THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

KILN POWER LIMITED
(a company registered in England no 09966818)
("the **Company**")

WRITTEN RESOLUTIONS OF MEMBERS

Circulation Date. 14/10 **2016**

Date Passed: 14/10 **2016**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("the **Act**"), the directors of the Company propose that the following resolutions be passed as ordinary and special resolutions as indicated ("the **Resolutions**")

ORDINARY RESOLUTION

1 That each of the ten ordinary shares of £0 01 each in the capital of the Company registered in the name of Apus Energy Limited be and are re-designated as a deferred share of £0 01 each in the capital of the Company, with such class of share having the rights set out in the articles to be adopted pursuant to Resolution 2 below

SPECIAL RESOLUTION

2 That the articles of association attached hereto be and hereby are adopted as the articles of association of the Company in substitution for the existing articles of association

AGREEMENT TO WRITTEN RESOLUTIONS

Please read the notes at the end of this document before signifying your agreement to the Resolutions

The undersigned, being the persons entitled to vote on the Resolutions on the circulation date set out above, hereby irrevocably agree to the passing of the Resolutions

For and on behalf of
Apus Energy Limited

For and on behalf of
Angaston Power Limited

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LD2 28/10/2016 #10
COMPANIES HOUSE

NOTES If you wish to agree to the Resolutions, please indicate your agreement by signing and dating this document where indicated and returning it to the Company at the Company's registered office or for the attention of Kim Hawkins by fax on 0121 214 0112 or by email (in PDF format) to kim hawkins@shma co uk If you do not agree to the Resolutions you need not do anything You will not be deemed to agree if you fail to respond Once you have indicated your agreement to the Resolutions you may not revoke your agreement Unless by the end of the period of 28 days beginning with the circulation date set out above sufficient agreement has been received for the Resolutions to be passed they will lapse

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

KILN POWER LIMITED
(a company registered in England no 09966818)
("the **Company**")

WRITTEN RESOLUTION OF MEMBER

Circulation Date: 14/10 **2016**

Date Passed: 14/10 **2016**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("the **Act**"), the directors of the Company propose that the following resolution be passed as an ordinary resolution ("the **Resolution**")

ORDINARY RESOLUTION

1 That

(a) Article 14(2) of the Company's articles of association be disapplied in respect of the Company entering into a shareholders' agreement to be made between the Company (1), Apus Energy Limited ("**Apus**") (2) Angaston Power Limited (3), the EIS Investors (as defined therein) (4), Octopus Investments Nominees Limited (5), Octopus Investments Limited ("**Octopus**") (6) and OCS Services Limited (7), and all agreements and arrangements to be entered into pursuant to such agreement, pursuant to which Apus will, inter alia, receive the benefit of covenants and undertakings and the Company entering into a management services agreement with Welsh Power Group Limited ("**WPGL**") pursuant to which WPGL will receive the benefit of fees, and

(b) any actual and/or situational conflict of interest arising by virtue of any of the directors of the Company (the "**Directors**") also being an employee, director and/or member of WPGL, Apus and/or Octopus (as the case may be) and, therefore, being indirectly interested in such matters be and hereby are authorised for all purposes,

(c) the Directors be and hereby are authorised to vote and form part of the quorum at any meeting of the Company (along with all other entitlements that may be set out in the Company's articles of association from time to time) in respect of such matters

AGREEMENT TO WRITTEN RESOLUTION

Please read the notes at the end of this document before signifying your agreement to the Resolution The undersigned, being the persons entitled to vote on the Resolution on the circulation date set out above, hereby irrevocably agree to the passing of the Resolution

For and on behalf of
Apus Energy Limited

NOTES If you wish to agree to the Resolution please indicate your agreement by signing and dating this document where indicated and returning it to the Company at the Company's registered office or for the attention of Kim Hawkins by fax on 0121 214 0112 or by email (in PDF format) to kim hawkins@shma co uk If you do not agree to the Resolution you need not do anything You will not be deemed to agree if you fail to respond Once you have indicated your agreement to the Resolution you may not revoke your agreement Unless by the end of the period of 28 days beginning with the circulation date set out above sufficient agreement has been received for the Resolution to be passed it will lapse

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

KILN POWER LIMITED
(a company registered in England no 09966818)
("the Company")

WRITTEN RESOLUTION OF MEMBER

Circulation Date: 14/10 **2016**

Date Passed: 14/10 **2016**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("the Act"), the directors of the Company propose that the following resolution be passed as an ordinary resolution ("the **Resolution**")

ORDINARY RESOLUTION

1 That the one issued ordinary share of £1 00 in the capital of the Company be and is hereby sub-divided into ordinary shares of £0 01 each in the capital of the Company

AGREEMENT TO WRITTEN RESOLUTION

Please read the notes at the end of this document before signifying your agreement to the Resolution

The undersigned, being the persons entitled to vote on the Resolution on the circulation date set out above, hereby irrevocably agree to the passing of the Resolution

For and on behalf of
Apus Energy Limited

LD2 28/10/2016 #4
COMPANIES HOUSE

NOTES If you wish to agree to the Resolution, please indicate your agreement by signing and dating this document where indicated and returning it to the Company at the Company's registered office or for the attention of Kim Hawkins by fax on 0121 214 0112 or by email (in PDF format) to kim hawkins@shma co uk If you do not agree to the Resolution you need not do anything You will not be deemed to agree if you fail to respond Once you have indicated your agreement to the Resolution you may not revoke your agreement Unless by the end of the period of 28 days beginning with the circulation date set out above sufficient agreement has been received for the Resolution to be passed it will lapse

Company Number. 09966818

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KILN POWER LIMITED

(Adopted on 14/10 2016)

SHAKESPEAREMARTINEAU

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KILN POWER LIMITED

("the Company")

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1 APPLICATION OF MODEL ARTICLES

1 1 The model Articles of association for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended at the date of adoption of these Articles (**"the Model Articles"**) shall apply to the company save in so far as they are excluded or modified by these Articles

1 2 Notwithstanding that the company is a private company, certain Articles contained in the model articles of association for public companies contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended at the date of adoption of these Articles (**"the Model PLC Articles"**) shall apply to the company, but only where expressly incorporated into these Articles Where so expressly incorporated, any reference in a Model PLC Article to a **"member"** shall in these Articles be deemed to be a reference to a **"shareholder"**

2 INTERPRETATION

2 1 Without prejudice to any other definitions contained elsewhere in these articles, the following words and expressions shall in these articles have the meanings set out or referred to opposite each respectively (unless the context otherwise requires)

"the Act"	the Companies Act 2006,
"Articles"	these articles of association
"Asset Sale"	the sale or transfer of the whole or a substantial part of the assets and/or business and/or goodwill and/or undertaking of the Company,
"Auditors"	the auditors for the time being of the Company,
"the Called Shareholders"	as defined in Article 12 1 2,
"company"	includes any body corporate,

"Company Value"	as defined in Article 11 5 1,
"Conflicting Situation"	a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including in relation to the exploitation of any property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself,
"Connected"	as defined by section 993 of the Tax Act,
"Deductions"	in respect of any distribution (whether by repayment of loan or distribution or return of capital or otherwise) by the Company of any Net Asset Sale Proceeds, any and all third party charges, costs and expenses related to the mechanics of the making of such distribution reasonably suffered or incurred by the Ordinary Shareholders (excluding, for the avoidance of doubt, any taxation suffered or otherwise incurred by any Ordinary Shareholders and any costs, charges and expenses payable to any Ordinary Shareholders in connection with the making of such distribution),
"Deferred Shareholders"	the holders for the time being of the issued Deferred Shares (and each a "**Deferred Shareholder**"),
"Deferred Shareholder Majority"	the holders of, in aggregate, more than 50% of the Deferred Shares for the time being in issue,
"Deferred Shares"	the deferred shares of 1p each in the capital of the Company and having the rights (and being subject to the restrictions) ascribed thereto as set out in these Articles (and each a "**Deferred Share**"),
"the Directors"	the directors for the time being of the Company or (as the context shall require) any of them (each a "**Director**") acting as the board of directors of the Company,
"the Drag Along Price"	as defined in Article 12 1 2,
"the Drag Along Right"	as defined in Article 12 1 2,
"eligible director"	in relation to any matter, a director who would be entitled to vote on the matter concerned at a meeting of directors, but excluding any director whose vote is not to be counted in respect of the matter concerned,
"Encumbrance"	any mortgage, charge, pledge, assignment, title retention, lien, hypothecation or other form of security, trust, right of set off or other third party right, claim or encumbrance including any right of option or pre-emption howsoever created or arising or any other arrangement having similar effect (or an agreement or commitment to create any of them),
"equity share capital", and "subsidiary undertaking"	shall have the meanings set out in sections 548, and 1162 of the Act,
"Group"	in relation to a company, the company, any holding company of the company for the time being, and any

subsidiary of the company and/or any such holding company for the time being,

"Holding Company" Angaston Power Limited (company number 09867113),

"Holding Company Shares" ordinary shares (of whatever class) in the capital of the Holding Company (and each a "**Holding Company Share**"),

"Invested Funds" the sum of £5,000,000, in aggregate,

"Investor Affiliate"

(a) the fund manager or advisor to any Investor or to any fund in which any Investor participates,

(b) any member of the same Group as any person referred to in (a), or

(c) any employee, member or partner of any person referred to in (a) or (b),

"Investor Return" such amount as may be agreed in writing between Octopus Investments Limited, the Ordinary Shareholders and a Deferred Shareholder Majority from time to time,

"Investors" the EIS Investors (as defined in the Shareholders Agreement (but including, where the context permits, any successor to any of the EIS Investors (as so defined) as the holder for the time being of any shares in the capital of the Holding Company which were originally issued to EIS Investors)) (and each an "**Investor**"),

"Investors Specified Total Return" an amount equal to the product of the Invested Funds and the Investor Return,

"Member" a holder of shares in the Company,

"Model Articles" has the meaning given in Article 1,

"Model PLC Articles" has the meaning given in Article 1,

"Net Asset Sale Proceeds" the aggregate amount of all consideration received or receivable in respect of any Asset Sale net of

(a) any and all third party costs, charges and expenses related to such Asset Sale reasonably suffered or incurred by the Company (including the costs of any warranty and/or indemnity insurance policy taken out in relation to such Sale but excluding, for the avoidance of doubt, any costs, charges and expenses payable to any Ordinary Shareholders),

(b) all amounts of any and all loans (including any and all interest accrued thereon) which are owed by the Company to any third party on completion of the Asset Sale (other in respect of any loans made to the Company by any Ordinary Shareholders from time to time), and

(c) any and all liabilities to taxation related to such

Asset Sale suffered or incurred by the Company,

and for the avoidance of doubt the proceeds of any Asset Sale shall be deemed to include all contingent and/or deferred consideration (whether or not received by the date of the Asset Sale) and all non-cash consideration (each of which shall be valued in accordance with standard accounting practice),

"Net Proceeds" in respect of

(a) a Sale, the Net Sale Proceeds from such Sale, and

(b) an Asset Sale, the Net Asset Sale Proceeds from such Asset Sale,

"Net Sale Proceeds" the aggregate amount of all consideration received or receivable for the issued share capital of the Company in respect of any Sale net of any and all third party costs, charges and expenses related to such Sale reasonably suffered or incurred by any Ordinary Shareholders (including the costs of any warranty and/or indemnity insurance policy taken out in relation to such Sale but excluding, for the avoidance of doubt, any costs, charges and expenses payable to any Ordinary Shareholders) and, for the avoidance of doubt, the proceeds of any Sale shall be deemed to include

(i) all contingent and/or deferred consideration (whether or not received by the date of the Sale) and all non-cash consideration (each of which shall be valued in accordance with standard accounting practice), and

(ii) in respect of any loans made to the Company by any Ordinary Shareholders from time to time

(A) all consideration paid or payable by the Offeror in respect of any such loans (including any and all interest accrued thereon) acquired by the Offeror on completion of the Sale, and (but without double counting), and

(B) all amounts of any and all such loans (including any and all interest accrued thereon) which are repaid by the Company on or following completion of the Sale,

"New Member" has the meaning given in Article 12 8,

"Offer" either

(i) an offer to purchase all of the issued share capital of the Company other than those already held by the offeror and/or any persons acting in concert with him (as defined in the City Code on Takeovers and Mergers), or

(ii) the entering into of one or more agreements which will result in any persons who are acting in concert acquiring all of the issued share capital of the Company, which agreements are (or have become) unconditional or subject only to conditions in the sole control of any or all of the persons who are acting in concert,

"the Offeror" as defined in Article 12 1 2,

"Operations Date" the date on which a taking-over certificate (or equivalent) is issued by the duly appointed engineer/contractor (as applicable) under an engineering, procurement and construction contract (or equivalent) certifying that the Project is completed and has passed all relevant commissioning tests resulting in the Company having taken possession of the relevant power plant,

"Ordinary Shareholders" the holders for the time being of the issued Ordinary Shares (and each an "**Ordinary Shareholder**"),

"Ordinary Shares" the ordinary shares of 1p each in the capital of the Company and having the rights ascribed thereto as set out in these Articles (and each an "**Ordinary Share**"),

"Project" the new build gas fuelled reciprocating engine reserve power plant project to be developed, constructed and installed at Unit 6, Lime Kilns Business Park, Nutts Lane, Hinckley, Leicestershire and having an anticipated capacity of 16MW,

"Proposing Transferee" as defined in Article 11 1,

"Proposing Transferor" a Member proposing to transfer or dispose of Ordinary Shares or any interest therein,

"Relevant Company" as defined in Article 21 4,

"Relevant Loss" as defined in Article 21 4,

"Relevant Officer" as defined in Article 21 4,

"Relevant Transaction" as defined in Article 11 1,

"Sale" completion of the transaction(s) in respect of an Offer,

"Shareholder Majority" the holders of, in aggregate, more than 50% of the Holding Company Shares for the time being in issue,

"the Shareholders Agreement" the shareholders agreement to be entered into on or about the date of adoption of these Articles and made between the Holding Company (1), the EIS Investors (as defined therein) (2), Apus Energy Limited (3), Octopus Investments Nominees Limited (4), Octopus Investments Limited (5), the Company (6) and OCS Services Limited (7), as amended, adhered to and/or supplemented from time to time,

"Tax Act" the Income Tax Act 2007 as amended from time to time,

"Total Return"	the aggregate of the following (expressed in pounds sterling)

(i) the Net Proceeds (less, in the case of Net Asset Sale Proceeds only, any applicable Deductions incurred in connection with any distributions to Ordinary Shareholders (whether by repayment of loan or distribution or return of capital or otherwise) of such Net Proceeds),

plus

(ii) the total aggregate value of

(A) any dividends, distributions or any other returns of capital paid or made by the Company to any Ordinary Shareholders from time to time, plus

(B) all principal amounts of any loans which are repaid by the Company to the Ordinary Shareholders from time to time, plus

(C) any interest payments, fees, charges or costs paid by the Company to any Ordinary Shareholders from time to time,

((A), (B) and (C) together being the "**Other Returns**"),

"the Vendors"	as defined in Article 12 1 2

2 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

2 3 The expressions

(a) "holding company" shall mean a holding company (as defined by section 1159 of the Companies Act 2006) or a parent undertaking (as defined by section 1162 of the Companies Act 2006), and

(b) "subsidiary" shall mean a subsidiary (as defined by section 1159 of the Companies Act 2006) or a subsidiary undertaking (as defined by section 1162 of the Companies Act 2006) and "subsidiaries" shall be construed accordingly

2 4 Any reference in these Articles to any provision of any statute or to any other legislative provision shall be deemed to include a reference to any statutory or other legislative modification or re-enactment of that provision from time to time in force

2 5 The headings to each of the Articles are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles

2 6 All references in these Articles to an "**Article**" followed by a particular number is a reference to the relevant Article of these Articles bearing that number A reference in these Articles to a "**Model Article**" followed by a particular number is a reference to the relevant article of the Model Articles bearing that number A reference in these Articles to a "**Model PLC Article**" followed by a particular number is a reference to the relevant article of the Model PLC Articles bearing that number

2 7 Where provisions of the Model PLC Articles are expressly incorporated into these Articles, words and expressions ascribed a particular meaning by the Model PLC Articles shall have the same meanings in these Articles in relation thereto

2 8 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

2 9 In these Articles unless the context requires otherwise

(a) a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality),

(b) a reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established,

(c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular,

(d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders, and

(e) a reference to any party shall include that party's personal representatives successors and permitted assigns

2 10 A reference in these Articles to the transfer of any Ordinary Share or Deferred Share (as the case may be) shall mean the transfer of either or both of the legal and beneficial ownership in such Ordinary Share or Deferred Share and/or the grant of an option to acquire either or both of the legal and beneficial ownership in such Ordinary Share or Deferred Share and the following shall be deemed (but without limitation) to be a transfer of an Ordinary Share or a Deferred Share

2 11 any direction (by way of renunciation or otherwise) by a holder of Ordinary Shares or Deferred Shares (as the case may be) entitled to an allotment or issue of any Ordinary Share or Deferred Share (as the case may be) that such share be allotted or issued to some person other than himself,

2 12 any sale or other disposition of any legal or equitable interest in an Ordinary Share or a Deferred Share (as the case may be) (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing, and

2 13 any grant of a legal or equitable mortgage or charge over any Ordinary Share or Deferred Share (as the case may be)

2 14 For the purpose of applying the provisions of these Articles all calculations shall be rounded up or (as the case may be) down to the two nearest decimal places

2 15 For the purposes of these Articles any consent of the Shareholder Majority can be given by the Shareholder Majority or by any person authorised on their behalf whether pursuant to the Shareholders Agreement or otherwise

3 SHARE CAPITAL

In these Articles, unless the context requires otherwise, references to Ordinary Shares shall include Ordinary Shares issued after the date of adoption of these Articles

4 **SHARE RIGHTS**

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

4 1 **Income**

4 1 1 The distribution of any profits of the Company shall require the prior approval of the Members by special resolution

4 1 2 Subject to the provisions of Article 4 1 1, the profits of the Company which the Company may so resolve to distribute shall be distributed amongst the Ordinary Shareholders pari passu in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Ordinary Shares held by them respectively

4 1 3 Model Articles 30 to 34 (inclusive) shall be subject to this Article 4 1

4 2 **Capital**

Save as provided in Article 4 3 below, on a return of assets on a liquidation or capital reduction or similar, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the Ordinary Shareholders pari passu in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Ordinary Shares held by them respectively

4 3 **Sale**

4 3 1 In the case of a Sale, the Net Sale Proceeds shall be allocated amongst and paid to the Ordinary Shareholders and Deferred Shareholders in accordance with the provisions of Article 4 3 2 For the avoidance of doubt, in the event of a Sale, this Article 4 3 shall apply notwithstanding anything to the contrary in the terms of such Sale, whether in the agreement for Sale or otherwise

4 3 2 If

4 3 2 1 the agreement for a Sale occurs on or before the end of the forty-eighth month after the Operations Date and the Sale would, if all of the Net Sale Proceeds were allocated to the Ordinary Shareholders and taking into account all Other Returns, give the Ordinary Shareholders a Total Return equal to or greater than the Investors Specified Total Return, or

4 3 2 2 the agreement for a Sale occurs at any time and the Ordinary Shareholders have before the end of the period referred to in Article 4 3 2 1 achieved a Total Return equal to or greater than the Investors Specified Total Return,

the Net Sale Proceeds shall be allocated between and paid to the Ordinary Shareholders and the Deferred Shareholders on the basis that

(a) firstly, the amount of the Net Sale Proceeds (if any) required to give the Ordinary Shareholders the Investors Specified Total Return (taking into account all Other Returns) shall be paid to the Ordinary Shareholders pari passu in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Ordinary Shares held by them respectively, and

(b) secondly

(i) 80% of any Net Sale Proceeds remaining after making the payments referred to in Article 4 3 2 2(a) shall be paid to the Deferred Shareholders pari passu in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Deferred Shares held by them respectively, and

(ii) 20% of any Net Sale Proceeds remaining after making the payments referred to in Article 4 3 2 2(a) shall be paid to the Ordinary Shareholders pari passu in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Ordinary Shares held by them respectively

4 3 3 If the agreement for a Sale occurs after the end of the forty-eighth month after the Operations Date or Articles 4 3 2 1 and 4 3 2 2 do not apply then the Net Sale Proceeds shall be distributed to the Ordinary Shareholders pari passu in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Ordinary Shares held by them respectively

4 3 4 In the case of an Asset Sale, the Members shall use all reasonable endeavours to procure that the Net Asset Sale Proceeds are distributed by the Company to its shareholders as soon as possible after the Net Asset Sale Proceeds are received (whether by placing the Company into members' voluntary liquidation or otherwise) and the provisions of Articles 4 3 2 and 4 3 3 shall apply to the allocation of the Net Asset Sale Proceeds as if the Net Asset Sale Proceeds represented the proceeds of a Sale

4 3 5 On a Sale or an Asset Sale the relevant Members shall procure that the consideration (whenever received) or, as the case may be, amounts available for distribution (whenever received) and including any amounts which are received following the date of the completion of the Sale or an Asset Sale (including but not limited to deferred consideration, earn out amounts or the release of escrowed amounts)) shall be placed in a designated trustee account pending payment or distribution amongst the relevant Members in accordance with this Article 4 3

4 3 6 Any disagreement as to the calculation or allocation of proceeds following a Sale or an Asset Sale in accordance with this Article 4 3 shall be referred to the Auditor (acting as experts and not arbitrators) whose decision shall be final and binding (in the absence of manifest error) and the costs of the Auditor shall be borne by the Company

4 4 **Voting**

Subject to the special rights or restrictions as to voting attached to any shares

4 4 1 on a show of hands every Ordinary Shareholder who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote,

4 4 2 on a poll every Ordinary Shareholder who is present in person or by a proxy or (being a corporation) by a representative shall have one vote for every Ordinary Share of which he is the holder, and

4 4 3 on a vote on a written resolution, every Ordinary Shareholder shall have one vote in respect of each such Ordinary Share of which he is the holder

5 **DEFERRED SHARES**

5 1 Subject to Article 4 3, the Deferred Shares shall

5 1 1 confer no right to a dividend or other distribution of the revenue profits of the Company,

5 1 2 confer the right to receive notice of, and to attend but not vote at, general meetings (and, for the avoidance of doubt, the holding of Deferred Shares shall not result in a Member being an "eligible member" for the purposes of section 289 of the Act), and

5 1 3 not confer any right to participate in any surplus assets of the Company on a winding-up or other return of assets

5 2 The Company shall not be obliged to

5 2 1 give any prior notice to the holders of Deferred Shares that such shares are to be purchased in accordance with Article 5 4, or

5 2 2 account to any Deferred Shareholder for the purchase monies in respect of such shares

5 3 Subject to Article 5 6 below, the Deferred Shares may not be transferred other than with the consent of a Shareholder Majority

5 4 Subject to Article 5 6 below, if the Ordinary Shareholders have not achieved a Total Return that is at least equal to the Investors Specified Total Return (taking into account all Other Returns) on or prior to the end of the forty-eighth month after the Operations Date such person as a Shareholder Majority shall nominate (the "**Deferred Share Purchaser**") shall be entitled at any time to purchase all of the Deferred Shares (including full legal and beneficial ownership thereof) free from all Encumbrances and with all rights accruing thereto for an aggregate consideration of 1p and the Company shall do so if directed to do so by a Shareholder Majority For the purposes of this Article 5 4, a Shareholder Majority or the Directors (or any of them) may authorise any person to undertake on behalf of and as agent for the relevant holder(s) of Deferred Shares any action required to complete the transfer of the Deferred Shares In particular (but without limitation) a Shareholder Majority or the Directors (or any of them) may authorise any person to execute on behalf of and as attorney for the relevant holder(s) of Deferred Shares any necessary instruments of transfer and an indemnity in respect of any lost or missing share certificates in such form as the Directors or a Shareholder Majority may reasonably specify and shall register the transferee as the holder of the Deferred Shares The Company's receipt of the purchase money for the Deferred Shares shall be a good discharge to the relevant holder(s) of Deferred Shares and the Company shall thereafter hold the purchase money on trust for the relevant holder(s) of Deferred Shares After the name of the transferee has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person

5 5 For the purposes of Article 5 4, each holder of Deferred Shares will be required to sell the Deferred Shares to the Deferred Share Purchaser with full title guarantee together with all rights and benefits attaching or accruing to the Deferred Shares at the date of the transfer or at any time thereafter and to each warrant to the Deferred Share Purchaser that, as at the date of the transfer that

5 5 1 it is the registered holder and beneficial owner of the Deferred Shares being transferred by it,

5 5 2 the Deferred Shares being transferred by it are fully paid up,

5 5 3 it is entitled to transfer the full legal and beneficial title in the Deferred Shares being transferred by it to the Deferred Share Purchaser without the consent of any third party, and

5 5 4 no person other than it has any legal or beneficial entitlement to any of the Deferred Shares being transferred by it, there is no Encumbrance on any of the Deferred Shares being transferred by it and no person has claimed to be entitled to any Encumbrance on any of the Deferred Shares being transferred by it

5 6 If at the time of any transfer of Deferred Shares pursuant to Articles 5 3 or 5 4 any of the Deferred Shares or Ordinary Shares are subject to a charge or mortgage in favour of any bank or institution, then any such transfer shall only be permitted with the prior written consent of that bank or institution and the Company and the Directors shall not give effect to any such transfer without such prior written consent having been obtained

6 ISSUE OF SHARES

6 1 No new shares may be issued save with the prior approval of the Members by special resolution, provided that, if at the time of such issuance any of the Deferred Shares or Ordinary Shares already in issue are subject to a charge or mortgage in favour of any bank or

institution, then no new shares may be issued save with the prior written consent of that bank or institution

6 2 Subject to Article 6 1 and to the provisions of section 549 of the Act, the shares in the capital of the Company shall be at the disposal of the Directors who may issue, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no shares shall be issued at a discount, that no shares shall be issued to any person who is not already a party to the Shareholders Agreement unless that person has first executed and delivered to the Company a deed of adherence (as referred to in the Shareholders Agreement) and no shares shall be issued if at the time of such issuance any of the Deferred Shares or Ordinary Shares already in issue are subject to a charge or mortgage in favour of any bank or institution without the prior written consent of that bank or institution

6 3 The provisions of section 561(1) and 562(1) to (6) of the Act shall not apply to the Company

6 4 Any new shares shall take the form of Ordinary Shares

7 **VARIATION OF CLASS RIGHTS**

7 1 Subject to Article 7 2 below, whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up

7 1 1 in the case of the holders for the time being of the issued Ordinary Shares, with the consent in writing of the holders of more than 50% of the issued shares of that class or with the sanction of an ordinary resolution passed at a meeting of the holders of the class, and

7 1 2 in the case of the Deferred Shareholders with the consent in writing of all of the Deferred Shareholders or with the sanction of a unanimous resolution passed at a meeting of the holders of Deferred Shares

7 2 Where any of the Shares are subject to a charge or mortgage in favour of any bank or institution, the rights attached to any class of shares may not be varied or abrogated in accordance with Article 7 1 or any other Article except with the prior written consent of that bank or financial institution

7 3 To every such separate meeting referred to in Articles 7 1 1 and 7 1 2, all the provisions of these Articles relating to general meetings of the Company shall apply (mutatis mutandis) except that

7 3 1 the necessary quorum shall be at least one person holding or representing by proxy at least one-third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum, and

7 3 2 the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively

7 4 Without prejudice to the generality of this Article, it is a term of issue of the Ordinary Shares that the following events shall be deemed to be an attempted variation of the rights attaching to such shares and shall therefore require class consent in accordance with Article 7 1 1

7 4 1 any increase in the issued capital of the Company,

7 4 2 the grant by the Company of a right to subscribe for or to convert securities into shares in the capital of the Company,

7 4 3 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company,

7 4 4 the redemption of any of the Company's shares or the entering into of a contract by the Company to purchase any of its shares,

7 4 5 the subscription for or other acquisition of shares in any company, the acquisition of all or substantially all of the assets of any other company or of any unincorporated business, the disposal of any share in any other company, the disposal of the Company's undertaking and assets or any substantial part thereof or the making of any capital investment in any partnership or the disposal of any such interest,

7 4 6 any act or transaction committed or proposed to be committed by a Director within the terms of Article 17 8

7 5 Without prejudice to the generality of this Article, it is a term of issue of the Deferred Shares that the following events shall be deemed to be an attempted variation of the rights attaching to such shares and shall therefore require class consent in accordance with Article 7 1

7 5 1 any amendment to (or any deletion of) Articles 2, 4, 5, 6, 7, 10, 11 or 12,

7 5 2 the issue of any further Deferred Shares or the conversion of any shares of any other class into Deferred Shares,

7 5 3 the issue of any shares of any class other than Ordinary Shares,

7 5 4 any alteration or variation of any of the rights attached to any of the shares for the time being in the capital of the Company,

7 5 5 any sale of any subsidiary of the Company or any Asset Sale,

7 5 6 any resolution to wind-up the Company or any subsidiary of the Company other than for the purposes of effecting the distribution of any proceeds of an Asset Sale in accordance with Article 4 3 4, or

7 5 7 any reduction of the Company's share capital or the making of any other return of capital by the Company to its members other than for the purposes of effecting the distribution of any proceeds of an Asset Sale in accordance with Article 4 3 4

8 LIEN

8 1 The Company shall have a first and paramount lien on every share (whether or not fully paid) for all and any indebtedness of any holder thereof to the Company (whether a sole holder or one of two or more joint holders) in respect of the shares concerned Notwithstanding the foregoing, however, so long as any share is subject to a charge or mortgage in favour of any bank or institution, such share shall be exempt from the provisions of this Article

8 2 The Company's lien over a share takes priority over any third party's interest in that share and extends to any dividend or other money payable by the Company in respect of that share, and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

8 3 The Directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

8 4 Model PLC Article 53 shall apply to the Company and shall govern the enforcement of the Company's lien, save that

8 4 1 in Model PLC Article 53(2)(c), the word "clear" shall be inserted between the words "14" and "days", and

8 4 2 in Model PLC Article 53(4)(b), the words "a suitable indemnity" shall be deleted and replaced by the words "an indemnity in a form reasonably satisfactory to the Directors" and the words "over the shares before the sale for any money payable in respect of the shares" shall be deleted and replaced by the words "for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders)"

9 **REGISTRATION OF TRANSFERS**

9 1 The Directors shall be required (subject only to Article 9 2) to register promptly any transfer of shares made in accordance with the provisions of these Articles provided in all cases a deed of adherence in the form approved by (or on behalf of) the Ordinary Shareholders duly executed by all relevant parties is laid before the meeting at which the transfer is to be approved, but shall not register any transfer of shares otherwise Model Article 26(5) shall not apply to the Company

9 2 The Directors may refuse to register a transfer of a share to a bankrupt, a minor or a person of unsound mind

9 3 Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of shares where such transfer is executed by or in favour of any bank or institution to whom such shares have been charged or mortgaged (or by or in favour of any nominee of such bank or institution) nor may the Directors suspend registration of any member which is a bank or institution (or nominee thereof) to whom such shares have been charged or mortgaged A certificate by any official of such bank or institution that the relevant shares are charged or mortgaged shall be conclusive evidence of that fact

10 **PERMITTED TRANSFERS**

10 1 Other than as provided in Article 9 3 or with the prior consent in writing of a Shareholder Majority, (and, if within forty eight months from the Operations Date, a Deferred Shareholder Majority) no Member may transfer (and the Board shall not register the transfer of) any Share or any interest in any Share unless the transfer

10 1 1 is permitted by Article 10 2, or

10 1 2 is made

10 1 2 1 after the expiry of forty eight months from the Operations Date in accordance with Article 11 (Tag Along), or

10 1 2 2 in accordance with Article 12 (Drag Along)

10 2 After the expiry of forty eight months from the Operations Date, an Ordinary Shareholder may transfer any Ordinary Shares to any other person, save that, so long as any Ordinary Shares or any Deferred Shares are subject to a charge or mortgage in favour of any bank or institution, then any transfer of any Ordinary Shares shall only be permitted with the prior written consent of that bank or institution

11 **TAG ALONG**

11 1 No sale or transfer of the legal or beneficial interest in any Ordinary Shares ("the **Relevant Transaction**") (other than one made pursuant to Article 10) may be made or validly registered if as a result of such sale or transfer a Relevant Interest is obtained by a person (or persons acting in concert) where such person(s) did not have a Relevant Interest immediately prior to the Relevant Transaction, unless the Proposing Transferor shall have procured a written offer complying with the provisions of Article 11 3 to have been made by the proposed transferee (or any person or persons acting in concert with it) ("the **Proposing Transferee**") to the

holders of all the other issued Ordinary Shares to acquire their entire holding of Ordinary Shares

11 2 For the purpose of this Article 11

11 2 1 the expression "a **Relevant Interest**" shall mean an interest in 50% or more of the Ordinary Shares in issue for the time being,

11 2 2 the expressions "**transfer**" and "**transferee**" shall include respectively the renunciation of a renounceable letter of issue and the renouncee under any such letter of issue, and

11 2 3 the expression "**acting in concert**" shall bear the meaning ascribed to it in the City Code on Take-overs and Mergers (as amended from time to time)

11 3 The offer referred to in Article 11 1 above shall be on terms that

11 3 1 it will be open for acceptance in England and Wales for a period of at least 28 days following the making of the offer,

11 3 2 without prejudice to Article 11 4, each Member to whom it is made shall be entitled to receive for each of the Shares held by him a sum per share equal to the Specified Price which shall be payable in the same manner and at the same time as the consideration referred to in Article 11 5 1,

11 3 3 provide for the immediate repayment of any loan(s) advanced to the Company by each Member to whom such offer is made in full together with any accrued or unpaid interest thereon and all other amounts payable thereunder or the acquisition of such loan(s) for a consideration equal to the full principal amount then outstanding, together with any accrued or unpaid interest thereon and all other amounts payable thereunder,

11 3 4 the purchase of any shares in respect of which such offer is accepted shall be completed at the same time as the Relevant Transaction,

11 3 5 and otherwise on the same terms for all Shareholders (and for this purpose any offer which provides for any warranties or indemnities (other than warranties as to title and capacity) or restrictive covenants from some, but not all, Shareholders shall be deemed to comply with this Article 11 3) provided that no Shareholder shall be required to give any warranties or indemnities or restrictive covenants other than (and subject to the same limitations as) those being given by the Member(s) selling shares pursuant to the Relevant Transaction, and

11 3 6 no Investor shall be required to give warranties or indemnities (other than warranties as to title and capacity) or restrictive covenants

11 4 The total aggregate consideration which those Members selling shares pursuant to the Relevant Transaction and the offer referred to in Article 11 1 above shall be distributed amongst those Members pursuant to the provisions of Article 4 3 as if the Company Value were the proceeds of a Sale (notwithstanding anything to the contrary in Article 11 3 and/or Article 11 5 or in the terms of the Relevant Transaction or the offer referred to in Article 11 1 (whether in the relevant transaction or offer document) or otherwise) and shall be payable to all such Members in the same manner and at the same time as such consideration is received

11 5 the expression "the **Specified Price**" shall mean

11 5 1 a price per Ordinary Share shall be determined by valuing all the Ordinary Shares in issue for the time being (the "**Company Value**") by reference to the aggregate of

11 5 1 1 the amount offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for each of the Ordinary Shares comprised in the Relevant Interest to the holder or holders thereof, and

11 5 1 2 an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Ordinary Shares comprised in the Relevant Interest 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 Relevant Interest (and, for the avoidance of doubt and without prejudice to the generality of the foregoing, any additional consideration (to the extent actually received) which is linked to future profits, turnover or some other measure of the future performance of the Company shall be regarded as consideration which is an addition to the price paid or payable for the Relevant Interest), and

11 5 2 a price per Deferred Share shall be determined by valuing all the Deferred Shares in issue for the time being at an amount of 1 pence in aggregate

11 6 Any disagreement as to the calculation of the Company Value or as to the Specified Price which each Member is entitled to receive in respect of each share held by him or to the distribution of the relevant proceeds for the purposes of this Article shall be referred to the Auditors (acting as experts and not arbitrators) whose decision shall be final and binding (in the absence of manifest error) and the costs of the Auditors shall be borne by the Company The Auditors shall be appointed by the Company on such terms and conditions as the Company (acting reasonably) may agree with the Auditors

11 7 Notwithstanding anything contained in this Article 11, for so long as any of the Ordinary Shares or any Deferred Shares are subject to a charge or mortgage in favour of any bank or institution, the provisions of this Article 11, and the rights granted pursuant to this Article 11, shall be deemed to have no effect and neither the Company nor the Directors shall permit any sale or transfer, nor shall they register any sale or transfer, of any Ordinary Shares or of any of the Deferred Shares in question pursuant to this Article 11 except (a) with the prior written consent of that bank or institution or (b) where the secured liabilities to which the charge or mortgage relates have been repaid or otherwise discharged

12 **DRAG ALONG**

12 1 If

12 1 1 the Ordinary Shareholders have achieved a Total Return that is at least equal to the Investors Specified Total Return within the period referred to in Article 4 3 2 1 (or would achieve a Total Return that is at least equal to the Investors Specified Total Return following the sale of all of the Ordinary Shares in accordance with the provisions of this Article 12 1 within the period specified in Article 4 3 2 1) and, at any time between the end of the thirty-sixth month and the end of the forty-eighth month after the Operations Date, one or more Members holding between them not less than 75% of the Deferred Shares, or

12 1 1 1 the Ordinary Shareholders have not achieved a Total Return that is at least equal to the Investors Specified Total Return within the period referred to in Article 4 3 2 1 (and would not achieve a Total Return that is at least equal to the Investors Specified Total Return following the sale of all of the Ordinary Shares in accordance with the provisions of Article 12 1) and, at any time after the end of the forty-eighth month after the Operations Date, one or more Members holding between them not less than 70% of the Ordinary Shares for the time being in issue,

(in either case, as applicable) propose to sell the legal or beneficial interest in their entire holdings of shares in the capital of the Company to any person (whether or not Connected with a Member) or one or more such persons acting in concert ("the **Offeror**") then the Members in question ("the **Vendors**") shall also have the right to require the holders of all other issued shares in the capital of the Company ("the **Called Shareholders**") to sell and transfer their entire holdings of shares in the capital of the Company to the Offeror (or as the Offeror shall direct) free from all Encumbrances in accordance with this Article 12 ("the **Drag Along Right**") at a price per share ("the **Drag Along Price**") to be determined on the basis set out in Articles 11 5 1 and 11 5 2 (as appropriate) (without prejudice to the requirement for the total aggregate consideration which each Member shall be entitled to receive from such sale to be distributed in accordance with the provisions of Article 4 3) and otherwise on the terms specified in Articles 11 3 3 and 11 3 5 and 11 3 6 (as if the Vendors' proposed sale was a Relevant Transaction and references to Members were references to Ordinary Shareholders), provided that the Drag Along Right contained in Article 12 1 1 may only be exercised if the proposed sale to the Offeror is a bona fide sale on arm's length terms and provided that an Ordinary Shareholder may only be required to sell and transfer its Ordinary Shares pursuant to an exercise of the Drag Along Right if all loans advanced by it to the Company (and any loans advanced to the Company by any other person, firm or company, in respect of which the right to receive repayment has been assigned, novated or otherwise transferred to such Ordinary Shareholder) are, upon completion of the sale and transfer, repaid in full, together with any accrued or unpaid interest thereon and all other amounts payable thereunder or acquired by the Offeror for a consideration equal to the full principal amount then outstanding, together with any accrued or unpaid interest thereon and all other amounts payable thereunder (and the provisions of this Article 12 1 shall apply notwithstanding anything to the contrary in the terms of the sale by the Vendors of their Shares to the Offeror, whether in the agreement for the sale of the Shares to the Offeror or otherwise)

12 2 The Drag Along Right may be exercised by the Vendors serving written notice to that effect ("a **Drag Along Notice**") on the Called Shareholders at any time before the transfer of the Vendors' Ordinary Shares to the Offeror

12 3 A Drag Along Notice shall specify the identity of the Offeror and that the Called Shareholders are, or will in accordance with this Article 12 be, required to sell and transfer their shares to the Offeror on or about the date specified in the Drag Along Notice (which shall be not less than seven days after the date of the Drag Along Notice or (if no such date is specified in the Drag Along Notice) on or about such date as the Vendors may subsequently specify by notice in writing to the Called Shareholders (which shall be not less than seven days after the date of the Drag Along Notice) (the "**Drag-Along Completion Date**")

12 4 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendors do not transfer their entire holdings of Ordinary Shares or Deferred Shares (as the case may be) to the Offeror or the Offeror's nominee on or before the Drag-Along Completion Date

12 5 Subject to Article 12 4, each of the Called Shareholders shall be bound to sell his entire holding of shares in the capital of the Company and to transfer such shares in accordance with the provisions of the Drag Along Notice and the Directors shall take all such action as may be reasonably necessary on their part in order to enable such sale and transfer to take place including (but without limitation) such steps as may (where appropriate) be necessary in order to obtain the release of any security held by any third party over the undertaking and/or assets of the Company

12 6 If any Called Shareholder fails to complete the sale of any of his shares pursuant to the Drag Along Notice or otherwise fails to take any action required of him under the terms of the Drag Along Right, the Directors (or any of them) may authorise any person to undertake on his behalf any action required under the terms of the Drag Along Right In particular (but without limitation) the Directors may authorise any person to execute on behalf of such Called Shareholder any necessary instruments of transfer and an indemnity in respect of any lost or missing share certificates in such form as the Directors may reasonably specify and shall register the transferee as the holder of the relevant shares The Company's receipt of the purchase money shall be a good discharge to the transferee and the Company shall thereafter hold the purchase money on trust for the Called Shareholder in question After the name of the transferee has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person

12 7 If holders of Deferred Shares are the Vendors and they (acting reasonably) give to the Called Shareholders notice in writing stating that, in their opinion, any Called Shareholder has failed to take (or unreasonably delayed in taking) any action required of him under the terms of the Drag Along Right, then the time period within which the sale of the shares in question is

required to be completed under this Article 12 shall be extended by such number of days as a Shareholder Majority (acting reasonably) may agree

12 8 Upon any person, following the giving of a Drag Along Notice becoming a member of the Company pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire Ordinary Shares in the Company ("a **New Member**"), a Drag Along Notice shall be deemed to have been given to the New Member forthwith on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that, if later than the Drag-Along Completion Date, completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed to have been given to the New Member

12 9 If the Vendors exercise the Drag Along Right, it shall not be necessary for them first to have complied with the provisions of Article 11 and the transfer by all of the Vendors of their entire holdings of Ordinary Shares or Deferred Shares (as the case may be) to the Offeror (or as the Offeror shall direct) on or before the Drag-Along Completion Date in the manner contemplated by this Article 12 shall be a permitted transfer for the purposes of Article 10

12 10 Notwithstanding anything contained in this Article 12, for so long as any of the Ordinary Shares or any of the Deferred Shares are subject to a charge or mortgage in favour of any bank or institution, the provisions of this Article 12 and any purported exercise of the Drag Along Right shall be ineffective unless and until the prior written consent of that bank or institution is obtained to the sale and purchase of shares pursuant to the Drag Along Right, and neither the Company nor the Directors shall permit any sale or transfer, nor shall they register any sale or transfer, of any Deferred Shares or Ordinary Shares pursuant to this Article 12 except (a) with the prior written consent of that bank or institution or (b) where the secured liabilities to which the charge or mortgage relates have been repaid or otherwise discharged

13 PROCEEDINGS AT GENERAL MEETINGS

13 1 The quorum for general meetings shall be one person being either an individual who is an Ordinary Shareholder, a person duly authorised to act as the representative of a corporation which is an Ordinary Shareholder in relation to the meeting, or a person appointed as a proxy of an Ordinary Shareholder in relation to the meeting

13 2 In the case of any equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote

14 ALTERNATE DIRECTORS

Model PLC Article 25 shall apply to the Company, however, any meeting of the Directors shall not be invalid because notice thereof or of any business to be transacted at that meeting was not given to any alternate director if his appointor attends such meeting No Director shall be entitled to appoint an alternate director

15 APPOINTMENT AND REMOVAL OF DIRECTORS

Notwithstanding any other provisions of these Articles but subject to Article 16 1, the holders of, in aggregate, not less than 50% of the Ordinary Shares shall have the right to appoint one or more Directors and to remove from office any person so appointed, such appointment or removal to be by notice in writing to the Company which will take effect on delivery at the registered office of the Company or at any meeting of the board of Directors

15 1 Subject as otherwise expressly set out in any shareholders' agreement made between the holders of Shares from time to time, no person shall be appointed or removed as a Director without the prior written approval of a Shareholder Majority and Model Article 17(1) shall be modified accordingly

15 2 Subject to Article 15 2 and any right to appoint or remove a Director set out in any shareholders' agreement made between the holders of Shares from time to time, any Director may be removed from office at any time by a resolution passed by, or written notice given to the Company by the holders of, in aggregate, not less than 50% of the Ordinary Shares

16 **DIRECTORS AND THEIR POWERS**

16 1 Unless otherwise determined by ordinary resolution, the maximum number of Directors shall not be more than eight

16 2 Model Article 5(1) shall be amended by the insertion of the words "as they resolve to do, subject to approval by any Shareholder Majority" in place of the words "as they think fit" and Model Article 5(1)(c) shall be amended by the insertion of the words "(including collaterally with or to the exclusion of their own powers)" at the end of that Model Article

16 3 No alteration of the Articles invalidates anything which the Directors have done which would have been valid had that alteration not been made

17 **PROCEEDINGS OF DIRECTORS**

17 1 In relation to any proposal to authorise a Conflicting Situation pursuant to Article 17 11 (*Actual or Potential Conflicts*) if, other than the Director(s) to which the Conflicting Situation relates, there is only one director in office, the quorum shall be one eligible director

17 2 Directors may waive their entitlement to notice of a Director's meeting at any time and in Model Article 9(4)) the words "not more than seven days after the date on which the meeting is held" shall be deleted and replaced with the words "at any time"

17 3 If the numbers of votes for and against a proposal are equal, the chairman shall not have a casting vote Model Article 13 shall not apply to the company

17 4 Model Article 8(3) shall not apply to the Company and references in Model Article 8 to "eligible directors" shall be to such term as defined in Article 1

17 5 The number of Directors shall not be less than two nor more than eight

17 6 Subject to Article 17 8 the quorum necessary for the transaction of business of the Directors shall be two provided that if a meeting of the Directors is adjourned because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the quorum shall be one

17 7 At any meeting of the Directors each Director (or his alternate director) present at the meeting shall be entitled to one vote

17 8 Subject to the provisions of the Act and to Article 7 and (save as provided in Article 17 12) provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office

17 8 1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,

17 8 2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,

17 8 3 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,

17 8 4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and

17 8 5 shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 17 8 1 to 17 8 4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted

17 9 For the purposes of Article 17 8

17 9 1 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified,

17 9 2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and

17 9 3 an interest of a person who is Connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise

17 10 Model Article 14 shall not apply to the Company Save as otherwise specified in these Articles or the Act and subject to any limitations, conditions or terms attaching to any authorisation given by the Directors for the purposes of section 175(4)(b) of the Act, a Director may vote on, and be counted in the quorum in relation to, any resolution relating to a matter in which he has, or can have

17 10 1 a direct or indirect interest or duty which conflicts, or possibly may conflict, with the interests of the Company, and

17 10 2 a conflict of interest arising in relation to an existing or a proposed transaction or arrangement with the Company

17 11 If a Conflict Situation arises, the Directors may authorise it for the purposes of section 175(4)(b) of the Act by a resolution of the Directors made in accordance with that section and these Articles At the time of the authorisation, or at any time afterwards, the Directors may impose any limitations or conditions or grant the authority subject to such terms as (in each case) they consider appropriate and reasonable in all circumstances Any authorisation may be revoked or varied at any time at the discretion of the Directors

17 12 It is recognised that a Director

17 12 1 may be an employee, consultant, director, member or other officer of an Investor, an Investor Affiliate or any Ordinary Shareholder,

17 12 2 may be taken to have, through previous or existing dealings, a commercial relationship with an Investor, an Investor Affiliate or any Ordinary Shareholder,

17 12 3 may be a director or other officer of, or be employed by, or otherwise involved in the business of other entities in which an Investor, an Investor Affiliate or any Ordinary Shareholder has or may have an interest from time to time, and

17 12 4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such other directorship, membership, office, employment, relationship or his

involvement with an Investor, an Investor Affiliate, any Ordinary Shareholder or with any entity referred to in Article 17 12 3

and he shall not be in breach of the duties he owes to the Company as a result of any Conflict Situation which arises from the relationships contemplated by this Article, including (without limitation) in relation to proposals for financing or otherwise promoting the business of (whether in competition with the Company or not) any such other entity and no consent shall be required under Article 17 8 or disclosure required under Article 17 8 in respect of such relationship

17 13 In the circumstances contemplated by Article 17 11 and notwithstanding any other provision of these Articles, each Director affected shall

17 13 1 be entitled to receive any papers or other documents in relation to, or concerning, matters to which the Conflict Situation relates,

17 13 2 not be excluded from those parts of meetings of the Directors or meetings of a committee of the Directors at which matters to which the Conflict Situation relates are discussed,

17 13 3 be entitled to vote (and form a part of the quorum) at any such meeting

17 14 Any information which a Director obtains, other than in his capacity as a Director of the Company, which is confidential in relation to an entity referred to in Article 17 12 need not be disclosed or used for the benefit of the Company where such disclosure or use would constitute a breach of confidence

17 15 Model Article 9 shall be amended by adding the following sentence as sub paragraph 5

"It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom" the following sentence "Notice of every meeting of the directors shall be given to each director and his alternate, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom or an e-mail address or a facsimile number outside the United Kingdom for service"

17 1 Any written resolution(s) of the Directors, as referred to in Model Article 8, may be passed by electronic communication provided the following formalities are complied with

17 1 1 each of the Directors must provide the Company with a nominated e-mail address to which any proposed written resolution(s) will be circulated,

17 1 1 the secretary, or person nominated by the Company from time to time, must send any proposed written resolution(s), in an identical form and under the cover of the same e-mail, to all the Directors' nominated email addresses,

17 1 2 any proposed written resolution(s) will be deemed received by a Director once the Director has acknowledged receipt by sending an email from his nominated email address,

17 1 3 a Director must send his agreement to any proposed written resolution(s) from his nominated e-mail address,

17 1 4 the Directors are unanimous in agreement, and

17 1 5 the secretary, or person nominated by the Company from time to time, circulates confirmation that consents to any proposed written resolution(s) have been received from all Directors

17 2 Any written resolution(s) of the Directors that is passed in accordance with the provisions of Article 17 16 shall be deemed to be passed on the date and at the time at which the secretary, or person nominated from time to time, receives an electronic communication from the last of the Directors to do so confirming his consent in relation thereto

18 **DIRECTORS' BORROWING POWERS**

18 1 Subject as hereinafter provided, and as set out in the Shareholders Agreement, the Directors may exercise all the powers of the Company (whether express or implied) of borrowing or securing the payment of money, of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts, and of mortgaging or charging the undertaking, property, assets and uncalled capital of the Company and (subject to section 549 of the Act) of issuing debentures

18 2 Except with the prior sanction of a Shareholder Majority, no mortgage or charge shall be created on any part of the undertaking, property, assets or uncalled capital of the Company or any subsidiary of the Company except for the purpose of securing money borrowed from bankers together with interest thereon and costs and expenses relating thereto

19 **NOTICES**

19 1 Without prejudice to the provisions of Model Article 48, the Company may also give notice to a Member by e-mail to an e-mail address or by facsimile to a facsimile number supplied by the Member for such purposes

19 2 Where a notice is sent by facsimile a transmission report showing that the facsimile was transmitted in full to the correct number shall be conclusive evidence that the notice was given and the notice shall be deemed to have been given at the time of transmission

20 **WRITTEN RESOLUTIONS**

20 1 Written resolutions of the company may be proposed by the Directors in accordance with section 291 of the Act The Members may require the company to circulate a written resolution in accordance with section 292 to 295 of the Act

20 2 For the purposes of section 297 of the Act, a written resolution will lapse if it is not passed before the end of such period as the Directors may determine (provided such period is detailed on the copy of the resolution circulated pursuant to section 291 of the Act), but in the absence of such determination the period shall be 28 days beginning with the circulation date of the resolution

20 3 In the case of a Member which is a body corporate, the signature of a Director or the secretary and, in the case of joint holders of a share, the signature of any one of such joint holders shall be sufficient for the purpose of signifying a Member's agreement to a written resolution

21 **INDEMNITY & INSURANCE**

21 1 Without prejudice to any indemnity to which a relevant officer is otherwise entitled

21 1 1 each Relevant Officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a Relevant Officer in the actual or purported execution and/or discharge of his or her duties, or in relation to them and in relation to the any Relevant Company's activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to any Relevant Company's affairs, and

21 1 2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in

Article 22 1 1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure

21 2 The Directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any Relevant Officer in respect of any Relevant Loss

21 3 Model Article 52 (save for Model Article 52(2)) and Model Article 53 shall not apply to the company

21 4 In this Article 21

"Relevant Company" the company, any holding company or parent undertaking (as defined in sections 1159 and 1162 of the Act) from time to time of the company or in which the company or any such holding company or parent undertaking or any of the predecessors of the company or of any such holding company or parent undertaking has or had at any time any interest, whether direct or indirect, or which is or was at any time in any way allied to or associated with the company or any subsidiary or subsidiary undertaking (as defined in section 1159 and section 1162 of the Act) of the company or of such other company or undertaking,

"Relevant Loss" any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to any Relevant Company or any pension fund or employees' share scheme of any Relevant Company, and

"Relevant Officer" any director or other officer or former director or other officer of any Relevant Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Relevant Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)