Board by the Investors pursuant to these articles or the Investment Agreement shall be authorised for the purposes of sections 173(2) and 175 of the 2006 Act to act or continue to act as a director of the Company, notwithstanding his role as a representative of the Investors (or any of them) for the purposes of monitoring and evaluating their investment in the Group. Without limitation, and for all purposes pursuant to these articles such director shall be authorised for the purposes of sections 173(2) and 175 of the 2006 Act to:
- 30.2.2.1 attend, and vote at, meetings of the directors (or any committee thereof) at which any relevant matter will or may be discussed, and receive board papers relating thereto;
 - 30.2.2.2 receive Confidential Information and other documents and information relating to the Group, use and apply such information in performing his duties as a director, officer or employee of, or consultant to, an Investor or an Affiliate of that Investor and disclose that information to third parties in accordance with these articles or the Investment Agreement;
 - 30.2.2.3 give or withhold consent or give any direction or approval under these articles or the Investment Agreement, in relation to any relevant matter.
- 30.2.3 For the avoidance of doubt, except as otherwise expressly permitted by these articles or in the proper performance of his duties to the Company under the 2006 Act, Article 30.2 does not authorise the relevant director to disclose Confidential Information.

30.3 Directors' interests other than in relation to transactions or arrangements with the Company

30.3.1 The Board may authorise any matter proposed to it which would, if not so authorised, involve a breach of duty by a director under section 175 of the 2006 Act

30.3.2 Any authorisation under Article 30.3.1 will be effective only if:

30.3.2.1 any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other director interested in the matter under consideration; and

30.3.2.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

For the purpose of this Article 30.3.2, the quorum for a meeting (or the relevant part of a meeting) at which the matter to be considered relates to an Investor Director, shall be two directors, neither of whom are interested in the matter:

30.3.3 The Board may give any authorisation under Article 30.3.1 upon such terms as it thinks fit. The Board may vary or terminate any such authorisation at any time.

30.3.4 Without prejudice to the remainder of these articles or the Acts, the Company may authorise (specifically or generally) any matter proposed to it which would, if not so authorised, involve a breach of duty by a director under section 175 of the 2006 Act. Such authorisation shall be effected:

30.3.4.1 with the consent in writing of the holders of more than 75% of the Ordinary Shares for the time being in issue; or

30.3.4.2 by special resolution

and shall constitute "authorisation by the members" for the purposes of this Article 30.

30.3.5 For the purposes of this Article 30 a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

30.4 Confidential information and attendance at meetings of directors

30.4.1 A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. In particular the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the 2006 Act if he:

- 30.4.1.1 fails to disclose any such information to the Board or to any director or other officer or employee of, or consultant to, the Company, or
- 30.4.1.2 does not use or apply any such information in performing his duties as a director of the Company.

However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article 30.4.1 applies only if the existence of that relationship has been authorised pursuant to Article 30.1 or 30.2 or authorised by the Board pursuant to Article 30.3.1 or authorised by the members (subject, in any such case, to the terms upon which such authorisation was given).

30.4.2 Where the existence of a director's relationship with another person has been authorised pursuant to Article 30.1 or 30.2 or authorised by the Board pursuant to Article 30.3.1 or authorised by the members, and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the 2006 Act if, at his discretion or at the request or direction of the Board or any committee of the Board, he:

- 30.4.2.1 absents himself from a meeting of directors (or a committee thereof) at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed, or from the discussion of any such matter at a meeting of directors or otherwise; or
- 30.4.2.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by or on behalf of the Company or for such documents and information to be received and read by a professional adviser on his behalf,

for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists.

30.4.3 The provisions of Articles 30.4.1 and 30.4.2 are without prejudice to any equitable principle or rule of law which may excuse the director from:

- 30.4.3.1 disclosing information, in circumstances where disclosure would otherwise be required under these Articles or the Investment Agreement; or
- 30.4.3.2 attending meetings or discussions or receiving documents and information as referred to in Article 30.4.2, in circumstances where such attendance or receipt would otherwise be required under these articles or the Investment Agreement.

30.5 Declaration of interests in proposed or existing transactions or arrangements with the Company

- 30.5.1 A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement.
- 30.5.2 A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable, unless the interest has already been declared under Article 30.5.1.
- 30.5.3 Any declaration required by Article 30.5.1 may (but need not) be made at a meeting of the directors or by notice in writing in accordance with section 184 of the 2006 Act or by general notice in accordance with section 185 of the 2006 Act. Any declaration required by Article 30.5.2 must be made at a meeting of the directors or by notice in writing in accordance with section 184 of the 2006 Act or by general notice in accordance with section 185 of the 2006 Act.
- 30.5.4 If a declaration made under Article 30.5.1 or 30.5.2 proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under Article 30.5.1 or 30.5.2, as appropriate:
- 30.5.4.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - 30.5.4.2 if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware);
 - 30.5.4.3 if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for the purpose under these articles or the Investment Agreement; or
 - 30.5.4.4 if the director is not aware of his interest or is not aware of the transaction or arrangement in question (and for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware).
- 30.6 Ability to enter into transactions and arrangements with the Company notwithstanding interest
- Subject to the provisions of the Acts and provided that he has declared the nature and extent of any direct or indirect interest of his in accordance with Article 30.5, or where Articles 30.1 or 30.2 apply, a director notwithstanding his office:
- 30.6.1 may be a party to, or otherwise be interested in, any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;

30.6.2 may act by himself or through his firm in a professional capacity for the Company (otherwise than as Auditors), and in any such case on such terms as to remuneration and otherwise as the Board may decide; or

30.6.3 may be a director or other officer of, or employed or engaged by, or a party to any transaction or arrangement with, or otherwise to be interested in, any body corporate in which the Company is directly or indirectly interested, *unless an Investor Director notifies the director otherwise in writing.*

30.7 Remuneration and benefits

A director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office, employment or engagement or from any transaction or arrangement or from any interest in any body corporate:

30.7.1 the acceptance, entry into or existence of which has been authorised pursuant to Articles 30.1 or 30.2 or authorised by the Board pursuant to Article 30.3.1 or authorised by the members (subject, in any such case, to any terms upon which such authorisation was given), or

30.7.2 which he is permitted to hold or enter into pursuant to Article 30.6 or otherwise pursuant to these Articles or the Investment Agreement,

nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the 2006 Act. No transaction or arrangement authorised or permitted pursuant to Articles 30.1, 30.2, 30.3.1 or 30.6, or otherwise pursuant to these Articles or the Investment Agreement shall be liable to be avoided on the ground of any such interest or benefit.

30.8 Alternate directors

For the purposes of this Article 30, in relation to an alternate director, the interest of his appointor is treated as the interest of the alternate director in addition to any interest which the alternate director otherwise has. Article 30 applies to an alternate director as if he were a director otherwise appointed.

31. DIRECTOR'S GRATUITIES AND PENSIONS

Regulation 87 is modified by the addition of the words: "with the consent of the Investors" after the words "The directors" and before the words "may provide benefits" in the first sentence.

32. 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 1985 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.

33. PROCEEDINGS OF DIRECTORS

- 33.1 In the case of an equality of votes, the chairman will not have a second or casting vote. Regulation 88 will be modified accordingly.
- 33.2 Regulation 88 is modified by the exclusion of the third sentence and the substitution for it of the following sentences: "Every Director will receive notice of a meeting, whether or not he is absent from the United Kingdom. A Director may waive the requirement that notice be given to him of a meeting of Directors or a committee of Directors, either prospectively or retrospectively" and by the addition of the word "not" between the words "shall" and "have" in the fifth sentence.
- 33.3 Except as otherwise stated in Article 30.3.2, the quorum necessary for the transaction of business at any meeting of the Directors will be two of which one will be the Investor Director (unless otherwise agreed in writing by the Investors) and Regulation 89 will be modified accordingly. If any meeting of the Directors is inquorate then it will be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present will constitute a quorum.
- 33.4 A majority of Directors will within six months of the Commencement Date appoint one of their number to be chairman of the Board, and a majority of Directors may at any time remove him from that office. Until such appointment, the Investor Director elected by the Investors will act as chairman of the Board and if the Directors fail to appoint a chairman within six months of the Commencement Date, then the Investor(s) will appoint the chairman of the Board. The Director so appointed will preside at every meeting of Directors at which he is present, but if he is unwilling to preside or is not present within five minutes after the time appointed for the meeting the Investor Director will be chairman of the meeting. Regulation 91 will not apply to the Company.
- 33.5 Any Director or alternate may participate in a meeting of the Board or a committee of the Directors by means of conference telephone or similar communications equipment if all persons participating in the meeting can hear and speak to each other throughout the meeting, and any Director or member of a committee participating in a meeting in this manner is deemed to be present in person at such meeting and will be counted when reckoning a quorum.
- 33.6 Without prejudice to the obligation of a Director to disclose his interest in accordance with Article 30.5 and unless an Investor Director notifies the director otherwise in writing, a Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning or relating to a matter in which he has, directly or indirectly, any interest or duty, subject always to Article 30.3.2 and the terms on which any such authorisation is given. Subject to the foregoing, the relevant Director shall (whether or not he does vote) be counted in the quorum present at a meeting when any such resolution is under consideration and, if he votes on that resolution, his vote shall be counted.

34. INVESTOR DIRECTOR AND OBSERVER

- 34.1 So long as the Investors or any of them hold any Shares they will have the right to appoint one person as a non-executive Director of the Company ("Investor Director") but:

- 34.1.1 any such appointment must be effected by notice in writing to the Company by the appointing Investors who may in a similar manner remove from office any Investor Director appointed pursuant to this Article, and appoint any person in place of any Investor Director so removed or who had died or otherwise vacated office as such;
- 34.1.2 subject to section 168 of the 2006 Act, on any resolution to remove the Investor Director, the A Shares held by the Investors will together carry one vote in excess of fifty per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed, and if such Investor Director is removed pursuant to section 168 of the 2006 Act or otherwise, the appointing Investor may reappoint him or any other person as the Investor Director.
- 34.2 The Investor Director will be entitled to be appointed to the board of directors of any member of the Group and to any committee of the board of any member of the Group.
- 34.3 So long as the Investors or any of them hold any Shares they will have the right at any time to appoint any one person to attend observe and speak at meetings of the Board and the provisions of Article 34.1.1 will apply as if they were set out in full in this Article, but with the word "observer" substituted for "Investor Director". Any person so appointed will not be a Director.

35. DIVIDENDS

Regulation 103 is modified by the addition of the following words: "with the consent of the Investors" after the words "the directors" in the first sentence.

36. NOTICES

- 36.1 Any notice or other document to be given to or by any person pursuant to these articles (other than a notice calling a meeting of the Directors) shall be in writing and shall be delivered in accordance with Article 36.2.
- 36.2 Any notice or other document may only be served on, or delivered to, any Member by the Company or by any other Member:
 - 36.2.1 personally;
 - 36.2.2 by sending it through the post in a prepaid envelope addressed to the Member at his registered address (whether such address is in the United Kingdom or otherwise); or
 - 36.2.3 by delivery of it by hand to or leaving it at that address in an envelope addressed to the Member.
- 36.3 Nothing in Article 36.2 shall affect any provision of the Act requiring offers, notices or documents to be served on or delivered to a Member in a particular way.
- 36.4 In the case of joint holders of a Share all notices and other documents shall be given to the person named first in the register in respect of the joint holding, and notice so given shall be sufficient notice to all joint holders.

- 36.5 Any notice or other document may only be served on, or delivered to, the Company by anyone:
- 36.5.1 by sending it through the post in a prepaid envelope addressed to the Company or any officer of the Company at its registered office or such other place in the United Kingdom as may from time to time be specified by the Company;
 - 36.5.2 by delivering it by hand to its registered office or such other place in the United Kingdom as may from time to time be specified by the Company.
- 36.6 Any notice or other document (other than any notice or other document given to the Company including, for the avoidance of doubt, the appointment of a proxy):
- 36.6.1 addressed to the recipient in the manner prescribed by these articles shall, if sent by post, be deemed to have been served or delivered:
 - 36.6.1.1 (if prepaid as first class) 24 hours after it was posted; and
 - 36.6.1.2 (if prepaid as second class) 48 hours after it was posted;
 - 36.6.1.3 (if prepaid as airmail) 72 hours after it was postedand in proving such service, it shall be sufficient to prove that the envelope containing such notice or document was properly addressed, prepaid and posted;
 - 36.6.2 not sent by post, but delivered by hand to or left at an address in accordance with these articles, shall be deemed to have been served or delivered on the day it was so delivered or left;
- 36.7 Regulations 111, 112 and 115 will not apply to the Company.

37. 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 of the Company will be indemnified out of the assets of the Company against any liability (other than any liability arising out of the Investment Agreement)] sustained or incurred by him in defending any proceedings whether civil or criminal relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the 1985 Act in which relief is granted to him by the Court. Regulation 118 will not apply to the Company.

38. ERISA

- 38.1 The Fund Manager acts as nominee for RJD Private Equity Fund II LP ("X") and RJD Private Equity SBS Fund II LP ("Y"). Each of X and Y was formed for the purpose of making investments in venture capital transactions in the United Kingdom and elsewhere. Certain limited partners in X and certain limited partners in Y are or may be entities governed in the United States of America by ERISA. In order to permit the ERISA Partners to treat the partnerships in which they are partners as venture

capital operating companies for the purposes of ERISA each of X and Y will obtain certain management rights in the Company in such manner and to such an extent as to permit each of X and Y substantially to influence or participate in the management of the Company.

- 38.2 X has agreed to subscribe for 507,393 A Shares for an aggregate price of £507,393 ("Shares").
- 38.3 Y has agreed to subscribe for 15,107 A Shares in the Company for an aggregate price of £15,107 ("Shares").
- 38.4 The Company agrees with X that for so long as the Fund Manager or any other nominee of X or X itself is the registered holder of any share in the Company X shall be entitled from time to time and at any time to appoint and remove one non-executive Director of the Company and of each member of the Group. Any such person shall hold office as a director and shall be entitled to serve as a member of any and all committees of the Board of Directors of the Company and each member of the Group. Such right shall belong solely to and shall be exercised exclusively by X for its benefit and for its own account. The appointment and removal of any such Director shall be by written notice from X to the Company which shall take effect on delivery at the Company's registered office or at any meeting of the Board or of any committee of the Board.
- 38.5 The Company agrees with Y that for so long as the Fund Manager or any other nominee of Y or Y itself is the registered holder of any share in the Company Y shall be entitled from time to time and at any time to appoint and remove one non-executive Director of the Company and of each member of the Group. Any such person shall hold office as a director and shall be entitled to serve as a member of any and all committees of the Board of Directors of the Company and each member of the Group. Such right shall belong solely to and shall be exercised exclusively by Y for its benefit and for its own account. The appointment and removal of any such Director shall be by written notice from Y to the Company which shall take effect on delivery at the Company's registered office or at any meeting of the Board or of any committee of the Board.
- 38.6 Each of X and Y shall have the right to receive upon reasonable written request to the Company:
 - 38.6.1 unaudited monthly management accounts of the Group including a balance sheet and profit and loss account and statement of source and application of funds and a comparison of actual performance with budget;
 - 38.6.2 on an annual basis budgets and cashflow forecasts and the audited consolidated profit and loss account consolidated balance sheet and cashflow statements of the Group (to the extent reasonably available); and
 - 38.6.3 such additional information relating to the affairs of the Company and each member of the Group as either X or Y may at any time reasonably request (including any information provided to any director of the Company),

and each of X and Y shall be entitled at all reasonable times to access to the premises, books and records (and to inspect the properties and assets) of the Company and each member of the Group.

- 38.7 Each of X and Y acting through the Fund Manager shall have the right to meet on a regular basis with such management or personnel of the Company and each member of the Group as may reasonably be designated by X, or Y upon reasonable notice to the Company, for the purposes of consulting with and advising and influencing management, obtaining information regarding the business and prospects of the Company and the Group and expressing the views of X and/or Y on such matters.
- 38.8 The Managers agree with X at the written request and expense of X to do or procure to be done such further acts or things as may be reasonably necessary in the opinion of legal counsel of X to preserve the qualifications of X as a venture capital operating company, or otherwise to ensure that the assets of X are not considered "plan assets" of the ERISA Partners for the purposes of ERISA in the event that legal counsel to X concludes that the rights granted by this letter should be altered to preserve such qualifications provided that the proposed alteration does not have a material adverse effect on the operation, business or prospects of the Group.
- 38.9 The Managers agree with Y at the written request and expense of Y to do or procure to be done such further acts or things as may be reasonably necessary in the opinion of legal counsel of Y to preserve the qualifications of Y as a venture capital operating company, or otherwise to ensure that the assets of Y are not considered "plan assets" of the ERISA Partners for the purposes of ERISA in the event that legal counsel to Y concludes that the rights granted by this letter should be altered to preserve such qualifications provided that the proposed alteration does not have a material adverse effect on the operation, business or prospects of the Group.
- 38.10 Any of the rights, powers, discretions and consents of X pursuant to this clause 38 may be exercised by the Fund Manager and or any other management company acting on behalf of X, or by some other person or persons nominated by X for the time being and such manager or person or persons may enforce such rights directly as if they were a party to this Agreement.
- 38.11 Any of the rights, powers, discretions and consents of Y pursuant to this clause 38 may be exercised by the Fund Manager and or any other management company acting on behalf of Y, or by some other person or persons nominated by Y for the time being and such manager or person or persons may enforce such rights directly as if they were a party to this Agreement.