

Registered Number 4773122

THE COMPANIES ACTS 1985, 1989 AND 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

TOWRY HOLDINGS LIMITED¹

(amended on 10 February 2009 by Special Resolution of the Company)

Incorporated in England and Wales
on 21st May, 2003

¹ The Company was incorporated on 21st May 2003 under the name of Trushelfco (NO.2961) Limited. Pursuant to Special Resolutions, the name of the Company was changed to JS&P Holdings Limited on 4th August 2003, to Towry Law Holdings Limited on 9th January 2007 and to Towry Holdings Limited on 7th May 2010.

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ARTICLES OF ASSOCIATION

of

TOWRY HOLDINGS LIMITED²

(Articles adopted on 28 April 2006 and amended on 20 December 2006, 3 October 2007, 1 October 2008 and 10 February 2009)

PART 1: INTERPRETATION

1. INTERPRETATION

1.1 Exclusion of Table A

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the company.

1.2 Definitions

In these articles unless the context otherwise requires:

“Acting in Concert” has the meaning given to that expression in the City Code on Take-overs and Mergers;

“Affiliate” in relation to a person means any other person that is, directly or indirectly, Controlling, Controlled by or under common Control with that person;

“A Preference Shares” means the “A” convertible preference shares of 10 pence each in the capital of the company;

“these articles” means these articles of association as altered from time to time and the expression **“this article”** shall be construed accordingly;

“Asset Sale” means the sale of all or substantially all of the company’s or the Group’s principal assets to a single person or to one or more people who are Affiliates and/or Acting in Concert;

“the auditors” means the auditors from time to time of the company or, in the case of joint auditors, any one of them;

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<u>“the board”</u>	means the board of directors from time to time of the company or the directors present at a meeting of the directors at which a quorum is present;
<u>“Board Directors”</u>	means the directors appointed by the board of directors in accordance with article 3.4(A)(iii);
<u>“B Ordinary Shares”</u>	means the B ordinary shares of £0.0001 each in the capital of the company from time to time to be issued in a number of series, each subject to different Conditions and which shall be designated as Series 1 B Ordinary Shares, Series 2 B Ordinary Shares, Series 3 B Ordinary Shares, Series 4 B Ordinary Shares, Series 5 B Ordinary Shares, Series 6 B Ordinary Shares and so on as appropriate, as provided in these articles; and a reference to a Series of B Ordinary Shares are to B Ordinary Shares of the same sub-classification and shall be construed accordingly;
<u>“B Preference Shares”</u>	means the “B” convertible preference shares of 10 pence each in the capital of the company;
<u>“Business Day”</u>	means a day (other than a Saturday or a Sunday) on which Banks are open for business (other than solely for trading and settlement in Euro) in London;
<u>“C Preference Shares”</u>	means the “C” convertible preference shares of £0.0001 each in the capital of the company;
<u>“Charity”</u>	means any institution whether corporate or not (including any trust or undertaking) which is established for purposes which are exclusively charitable according to the laws of England;
<u>“clear days”</u>	in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;
<u>“Commencement Date”</u>	means the date of allotment of the relevant A Preference Share, provided that with respect to any shares that are redesignated and/or converted into A Preference Shares, the relevant date of allotment shall be the date of its redesignation and/or conversion rather than the date of the original allotment of the share;
<u>“Conditions”</u>	means as regards a B Ordinary Share its Palamon Funding Condition (if any) and Hurdle Condition and references to its Conditions being or not being satisfied as of any particular time shall be construed accordingly;
<u>“Conversion Date”</u>	has the meaning given to it in article 2.7(B);
<u>“Company Share Option Plan”</u>	means the approved “Company Share Option Plan” which was approved by the board on 23 September, as amended, restated,

supplemented or varied from time to time;

“the Companies Acts”

means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the company;

“Control”

in relation to a body corporate means the ability of a person to ensure that the activities and business of that body corporate are conducted in accordance with the wishes of that person, and a person shall be deemed to have Control of a body corporate if that person possesses or is entitled to acquire the majority of the issued share capital or the voting rights in that body corporate or the right to receive the majority of the income of that body corporate on any distribution by it of all of its income or the majority of its assets on a winding up and, for the avoidance of doubt, a person which is the general partner of a limited partnership Controls that limited partnership and any derivative term or reference to **“Controlling”** shall be construed accordingly;

“D Preference Shares”

means the "D" convertible preference shares of £0.0001 each in the capital of the company;

“Deferred Shares”

means the deferred shares of 10 pence each in the capital of the company;

“directors”

means the directors of the company from time to time and **“director”** shall be construed accordingly;

“Distribution”

means any dividend or distribution by the company or any of its subsidiaries (whether in cash or in specie and whether of an income or capital nature) to all or any of the members of the company, including any such distribution made by way of a distribution of assets on a winding up or on a repurchase of redemption shares;

“Employee Benefit Trust”

means the Towry Employee Benefit Trust;

“Equity Contribution Agreement”

means the equity contribution agreement entered into between *inter alia* the company and the Palamon Funds in or around April, 2006 relating to funding for the acquisition of Towry Law Limited;

“Euro”

means the single currency of the participating member states in the third stage of European economic and monetary union pursuant to the treaty establishing the European Community (as amended from time to time);

“Existing Shares”

has the meaning given to it in article 13.5.1;

“Exit”

means (a) a Listing or (b) a Sale or (c) a Distribution to shareholders following an Asset Sale or on the winding-up of the

company;

“Exit Value”

means:

(a) on a Listing, the value of the then issued equity share capital of the company at the Listing Price;

(b) on a Sale, the consideration payable for the equity share capital of the company under and subject to the terms of the Sale; and

(c) on a Distribution relevant to an Exit, the amount or value of the assets the subject of the Distribution;

“Family Trust”

in relation to a member means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of:

(i) that member and/or a Privileged Relation of that member; or

(ii) any Charity or Charities as default beneficiaries (meaning that such Charity or Charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such Charity or Charities),

and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such member or his Privileged Relations;

“Former Executives”

means Mr. John. Scott, Mr. Michael Waterhouse, Mr. John Amor, Mr. Timothy Gillingham, Mr. Simon Kempell and Mr. Dion Reynolds;

“Group”

means the company, any other subsidiary or Affiliate of the company and any Affiliate of any such subsidiary from time to time provided that for this purpose the expression Affiliate shall exclude any person who is an Affiliate solely by virtue of Controlling the company or being under common Control with the company;

“Guarantee”

means that certain guarantee entered into between the Guarantor and Royal Bank of Scotland plc, among others, dated on or around 6 February 2009 whereby the Guarantor guarantees certain debt financing obligations of the Group in an amount equal to the Guarantee Amount;

<u>"Guarantee Amount"</u>	means £7,000,000;
<u>"Guarantee Call Event"</u>	means the first time at which a claim pursuant to the terms of the Guarantee is made against the Guarantor to fund part or all of the Guarantee Amount;
<u>"Guarantee Cancellation Event"</u>	means the time at which the Guarantor is released from (and has no further potential liability in respect of) the Guarantee pursuant to its terms (including, without exclusion, cancellation, release, replacement or termination of the Guarantee in accordance with its terms), <u>provided</u> that no Guarantee Cancellation Event may occur if a Guarantee Call Event has occurred;
<u>"Guarantor"</u>	Towry Law Jersey Finance Limited;
<u>"the holder"</u>	in relation to any shares means the member whose name is entered in the register as the holder of those shares;
<u>"Hurdle Amount"</u>	means such financial amount as shall be prescribed as its Hurdle Amount and confirmed in writing for this purpose by or on behalf of the Board on its issue;
<u>"Hurdle Condition"</u>	means as regards a B Ordinary Share that each of its Reference Shares has received its Hurdle Amount and references to receipt by a Reference Share of its Hurdle Amount shall mean that at least such amount has been received or paid in respect of that Reference Share by way of Qualifying Receipts;
<u>"Liquidity Event"</u>	means (a) a Listing; (b) a Sale; or (c) the winding-up of the company;
<u>"Listing"</u>	means the admission of all or a substantial proportion of the share capital of the company to the Official List and to trading on the London Stock Exchange plc's market for listed securities or, with the consent in writing of Palamon, the admission of the same to trading or any other recognised stock or investment exchange;
<u>"Listing Price"</u>	means on a Listing, the price at which the equity share capital of the company is to be issued or (as appropriate) placed or, in the case of an offer for sale by tender, the applicable striking price, as part of the Listing arrangements;
<u>"Loan Amount"</u>	means £2,000,000;
<u>"member"</u>	means a member of the company;
<u>"the office"</u>	means the registered office from time to time of the company;
<u>"Official List"</u>	means the official list of the United Kingdom Financial Services Authority;

<u>“Option”</u>	means the right to subscribe for Ordinary Shares in accordance with and subject to the terms on which such right is granted;
<u>“Ordinary Shares”</u>	means the ordinary shares of £0.0001 each in the capital of the company;
<u>“paid up”</u>	means paid up or credited as paid up;
<u>“Palamon”</u>	means Palamon European Equity, LP;
<u>“Palamon Director”</u>	has the meaning given to that term in article 3.4;
<u>“Palamon Funding Amount”</u>	means in relation to Series 1 B Ordinary Shares, Series 2 B Ordinary Shares and Series 3 B Ordinary Shares, such financial amount as shall be prescribed as the Palamon Funding Amount in relation to such shares and confirmed in writing for this purpose by or on behalf of the Board on the issue of such shares;
<u>“Palamon Funding Condition”</u>	means in relation to Series 1 B Ordinary Shares, Series 2 B Ordinary Shares and Series 3 B Ordinary Shares, that the amounts paid by the Palamon Funds to the company pursuant to the Equity Contribution Agreement are in aggregate less than or equal to the Palamon Funding Amount relating to such shares;
<u>“Palamon Funds”</u>	means Palamon European Equity, LP (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 6185), Palamon European Equity “B”, LP (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 6186), Palamon European Equity “C”, LP (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 6214), Palamon European Equity “D”, LP (registered as a limited partnership in England under the Limited Partnerships Act 1907 with number LP 6737) and Palamon European Equity GMBH & Co. Beteiligungs KG (registered as a limited partnership in Germany with number HR A 74707);
<u>“Palamon Group”</u>	means: <ul style="list-style-type: none"> (a) the Palamon Funds; (b) any Affiliates of the Palamon Funds (the “Palamon Affiliates”); (c) any nominee of the Palamon Funds or their Affiliates; (d) any limited partner or general partner of the Palamon Funds or their Affiliates;

- (e) any person controlled by the Palamon Funds or the Palamon Affiliates or controlled by any combination of the Palamon Funds and the Palamon Affiliates and any general partner of any of the Palamon Funds or the Palamon Affiliates or which is controlled by any general partner of any of the Palamon Funds or the Palamon Affiliates; and
- (f) any other limited partnership, fund or collective investment or co-investment plan managed or controlled by (i) a general partner of the Palamon Funds or (ii) the Palamon Funds or (iii) by any other person controlled by, or subject to the control of, the general partner of any of the Palamon Funds (or the representative(s) or holder(s) or trustee(s) of any such partnership, fund or plan or any unit holder or other beneficiary of said partnership, fund or plan);

"Palamon Shareholders"

means the Palamon Funds and any person who is a Transferee of shares from a Palamon Shareholder or a member of the Palamon Group and **"Palamon Shareholder"** shall be construed accordingly;

"person entitled by transmission"

means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the register;

"Preference Shares"

means the A Preference Shares and the B Preference Shares (but, for the avoidance of doubt, excluding the C Preference Shares and D Preference Shares);

"Preferred Dividend"

has the meaning given to it in article 2.4.1(C);

"Preferred Dividend Period"

means with respect to an A Preference Share, in any calendar year, from and including 1st January in that calendar year or, if later, the Commencement Date until 31st December;

"Preferred C Return"

means:

- (a) where a Guarantee Cancellation Event occurs before 31 July 2009, an amount equal to zero;
- (b) where a Guarantee Cancellation Event occurs on or after 31 July 2009 but on or before 31 October 2009, an amount equal to the difference of (i) the Guarantee Amount multiplied by 1.25 times, reduced by (ii) the Guarantee Amount; or
- (c) where a Guarantee Cancellation Event occurs after 31 October 2009, an amount equal to the difference of (i) the Guarantee Amount multiplied by 1.5 times, reduced by (ii) the Guarantee

Amount; or

(d) where a Guarantee Call Event occurs at any time, an amount equal to the Guarantee Amount multiplied by 2.5 times,

provided that the Preferred C Return determined in accordance with the foregoing sub-points (a) to (d) inclusive shall be reduced (but not below zero) to the extent of all amounts previously paid in respect of the C Preference Shares in accordance with either article 2.4.1(A) or 2.5.1(A);

"Preferred D Return"

means an amount equal to the Loan Amount multiplied by 2.5 times, provided that the Preferred D Return so determined shall be reduced (but not below zero) to the extent of all amounts previously paid in respect of the D Preference Shares in accordance with either article 2.4.1(B) or 2.5.1(B);

"Preferred Subscription Price"

has the meaning given to it in article 2.7(A);

"Privileged Relations"

means in relation to a member, the spouse, widow or widower of that member and brothers, sisters, children and grandchildren (including step and adopted children and their issue and step and adopted children) of that member and any person living in the same household as the member as the common law spouse, life partner, spouse equivalent or similar of that member;

"Qualifying Receipts"

means, as regards a Reference Share, all Distributions made in respect of that share, its Listing Value in the event of a Listing (which shall be deemed received on Listing even if the share concerned is not sold under the Listing arrangements) and any consideration paid for it on or following a Sale;

"Reference Share"

means as regards any B Ordinary Share, each Ordinary Share and each Superior Preference Share in issue at the time of the allotment of that B Ordinary Share (including any share or shares subsequently deriving therefrom or attributable to it, on its subdivision or re-designation or conversion or otherwise);

"Relevant B Shareholder"

means, at any time, any holder of B Ordinary Shares whose Conditions have been satisfied at that time;

"Relevant Price"

means the Preferred Subscription Price as defined in article 2.7(A);

<u>“the register”</u>	means the register of members of the company;
<u>“Sale”</u>	means the sale (other than between members of the Group, or between members of the Palamon Group or Palamon Shareholders) ³ of all or substantially all of the shares in the company to a single person or to one or more people who are Affiliates and/or who are Acting in Concert;
<u>“seal”</u>	means any common or official seal that the company may be permitted to have under the Companies Acts;
<u>“the secretary”</u>	means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary;
<u>“shares”</u>	means shares in the capital of the company, being as at the date of adoption of these articles, the Ordinary Shares, B Ordinary Shares, the Preference Shares and the Superior Preference Shares;
<u>“Superior Preference Share Equivalent Basis”</u>	means, with respect to a particular Superior Preference Share as of a particular time (including, without exclusion, at the time of any distribution or dividend (in accordance with <u>article 2.4</u>) and any application of assets (in accordance with <u>article 2.5</u>)), treating such Superior Preference Share as though it had been converted into the number of Ordinary Shares which would have been issued pursuant to a Superior Preference Share Conversion in accordance with <u>article 2.10</u> immediately before such time.
<u>“Superior Preference Share Equivalent Percentage”</u>	means, at the time of a particular distribution or dividend (in accordance with <u>article 2.4</u>) or application of assets (in accordance with <u>article 2.5</u>), the percentage equal to the quotient (expressed as a percentage) of (i) the number of Ordinary Shares which would be issued by the Company pursuant to a Superior Preference Share Conversion in accordance with <u>article 2.10</u> of all Superior Preference Shares outstanding as of such time, divided by (ii) the aggregate number, determined at such time, of (x) Ordinary Shares actually outstanding, (y) all B Ordinary Shares in respect of which the Conditions are satisfied, and (z) the number of Ordinary Shares determined pursuant to the foregoing sub-clause (i).
<u>“Superior Preference Share</u>	means, with respect to a particular Superior Preference Share,

³ NB - This wording is proposed to avoid the subsequent insertion of Jersey Co's between Palamon and TLHL qualifying as a "Sale"

Factor one thousand (1,000).

“Superior Preference Share Make Whole Amount”⁴ means, as of a particular date, an amount equal to the difference of:

(i) the quotient of:

(x) the aggregate of the Preferred C Return and the Preferred D Return actually paid by the company pursuant to articles 2.4.1(A), 2.4.1(B), 2.5(A) and 2.5(B), divided by

(y) the Superior Preference Share Equivalent Percentage,

reduced by

(ii) the aggregate of the Preferred C Return and the Preferred D Return actually paid by the company pursuant to articles 2.4.1(A), 2.4.1(B), 2.5(A) and 2.5(B),

provided that the Superior Preference Share Make Whole Amount determined in accordance with the foregoing sub-points (i) and (ii) inclusive shall be reduced (but not below zero) to the extent of all amounts previously paid in satisfaction of the Superior Preference Share Make Whole Amount in accordance with either article 2.4.1(D) or 2.5.1(F);

“Superior Preference Shares” means the C Preference Shares and the D Preference Shares;

“Transfer” means, in relation to any share, to transfer the entire legal and beneficial interest in that share free from all claims, liens, charges, encumbrances and equities and together with all rights attached or accruing to the share and any derivative term, as well as any reference to a **“Transfer”**, shall be construed accordingly;

“Transferee” means any person to whom shares are to be Transferred;

⁴ For illustrative purposes only, if the Preferred C Return actually paid equals £17,500,000 (i.e., £7,000,000 x 2.5), the Preferred D Return actually paid equals £5,000,000 (i.e., £2,000,000 x 2.5), and the Superior Preference Share Equivalent Percentage equals ten percent (10%), then the Superior Preference Share Make Whole Amount would equal £202,500,000, being (i) the quotient of (x) £22,500,000 (the aggregate of the Preferred C Return and the Preferred D Return), divided by (y) 10% (the Superior Preference Share Equivalent Percentage), reduced by (ii) £22,500,000 (the aggregate of the Preferred C Return and the Preferred D Return).

“Trustee” means the trustee of the Employee Benefit Trust, from time to time, being on the date of adoption of these articles, Towry Law Pension Trustees Limited⁵; and

“United Kingdom” means Great Britain and Northern Ireland.

1.3 In construing these articles, unless otherwise specified:

- (a) references to a document being executed include references to its being executed under hand or under seal or by any other method;
- (b) references to a person shall be construed as to include any individual, firm, company or other body corporate, government, state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (c) references to writing include references to any method of representing or reproducing words in a legible and non-transitory form;
- (d) words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear (if not inconsistent with the subject matter or context) the same meaning in these articles or that part (as the case may be) save that the word company shall include any body corporate;
- (e) references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person;
- (f) use of any gender includes the other genders and reference to the singular includes the plural and vice versa; and
- (g) references to subscription price shall include any amounts paid on subscription by way of a premium and, in the case of A Preference Shares which have been created on conversion of B Preference Shares, subscription price shall mean the Preferred Subscription Price which was applicable to their conversion.

1.4 A member shall be deemed to be present at a meeting if he attends in person or if the member (being a corporation) attends by its duly authorised corporate representative, who attends in person, or if the member attends by his or its duly appointed proxy..

1.5 If, and for so long as, the company has only one member, these articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to such a company.

1.6 Headings are included only for convenience and shall not affect meaning.

⁵ Name changed to Towry Pension Trustees Limited on 7th May 2010

PART 2: SHARE RIGHTS

2. SHARE RIGHTS

2.1 Authorised Share Capital

The authorised share capital of the company at the date of adoption of these articles is £220,396.71, which is divided into 300,000,000 Ordinary Shares, 25,000,000 B Ordinary Shares⁶, 300,000 A Preference Shares, 1,578,950 B Preference Shares, 13,274 C Preference Shares and 3,793 D Preference Shares.

2.2 General

Subject to the provisions of the Companies Acts, and to any rights attached to existing shares, any shares may be issued with, or have attached to them such rights and restrictions as the company may, by ordinary resolution decide.

2.3 Rights attaching to Shares

The special rights and restrictions attached to the Ordinary Shares, the B Ordinary Shares, the Preference Shares, the Superior Preference Shares and the Deferred Shares are set out in articles 2.4 to 2.10. The Preference Shares, the Superior Preference Shares and Deferred Shares shall carry no rights to participate in the profits or assets of the company except as provided in these articles. Except as otherwise provided in these articles, the Ordinary Shares, the B Ordinary Shares (and each issue thereof), the A Preference Shares, the B Preference Shares, the C Preference Shares, the D Preference Shares and the Deferred Shares constitute different classes of shares.

2.4 Income

2.4.1 If a dividend or other distribution is made or paid by the company, it shall be made or paid in accordance with the following:

- (A) firstly, if any C Preference Shares are then outstanding, the C Preference Shares shall have the right to receive all distributions until an amount equal to the Preferred C Return shall have been distributed, such amount to be allocated pari passu among all outstanding C Preference Shares, provided that if there are not sufficient assets available to distribute the entire Preferred C Return to all the holders of C Preference Shares, the then distributable amount shall be allocated among the C Preference Shares pro rata to the amounts that would be

⁶ An ordinary resolution of the company was passed on 26/07/2007 subdividing each of the issued and unissued Ordinary Shares and B Ordinary Shares of £0.10 each in the capital of the company into 1,000 shares of £0.0001 each

distributable to each holder of C Preference Shares if there were sufficient assets;

- (B) after the C Preference Shares (if any are then outstanding) shall have received aggregate distributions equal to the Preferred C Return, if any D Preference Shares are then outstanding, the D Preference Shares shall have the right to receive all distributions until an amount equal to the Preferred D Return shall be distributed, such amount to be allocated pari passu among all outstanding D Preference Shares, provided that, if there are not sufficient assets available to distribute the entire Preferred D Return to all the holders of D Preference Shares, the distributable amount shall be allocated among the D Preference Shares pro rata to the amounts that would be distributable to each holder of D Preference Shares if there were sufficient assets;
- (C) after the D Preference Shares (if any are then outstanding) shall have received aggregate distributions equal to the Preferred D Return, each A Preference Share shall have the right to receive distributions in each Preferred Dividend Period in an amount up to the amount of interest that would accrue for the Preferred Dividend Period on its subscription price on a daily basis at a rate of 10 per cent. per annum (the "**Preferred Dividend**");
- (D) after the Preferred Dividend has been distributed in whole, an amount equal to the Superior Preference Share Make Whole Amount shall be distributed pari passu among all outstanding Ordinary Shares and, subject to article 2.4.2, all B Ordinary Shares (but excluding each Ordinary Share previously issued by the Company pursuant to a Superior Preference Share Conversion in accordance with article 2.10), provided that, if there are not sufficient assets available to distribute the entire Superior Preference Share Make Whole Amount to all the holders of such Ordinary Shares and such B Ordinary Shares, the distributable amount shall be allocated among such Ordinary Shares and such B Ordinary Shares pro rata to the amounts that would be distributable to each such holder thereof if there were sufficient assets; and
- (E) after the Superior Preference Share Make Whole Amount has been distributed in whole, each Ordinary Share (including each Ordinary Share issued by the company pursuant to a Superior Preference Share Conversion in accordance with article 2.10), each Superior Preference Share then outstanding and, subject to article 2.4.2, each B Ordinary Share shall have the right to receive all remaining distributions in accordance with this article 2.4.1, all such amounts to be allocated pari passu among all such shares, provided that all allocations for purposes of this article 2.4.1(E) shall account for each Superior Preference Share on a Superior Preference Share Equivalent Basis.

2.4.2 No B Ordinary Share may participate as provided in article 2.4.1 unless its Conditions are satisfied on the record date for payment of the dividend or distribution concerned.

- 2.4.3 Without prejudice to article 2.4.2, where, but for the restriction set out in article 2.4.2, a B Ordinary Share would participate in a dividend or other distribution in accordance with article 2.4.1(D), upon satisfaction of the Conditions of that B Ordinary Share the company will, subject to applicable law, promptly thereafter pay to the holder of that B Ordinary Share at the time its Conditions are satisfied, a financial amount equal to such amount as would have been paid with respect to such B Ordinary Share had it participated in such dividend or other distribution.
- 2.4.4 No dividends or other distributions shall be made or paid with respect to the B Preference Shares or the Deferred Shares.
- 2.4.5 If the amount of the dividend or other distribution of the company is insufficient to pay or make the maximum amount of the Preferred Dividend under article 2.4.1 to all A Preference Shares, such dividend or other distribution shall be made or paid to all A Preference Shares pro rata to the amounts that would be made or paid to each holder of A Preference Shares if such dividend or other distribution was of a sufficient amount.

2.5 Capital

- 2.5.1 On Exit or other return of capital (which shall include a redemption or purchase of shares by the company), the assets of the company available to shareholders shall be applied in the following order of priority:
- (A) firstly, if any C Preference Shares are then outstanding, the C Preference Shares shall have the right to receive all distributions until an amount equal to the Preferred C Return shall have been distributed, such amount to be allocated pari passu among all outstanding C Preference Shares, provided that if there are not sufficient assets available to distribute the entire Preferred C Return to all the holders of C Preference Shares, the then distributable amount shall be allocated among the C Preference Shares pro rata to the amounts that would be distributable to each holder of C Preference Shares if there were sufficient assets;
 - (B) after the C Preference Shares (if any are then outstanding) shall have received aggregate distributions equal to the Preferred C Return, if any D Preference Shares are then outstanding, the D Preference Shares shall have the right to receive all distributions until an amount equal to the Preferred D Return shall be distributed, such amount to be allocated pari passu among all outstanding D Preference Shares, provided that, if there are not sufficient assets available to distribute the entire Preferred D Return to all the holders of D Preference Shares, the distributable amount shall be allocated among the D Preference Shares pro rata to the amounts that would be distributable to each holder of D Preference Shares if there were sufficient assets;
 - (C) after the D Preference Shares (if any are then outstanding) shall have received aggregate distributions equal to the Preferred D Return, each A Preference Share shall have the right to receive distributions in an

amount equal to the Preferred Dividend for such year (if declared by the company after the Conversion Date), provided that, if there are not sufficient assets available to distribute the entire Preferred Dividend to all the holders of A Preference Shares, the distributable amount shall be allocated among the A Preference Shares pro rata to the amounts that would be distributable to each holder of A Preference Shares if there were sufficient assets;

- (D) after the Preferred Dividend has been distributed in whole, each A Preference Share shall have the right to receive distributions in an amount equal to its subscription price, provided that, if there are not sufficient assets available to distribute the entire subscription price in respect of all A Preference Shares, the distributable amount shall be allocated among the A Preference Shares pro rata to the amounts that would be distributable to each holder of A Preference Shares if there were sufficient assets;
- (E) after the subscription price has been distributed in whole in respect of each A Preference Share, the aggregate sum of £1 shall be paid in respect of all Deferred Shares then outstanding, which £1 amount shall be allocated pari passu, among the holders of the Deferred Shares according to the number of Deferred Shares held by them;
- (F) after the aggregate sum of £1 is distributed in respect of all Deferred Shares outstanding, an amount equal to the Superior Preference Share Make Whole Amount shall be distributed pari passu among all outstanding Ordinary Shares and, subject to article 2.5.2, all B Ordinary Shares (but excluding each Ordinary Share previously issued by the Company pursuant to a Superior Preference Share Conversion in accordance with article 2.10), provided that, if there are not sufficient assets available to distribute the entire Superior Preference Share Make Whole Amount to all the holders of such Ordinary Shares and such B Ordinary Shares, the distributable amount shall be allocated among such Ordinary Shares and such B Ordinary Shares pro rata to the amounts that would be distributable to each such holder thereof if there were sufficient assets; and
- (G) after the Superior Preference Share Make Whole Amount has been distributed in whole, each Ordinary Share (including each Ordinary Share issued by the company pursuant to a Superior Preference Share Conversion in accordance with article 2.10), each Superior Preference Share then outstanding and, subject to article 2.5.2, each B Ordinary Share shall have the right to receive all remaining distributions in accordance with this article 2.5.1, all such amounts to be allocated pari passu among all such shares, provided that all allocations for purposes of this article 2.5.1(G) shall account for each Superior Preference Share on a Superior Preference Share Equivalent Basis.

2.5.2 No B Ordinary Share may participate in any distribution, division or application of assets under article 2.5.1 or any equivalent distribution, division or application of Exit Value under article 2.5.4 unless and until its Conditions are satisfied.

- 2.5.3 Without prejudice to [article 2.5.2](#), where, but for the restriction set out in [article 2.5.2](#), a B Ordinary Share would participate in a distribution, division or application of assets under [article 2.5.1](#), upon satisfaction of the Conditions of that B Ordinary Share, the company will, subject to applicable law, promptly thereafter pay to the holder of that B Ordinary Share at the time its Conditions are satisfied, a financial amount equal to such amount as would have been paid with respect to such B Ordinary Share had it participated in such distribution, application or division of assets.
- 2.5.4 On a Listing or on or following a Sale, the Exit Value attributable to the Ordinary Shares, the B Ordinary Shares (which form part of the equity share capital to which the Exit Value relates) and the Superior Preference Shares shall be allocated between such classes of share in the manner provided in [article 2.5.1](#) as if the same is a return of capital and having regard to any conversions of Preference Shares and Superior Preference Shares (to the extent elected in accordance with these articles) into Ordinary Shares and/or Deferred Shares on or prior to the Listing or Sale.
- 2.5.5 For the purposes of any Listing:
- (A) each member shall execute and deliver and do such acts, deeds, documents and things as the board shall reasonably require of him in that capacity to reorganise the share capital of the company to be the subject of the Listing into shares of a class and nominal value appropriate for that purpose including but not limited to passing any resolutions and providing any consents necessary for that purpose and surrendering his share certificates for cancellation and replacement; and
 - (B) each member shall be deemed hereby irrevocably to appoint such person as shall be nominated for this purpose by the board as his attorney for the purposes of executing and delivering and doing any acts, deeds and things as are required on his part by this [article 2.5.5](#).
- 2.5.6 On and following a Sale the consideration thereunder (attributable to the Ordinary Shares and B Ordinary Shares) and each payment thereof shall be deemed to be subject to a trust for application in the priority and basis provided in [article 2.5.4](#) and the recipients thereof shall apply and account for the same accordingly.
- 2.5.7 The company shall on issue of any share certificate for a B Ordinary Share record on it its series classification together with details of its Conditions.

2.6 **Voting and other rights**

- (A) The holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the company. On a poll, each Ordinary Share shall have one vote.
- (B) The holders of the Preference Shares, Superior Preference Shares, the B Ordinary Shares and Deferred Shares shall have no right in that capacity to receive notice of or to attend and vote at any general

meeting of the company provided that, following a Liquidity Event, the holders of those B Ordinary Shares whose Conditions have been fulfilled shall be entitled to receive notice of and to attend and vote at a general meeting of the company and on a poll each such B Ordinary Share shall have one vote.

2.7 B Preference Share Conversion

(A) In this article:

"Preferred Cash Flows"

means the payments made to or by, or in the case of the Target Exit Price the amounts that would have to be made to, the holders of the Preference Shares in respect of the Preference Shares gross of any effect of any tax and shall show:

- (A) the price paid on their subscription as a negative paid for the Preference Shares; and
- (B) the following receipts (or notional receipts) as a positive:
 - (i) Preferred Dividends paid or made by the company;
 - (ii) amounts paid by the company on the purchase by it of the A Preference Shares and/or B Preference Shares;
 - (iii) amounts paid by any third party for or in respect of the A Preference Shares and/or B Preference Shares; and
 - (iv) the Target Exit Price;

"Preferred Return"

means the annual internal rate of return (expressed as a percentage) which when applied as a discount to the Preferred Cash Flows gives the net present value of that set of cash flows as zero on the basis that:

- (A) each Preferred Cash Flow is regarded as arising at the end of the calendar month in which the Preferred Cash Flow occurs or is deemed to occur; and
- (B) the rate of return is treated as compounding annually at the end of each calendar year; and

"Preferred Subscription Price"

means:

$$\frac{A}{B}$$

where:

A is the total subscription price paid for A Preference Shares from time

to time; and

B is the total number of A Preference Shares in issue at the relevant time.

- (B) Immediately prior to the first occurring Liquidity Event after 7 October 2003 or upon the holders of all of the B Preference Shares giving written notice to the company (the "**Conversion Date**"), a certain number of B Preference Shares shall be converted into a certain number of A Preference Shares and Deferred Shares. This number of A Preference Shares and Deferred Shares shall be determined in accordance with the following provisions of this article.
- (C) The amount which would have to be received by the holders of the Preference Shares on the Conversion Date such that the Preferred Return shall be 10 per cent. (or such number as shall be as close as possible to but shall not be less than 10 per cent.) shall be calculated (the "**Target Exit Price**").
- (D) The Preferred Subscription Price multiplied by the number of issued A Preference Shares at such time shall be deducted from the Target Exit Price to give an amount (the "**Conversion Amount**"); provided that, if the result of this calculation is zero or a negative number, articles 2.7(E) to (H) (inclusive) shall not apply and all the B Preference Shares shall be converted into Deferred Shares (such conversion to be effected and evidenced in accordance with article 2.7(I)).
- (E) The Conversion Amount shall be divided by the Preferred Subscription Price to give a number (the "**New Preference Shares Number**").
- (F) Immediately prior to the relevant Liquidity Event, all of the B Preference Shares shall be converted into and re-designated as (i) an amount of A Preference Shares equal to the New Preference Shares Number and (ii) an amount of Deferred Shares equal to the number of B Preference Shares in issue at such time minus the New Preference Shares Number.
- (G) The number of A Preference Shares and Deferred Shares resulting from the calculation under article 2.7(F) shall be allocated to the holders of B Preference Shares pro rata to their holdings of the B Preference Shares.
- (H) The B Preference Shares held by each holder of B Preference Shares that have been converted into A Preference Shares as opposed to Deferred Shares shall be determined by lot or in such other manner as the company and the holders of B Preference Shares shall agree.
- (I) As soon as reasonably practicable following the conversion of B Preference Shares pursuant to this article:

- (i) each holder of B Preference Shares shall surrender to the company at the office the share certificate(s) for his holding of B Preference Shares and, upon receipt of the surrendered certificate(s), the company shall deliver to the holder a new certificate for his A Preference Shares and Deferred Shares arising from the conversion;
 - (ii) the name of each holder of B Preference Shares shall be entered in the register as the holder of the number of A Preference Shares and Deferred Shares arising from the conversion, credited as fully paid up, in place of the B Preference Shares; and
 - (iii) the A Preference Shares arising from conversion shall rank *pari passu* from the Conversion Date in all respects with the A Preference Shares which were already in issue.
- (J) In the event of any consolidation, division or other re-organisation of the share capital of the company, the formula set out above will be appropriately adjusted in such manner as the auditors of the company, acting as experts, shall determine to be fair and appropriate.
- (K) Any fractions of shares resulting from a calculation pursuant to this article or article 2.8 shall be rounded up or down (as appropriate) to the nearest whole number (with halves being rounded to the nearest even number).
- (L) The Annexure to these articles contains a worked example showing the operation of the provisions of this article 2.7. This Annexure is illustrative only and, if there is any ambiguity between the provisions of this article and the Annexure, the provisions of this article shall prevail.

2.8 A Preference Share Conversion

- 2.8.1 The company will give the holders of the Preference Shares at least 14 days notice (or such shorter period as such holders may accept) of the occurrence of a Listing.
- 2.8.2 Each of the holders of A Preference Shares may, subject to the Company having given its consent, deliver to the office a written notice (a “**Conversion Notice**”) prior to the occurrence of a Listing or, if later, such date as the conversion of B Preference Shares has occurred pursuant to article 2.7, electing to have article 2.8.3 apply, conditional on the Listing occurring, to the number of A Preference Shares specified in the Conversion Notice (such specified A Preference Shares, which may include A Preference Shares created on the conversion of B Preference Shares, being the “**Converting Shares**”).
- 2.8.3 (A) If this article 2.8.3 applies then, at the Conversion Time and conditional on the Listing occurring, all of the Converting Shares held by that holder shall be converted into and re-designated as (i) an amount of Ordinary Shares equal to C (as defined below) and (ii) an amount of Deferred

Shares equal to F minus C (in each case as defined below), with the Converting Shares that are to be converted into Ordinary Shares being determined by lot or in such other manner as the company and the relevant A Preference Shareholder shall agree. The term “**Conversion Time**” means the time immediately before completion of the Listing (or, if there is more than one completion, immediately before the first completion), and:

$$\text{“C”} = \frac{D}{E} \times F ;$$

“D” = the Relevant Price per Converting Share;

“E” = the price per Ordinary Share at which Ordinary Shares are to be sold or issued in connection with the Listing (in the case of an offer for sale, being the underwritten price (or, if applicable the minimum tender price), and in the case of a placing being the placing price) less an amount equal to the stamp duty and stamp duty reserve tax that would be payable with respect to a Transfer of an Ordinary Share at such price; and

“F” = the number of Converting Shares held by that holder of A Preference Shares.

In the event of any consolidation, division or other re-organisation of the share capital of the company, the formula set out above will be appropriately adjusted in such manner as the auditors of the company, acting as experts, shall determine to be fair and appropriate.

- (B) As soon as reasonably practicable following the Conversion Time:
- (i) the holders of Converting Shares shall surrender to the company at the office the share certificate(s) for his holding of Converting Shares and, upon receipt of the surrendered certificate(s), the company shall deliver to the holder a new certificate for his Ordinary Shares and Deferred Shares arising from the conversion and, if applicable, a new certificate for any unconverted A Preference Shares represented by the surrendered certificate(s);
 - (ii) the name of each holder of Converting Shares shall be entered in the register as the holder of the number of Ordinary Shares and Deferred Shares arising from the conversion, credited as fully paid up, in place of the Converting Shares; and
 - (iii) the Ordinary Shares arising from conversion shall rank pari passu from the date of conversion in all respects with the Ordinary Shares which were already in issue.

2.9 Other provisions relating to the A Preference Shares

No share capital, other than the Superior Preference Shares, shall be in issue which ranks in priority to any of the A Preference Shares on a winding-up of the company.

2.10 Conversion of C Preference Shares and D Preference Shares

2.10.1 The company will give the holders of the C Preference Shares and the holders of D Preference Shares at least 14 days prior written notice (or such shorter period as such holders may accept) of the occurrence of a Liquidity Event or a Guarantee Call Event.

2.10.2 Each holder of a Superior Preference Share may deliver to the office a written notice (a "**Superior Preference Share Notice**") at any time, electing to convert one or more Superior Preference Shares held by such holder into a number of Ordinary Shares which equals (subject to [article 2.10.5](#)) the product of (i) the Superior Preference Share Factor, multiplied by (ii) the number of Superior Preference Shares indicated in such **Superior Preference Share Notice** on the terms described in this [article 2.10](#) (such Superior Preference Shares subject to a Superior Preference Share Notice being referred to as the "**Converting Superior Preference Shares**").

2.10.3 Upon submission of a Superior Preference Share Notice, each Converting Superior Preference Share shall, subject to [article 2.10.6](#), be converted into and re-designated as that number of Ordinary Shares as is specified by the foregoing [article 2.10.2](#) (the "**Superior Preference Share Conversion**").

2.10.4 As soon as is reasonably practicable following a Superior Preference Share Conversion:

- (i) the holders of Converting Superior Preference Shares shall surrender to the company at the office the share certificate(s) for his holding of Converting Superior Preference Shares and, upon receipt of the surrendered certificate(s), the company shall deliver to the holder a new certificate for each Ordinary Share arising from the Superior Preference Share Conversion;
- (ii) the name of each holder of Converting Superior Preference Shares shall be entered in the register as the holder of the number of Ordinary Shares arising from the conversion, credited as fully paid up, in place of the Converting Superior Preference Share(s); and
- (iii) the Ordinary Shares arising from conversion shall rank pari passu from the date of conversion in all respects with the Ordinary Shares which were already in issue.

2.10.5 In the event of any consolidation, division or other re-organisation of the share capital of the company, the number of Ordinary Shares into which Superior Preference Shares are converted pursuant to a Superior Preference Share

Conversion will be appropriately adjusted in such manner as the auditors of the company, acting as experts, shall determine to be fair and appropriate.

2.10.6 Notwithstanding anything in these articles to the contrary, no Superior Preference Share Conversion shall occur if such conversion would require the consent or approval of a relevant regulator, unless the consent or approval of such regulator is obtained (and any conditions imposed by such regulator to such consent or approval are satisfied) prior to completion of such Superior Preference Share Conversion.

2.11 Provisions relating to Deferred Shares

2.11.1 Deferred Shares shall not, save as provided in article 2.5.1(E), entitle the holders thereof to receive or participate in any way in any profits or assets of the company (whether on a return of capital on winding up or otherwise (including a redemption or purchase of shares)).

2.11.2 The company may at any time after the creation of any Deferred Shares and to the extent permitted under the Act redeem all of the Deferred Shares then in issue, at an aggregate price not exceeding 1 pence for all of the Deferred Shares redeemed, the recipient of such sum being determined by the company, upon giving registered holders of such shares notice in writing of its intention so to do, fixing a time and place for the redemption or, if their creation is part of any Listing arrangements, upon the Listing taking effect, whether or not such notice is given.

PART 3: THE BOARD

3. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

3.1 Number of Directors

Unless agreed by all the directors the board shall consist of not less than 3 directors, each of whom has been appointed in accordance with article 3.4. The board shall not consist of more than 10 directors

3.2 Age of Directors

A person shall be disqualified from being appointed or elected as a director if he has not attained the age of 16 years.

3.3 Directors' Shareholding Qualification

No shareholding qualification for directors shall be required.

3.4 Appointment and removal of Directors

(A) (i) Subject to article 3.4(A)(iii) below, the Palamon Shareholders may at any time and from time to time by a memorandum signed by Palamon Shareholders holding a majority in aggregate nominal value of the shares held by the Palamon Shareholders appoint Directors (the

"Palamon Directors") and may remove any Palamon Directors so appointed by them and may appoint others as Palamon Directors in their stead provided that so long as Palamon is a Shareholder, Palamon may itself by a memorandum signed by it nominate one of the Palamon Directors to be appointed under this article 3.4(A)(i) and may require the removal of such director and his replacement in accordance with this proviso.

- (ii) The board may at any time and from time to time appoint executive Directors and non-executive Directors (the "**Board Directors**"). The board may at any time remove any Board Director so appointed. For the purposes of any resolution relating to the removal of any Board Director, the Board Director who is the subject of such resolution shall not have a vote.
- (iii) The maximum number of Palamon Directors shall be:

$$\frac{A}{B} \times C$$

where:

- A = the aggregate nominal value of the Ordinary Shares held by the Palamon Shareholders from time to time;
- B = the aggregate of the nominal value of all the Ordinary Shares in issue from time to time; and
- C = the number of Directors,

rounded up to the nearest whole number.

- (B) Any appointment or removal of Palamon Directors shall take effect at and from the time when the memorandum is lodged at the registered office of the company or produced to a meeting of the directors and the appointment and removal of Board Directors shall take effect immediately upon the resolution for their appointment or removal (as the case may be) being passed by the Board.

3.5 **Vacation of Office by Directors**

Without prejudice to the other provisions in these articles, the office of director shall be vacated if:

- (a) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board; or
- (b) he is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health and the board resolves that his office is vacated; or
- (c) he becomes bankrupt or compounds with his creditors generally; or

- (d) he is prohibited by law from being a director; or
- (e) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

If the office of a director is vacated for any reason, he shall cease to be a member of any committee of the board.

3.6 Alternate Directors

- 3.6.1 Each director will have the power by writing to nominate either another director, or any other person willing to act, to act as his alternate director. He may also at his discretion remove his alternate director by notice in writing to the company. An alternate director will have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and generally in the absence of his appointor at such meeting to exercise and discharge all the functions, powers and duties of his appointor.
- 3.6.2 Except as otherwise provided in these articles, the alternate director will, during his appointment, be deemed to be a director for the purposes of these articles. He will not be deemed to be an agent of his appointor, and will alone be responsible to the company for his own acts or defaults and will be entitled to be indemnified by the company to the same extent as if he were a director.
- 3.6.3 An alternate director will not, in respect of his office of alternate director, be entitled to receive any remuneration from the company nor to appoint another person as his alternate. The appointment of an alternate director will automatically determine if his appointor ceases for any reason to be a director, or on the happening of an event which, if he were a director, would cause him to vacate the office of director, or if by written notice to the company he resigns his appointment.
- 3.6.4 A director or any other person may act as an alternate director to represent more than one director. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director but he shall count as only one for the purposes of determining whether a quorum is present. Execution by an alternate director of any resolution in writing of the board or a committee of the board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.
- 3.6.5 An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a director.
- 3.6.6 No director shall be entitled at any time to appoint any person as his alternate director if it can be shown to the reasonable satisfaction of the Board that the said person is in competition with any business of the company from time to time, provided that this article 3.6.6 shall not apply with respect to the appointment by Palamon Directors of people as their alternate directors who are officers or employees of a member of the Palamon Group. For the purpose of

this article, "in competition with any business of the company" shall be construed as being limited to an interest in another company (and interest shall include any shareholding (other than investment of securities dealt in on a recognised investment exchange and not exceeding 1 per cent in nominal value of the securities of that class) in or directorship of such other company) which operates in the same industry as the company from time to time and derives at least five per cent of its turnover from the provision of the same products and/or services as the company.

3.7 Executive Directors

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the company including the positions of chairman, chief executive officer, finance director and managing director for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board may decide and the board may amend the terms of such appointment or may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the company or the company may have against the director for any breach of any contract of service between him and the company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide and either in addition to or in lieu of his remuneration as a director.

4. PROCEEDINGS OF THE BOARD

4.1 Board Meetings

Subject to article 4.2, the board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary at the request of a director at any time shall, call a board meeting.

4.2 Notice of Board Meetings

4.2.1 Notice of the time, place and purpose of every meeting of the directors must be given to every director and to his alternate (if any). However, the actual non-receipt of notice by any director or alternate director will not invalidate the proceedings of the directors. Unless a majority in number (including, if applicable, at least one Palamon Director) of the directors indicate their willingness to accept shorter notice of a meeting of directors, at least five Business Days' notice except in the case of emergency must be given. Every notice of a meeting of the directors required to be given under this agreement may be given orally (personally or by telephone) served personally or sent by facsimile (subject to the recipient acknowledging receipt thereof) or by e-mail (subject to the recipient acknowledging receipt thereof) to the address for the time being supplied for the purpose to the secretary of the company.

4.2.2 For the avoidance of doubt, a director absent or intending to be absent from the United Kingdom may require by written notice to the company that notices of meetings of the Directors shall during his absence be sent in writing to him at an

address or to a facsimile number or using electronic communications to an address given by him to the company for this purpose.

4.3 Quorum

4.3.1 No business shall be transacted at any meeting of the directors unless a quorum is present. A quorum shall exist at any directors' meeting if three directors are present or represented by an alternate, one of whom shall comprise a Palamon Director or his alternate.

4.3.2 If a quorum is not present at a meeting of the directors at the time when any business is considered any director may require that the meeting be reconvened. At least five Business Days' notice of the reconvened meeting will be given unless all the directors agree. At the reconvened meeting, a quorum shall exist with respect to those matters on the agenda which were not disposed of at the original meeting if any two or more directors are present or represented by an alternate.

4.3.3 A director shall only be counted in the quorum once, notwithstanding that he may also be acting as an alternate director, and an alternate director who is not a director shall only be counted in the quorum once, notwithstanding that he may be acting as alternate for more than one director.

4.4 Appointment of Chairman

The board may appoint a director to be the chairman or a deputy chairman of the board, and may at any time remove him from that office. The chairman or failing him a deputy chairman shall act as a chairman at every meeting of the board. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a director longest shall take the chair. But if no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.

4.5 Competence of Meetings

A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board.

4.6 Voting

Resolutions at meetings of the board shall be decided by a majority of votes cast and each director shall have one vote except that no Board Director shall have the right to vote on the appointment and/or removal of any Board Director. The chairman shall not have a second or casting vote.

4.7 Delegation to Committees

- 4.7.1 The board may delegate any of its powers, authorities and discretions to any committee consisting of one or more directors. Such committees may be given the power to delegate any of its powers, authorisations and discretions.
- 4.7.2 Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board. The meetings and proceedings of any committee shall be governed by the provisions contained in these articles for regulating the meetings and proceedings of the board so far as the same are applicable.
- 4.7.3 The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

4.8 Delegation to the Chief Executive

- 4.8.1 The Board may delegate any of its powers, authorities and discretions to the Chief Executive and to officers below Chief Executive level. The Chief Executive may be given the power to delegate any of his powers, authorisations and discretions.
- 4.8.2 Any individual so delegated shall, in the exercise of his powers, authorities and discretions so delegated, conform to any regulations which may be imposed on him by the board. The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

4.9 Participation in Meetings by Telephone

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone, television or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

4.10 Resolution in Writing

A resolution in writing signed by all the directors at that time in the UK, provided that it is also signed by at least one Palamon Director, shall be as valid and effective for all purposes as a resolution passed by the directors at a meeting duly convened, held and

constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors concerned. A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

4.11 Validity of Acts of Board or Committee

All acts done by the board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or person so acting or that they or any of them were disqualified from holding office or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee and had been entitled to vote.

5. FEES, REMUNERATION, EXPENSES AND PENSIONS

5.1 Directors' Fees

Each of the non-executive directors may be paid a fee at such rate as may from time to time be determined by the board.

5.2 Expenses

Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the board or committees of the board or general meetings of the company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the company's business or in the discharge of his duties as a director.

5.3 Pensions and Gratuities for Directors

The board or any committee authorised by the board may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, or dependants of, or persons connected to, any director or former director. No director or former director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company.

6. DIRECTORS' INTERESTS

6.1 Directors' Interests

Directors' interests other than in relation to transactions or arrangements with the company – authorisation under section 175 of the Companies Act 2006

- 6.1.1 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 Companies Act 2006 to avoid conflicts of interest.
- 6.1.2 Any authorisation under article 6.1.1 will be effective only if:
- (i) 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
 - (ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.
- 6.1.3 The board may give authorisation under article 6.1.1 upon such terms as it thinks fit. The board may vary or terminate any such authorisation at any time.
- 6.1.4 For the purposes of the articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

Confidential information and attendance at board meetings

- 6.1.5 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 Companies Act 2006 because he:
- (i) fails to disclose any such information to the board or to any director or other officer or employee of the company; and/or
 - (ii) does not use or apply any such information in performing his duties as a director of the company.
- 6.1.6 Where the existence of a director's relationship with another person has been authorised by the board pursuant to article 6.1.1 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 Companies Act 2006 because he:
- (i) absents himself from meetings of the board 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 or otherwise; and/or
 - (ii) makes arrangement 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 the company,

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

- 6.1.7 The provisions of articles 6.1.5 and 6.1.6 are without prejudice to any equitable principle or rule of law which may excuse the director from:
- (i) disclosing information in circumstances where disclosure would otherwise be required under these articles; and/or
 - (ii) attending meetings or discussions or receiving documents and information as referred to in article 6.1.6, in circumstances where such attendance or receiving such documents and information would otherwise be required under these articles.

Declaration of interests in proposed existing transactions or arrangements with the company

- 6.1.8 Subject to article 6.1.12, 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.
- 6.1.9 Subject to article 6.1.12, 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 6.1.8 above.
- 6.1.10 Any declaration required by article 6.1.8 or 6.1.9 must be made at a meeting of the directors or by notice in writing in accordance with section 184 of the Companies Act 2006 or by general notice in accordance with section 185 of the Companies Act 2006.
- 6.1.11 If a declaration made under article 6.1.8 or 6.1.9 proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under article 6.1.8 or 6.1.9, as appropriate.
- 6.1.12 A director need not declare an interest under article 6.1.8 or 6.1.9:
- (i) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (ii) 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);
 - (iii) 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 this purpose; or
 - (iv) 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).

Ability to enter into transactions and arrangements with the company notwithstanding interest

6.1.13 Subject to the provisions of the Companies Acts and provided he has declared to the board the nature and extent of any direct or indirect interest of his in accordance with article 6.1.8 or 6.1.9, as appropriate, or where article 6.1.12 applies and no declaration of interest is required, a director notwithstanding his office:

- (i) may be a party to, or otherwise be interested in, any transaction, contract or arrangement with the company or in which the company is directly or indirectly interested (including, without limitation, any contract with regard to his tenure of any office or place of profit for where the director contracts as vendor, purchaser or in any other manner whatever) ;
- (ii) may hold any other office or place of profit with the company (except that of auditor) and may act by himself or through his firm in a professional capacity for the company (otherwise than as auditor), and in any such case on such terms as to remuneration and otherwise as the board may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board (or any committee authorised by the board) may decide, and either in addition to or in lieu of any remuneration provided by or pursuant to any other article; or
- (iii) may be a director or other officer of, or employed by, or a party to any transaction, contract or arrangement with, or otherwise be interested in, any body corporate in which the company is directly or indirectly interested.

Remuneration and benefits

6.1.14 A director shall not, by reason of his office or of the fiduciary relationship thereby established, be accountable to the company or the members for any remuneration, profit, interest or other benefit which he derives from any office, place of profit or employment or from any transaction, contract or arrangement or from any interest in any body corporate:

- (i) the acceptance, entry into or existence of which (office, place of profit, employment, transaction, contract arrangement or interest) has been authorised by the board (subject, in any case, to any terms upon which such authorisation was given); or
- (ii) which (office, place of profit, employment, transaction, contract, arrangement or interest) he is permitted to hold, enter into, be party to or interested in, by virtue of article 6.1.13,

nor shall the receipt of any such remuneration, profit, interest or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006 and nor shall any such office, place of profit, employment, transaction, contract, arrangement or interest be liable to be avoided.

General voting and quorum requirements

6.1.15 Subject to the provisions of the Companies Acts and provided he has declared to the board the nature and extent of any direct or indirect interest of his in

accordance with article 6.1.8 or 6.1.9, as appropriate, a director may vote on and be counted in the quorum in relation to any resolution of the board concerning a matter in which he has a direct or indirect interest, including, without limitation, any transaction, contract or arrangement in which he has an interest.

6.1.16 The board may exercise or cause to be exercised the voting powers or any power of appointment conferred on the company in relation to any other company or body corporate in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing all or any members of the board as directors or other officers or employees of, or holders of any places of profit under, such other company or body corporate, or in favour of the payment of remuneration to the directors or other officers or employees of, or holders of any places of profit under, such other company or body corporate.

6.1.17 This article 6.1 applies to an alternate director as if he were a director otherwise appointed.

Miscellaneous

6.1.18 The company may by ordinary resolution suspend or relax the provisions of this article 6.1 to any extent. Subject to the Companies Acts, the company may by ordinary resolution ratify any transaction, contract or arrangement not properly authorised by reason of a contravention of this article 6.1.

6.1.19 References in this article to a transaction, contract or arrangement includes reference to any proposed transaction, contract or arrangement.

7. POWERS AND DUTIES OF THE BOARD

7.1 General Powers of Company Vested in Board

Subject to the provisions of the Companies Acts, the memorandum of association of the company and these articles and to any directions given by the company in general meeting by special resolution, the business of the company shall be managed by the board which may exercise all the powers of the company whether relating to the management of the business of the company or not. No alteration of the memorandum of association or these articles and no special resolution shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that resolution had not been passed. The powers given by this article shall not be limited by any special power given to the board by any other article.

7.2 Agents

The board may by power of attorney or otherwise, appoint any person or body of persons whether nominated directly or indirectly by the board to be the agent of the company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate). The board may remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and

without notice of the revocation or variation shall be affected by it. The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

7.3 Delegation to Individual Directors

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

7.4 Official Seals

The company may exercise all the powers conferred by the Companies Acts with regard to having any official seal for use abroad and such powers shall be vested in the directors. Subject to the provisions of the Companies Acts, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

7.5 Registers

Subject to the provisions of the Companies Acts, the company may keep an overseas or local or other register in any place and the board may make and vary such regulations as it may think fit respecting the keeping of the register.

7.6 Provision for Employees

The board may exercise any power conferred by the Companies Acts to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

PART 4: GENERAL MEETINGS

8. GENERAL MEETINGS

8.1 Convening of General Meetings

The board or any director or a requisition of members pursuant to the provisions of the Companies Acts may convene a general meeting whenever it or he thinks fit.

8.2 Annual General Meetings

The board shall convene and the company shall hold general meetings as annual general meetings, if demanded by shareholders in accordance with the requirements of the Companies Acts.

8.3 Separate General Meetings

The provisions of these articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of shares of a class convened otherwise than in connection with the variation or abrogation of the rights attached to the shares of that class (in which case article 13.3 shall apply). For this purpose, a general meeting at which no holder of a share other than an Ordinary Share may, in his capacity as a member, attend or vote shall also constitute a separate general meeting of the holders of the Ordinary Shares.

8.4 Form of Resolution

8.4.1 Where for any purpose an ordinary resolution of the company is required, a special resolution shall also be effective.

8.4.2 Subject to the Companies Acts, a resolution in writing executed by or on behalf of those holding a majority of the eligible shares for ordinary resolutions or 75% for special resolutions, who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present, shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in a like form each executed by or on behalf of one or more of the members. These copies may be facsimile or electronic copies. Resolutions may be circulated by email or by other electronic methods such as a website address, with shareholder agreement as defined in the Companies Acts.

9. NOTICE OF GENERAL MEETINGS

9.1 Length of Notice

An annual general meeting (if demanded by shareholders in accordance with the requirements of the Companies Acts) and a general meeting convened for the passing of an ordinary or special resolution shall be convened by not less than 14 clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. The Notice shall also include a statement that a member entitled to attend and vote is entitled to appoint one or more

proxies to attend, speak and vote instead of such member and that a proxy need not be a member. Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company.

9.2 Accidental Failure or Non-Receipt of Notice

The accidental failure to give any notice of a general meeting or to send, supply or make available any document or information relating to any meeting to, or the non-receipt of any such notice, document or information by any person entitled to receive the notice, document or information shall not invalidate the proceedings at that meeting or the adjournment thereof.

10. PROCEEDINGS AT GENERAL MEETINGS

10.1 Quorum

10.1.1 The quorum at any general meeting or adjourned general meeting shall be, two, of whom one shall, if any member of the Palamon Group is at the time a holder of any Ordinary Shares (or any shares convertible into Ordinary Shares), be a member of the Palamon Group, present in person or by proxy. A member may only be counted in the quorum once, notwithstanding that he may also be acting as a proxy or corporate representative for another member or members, and a proxy or corporate representative who is not a member may only be counted in the quorum once, notwithstanding that he may be acting as proxy or corporate representative for more than one member.

10.1.2 If, and for so long as, the company has only one member, that member present in person or by proxy shall be a quorum at any general meeting of the company or of the holders of any class of shares.

10.2 Procedure if Quorum Not Present

If a quorum is not present within half an hour (or such longer time as the persons present may all agree to wait) from the time appointed for any general meeting, or if during a general meeting a quorum ceases to be present, the meeting shall be dissolved provided that in such circumstances the company may convene another general meeting to consider the same matters as were to be considered at the original general meeting by giving not less than 7 clear days' notice in writing. At such general meeting, the quorum shall be at least two members present in person or by proxy.

10.3 Chairman of General Meeting

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a director longest shall take the chair. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman is willing to act as chairman, the directors present shall by a majority in

number choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

10.4 **Entitlement to Attend and Speak**

Each director shall be entitled to attend and speak at any general meeting of the company. The chairman or any director may invite any person to attend and speak at any general meeting of the company where he considers that this will assist in the deliberations of the meeting.

10.5 **Adjournments**

The chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by such a meeting) adjourn the meeting either sine die or to another time or place. When a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

10.6 **Notice of Adjournment**

When a meeting is adjourned for one month or more, or sine die, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these articles otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

11. **VOTING**

11.1 Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of these articles:

- (i) on a show of hands every member who is present in person or by proxy or by a corporate representative at a general meeting of the company shall have one vote; and
- (ii) on a poll every member who is present in person or by proxy or corporate representative shall have one vote for every share of which he is the holder.

11.2 **Method of Voting**

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Companies Acts, a poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) any member present in person or by proxy and entitled to vote.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution on a show of hands has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

11.3 Procedure if Poll Demanded

If a poll is properly demanded it shall be taken in such manner as the chairman shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll shall be taken forthwith after it has been properly demanded.

11.4 Votes on a Poll

On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion, with the instrument of appointment for each such proxy specifying the shares held by the member in respect of which each such proxy is appointed.

11.5 No Casting Vote of Chairman

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman shall not be entitled to an additional or casting vote.

11.6 Votes of Joint Holders

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

11.7 Voting on Behalf of Incapable Member

A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote on a poll by proxy), provided that evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote or such other right has been delivered at the office (or at such other place as may be specified in accordance with these articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

11.8 No Right to Vote where Sums Overdue on Shares

No member shall be entitled in respect of any share held by him to vote (either personally or by proxy) at any general meeting of the company or at any separate

general meeting of the holders of any class of shares in the company or to exercise any other right conferred by membership in relation to general meetings unless all calls or other sums presently payable by him in respect of that share have been paid.

11.9 **Objections or Errors in Voting**

If:

- (a) any objection shall be raised to the qualification of any voter, or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs.

12. **PROXIES**

12.1 **Execution of Proxies**

An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor, and shall be deemed (unless otherwise instructed in the instrument) to include authority to exercise all or any of the rights of the member who appointed him to attend, speak and vote (both on a show of hands or a poll) on any resolution (including amendments to resolutions) or on other business arising at a meeting for which the instrument of proxy is valid. The instrument of proxy shall also be deemed to confer authority on the proxy to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

12.2 **Delivery of Proxies**

The instrument appointing a proxy and (if required by the board) any authority under which it is executed or a copy of the authority, certified notarially or in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the board, must be delivered to the office (or to such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than 48 hours (or such shorter period as the board may determine) before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than 24 hours (or such shorter period as the board may determine) before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall be invalid. A faxed or other electronic form document of an instrument appointing a proxy shall be treated as such an instrument for the purpose of this article provided that it is received in a complete and legible form. When two or more

valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share: if the company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned, in which event the attendance of the member at the meeting shall forthwith revoke the authority of the proxy in relation to voting at that meeting or poll concerned.

12.3 Maximum Validity of Proxy

No instrument appointing a proxy shall be valid after 12 months have elapsed from the date named in it as the date of its execution save that, unless the contrary is stated in it, an instrument of proxy shall be valid for use at an adjourned meeting or a poll after a meeting or an adjourned meeting even after 12 months, if it was valid for the original meeting.

12.4 Form of Proxy

Instruments of proxy shall be in any usual form or in such other form as the board may approve and the board may, if it thinks fit, but subject to the provisions of the Companies Acts, send with the notice of any meeting forms of instrument of proxy for use at the meeting.

12.5 Cancellation of Proxy's Authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

PART 5: SHARES AND SHARE CAPITAL

13. SHARE CAPITAL

13.1 Redeemable Shares

Subject to the provisions of the Companies Acts and to any rights attached to existing shares, any share may be issued which is to be redeemed, or is liable to be redeemed at the option of the company or the holder.

13.2 Purchase of Own Shares

Subject to the provisions of the Companies Acts and to any rights attached to existing shares, the company may by special resolution purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares.

13.3 Variation of Rights

Subject to the provisions of the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the company is being wound up) be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed by the holders of those shares. All the provisions of these articles as to general meetings of the company shall, with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum), that every holder of shares of the class present in person or by proxy shall be entitled on a poll to one vote for every share of the class held by him (subject to any rights or restrictions attached to any class of shares) and that any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions of this article shall apply to the variation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

13.4 Pari Passu Issues

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them.

13.5 Pre-emption Rights on Issue

13.5.1 If there is to be an issue of any unissued shares of a class of shares provided for in these articles at the date of their adoption (whether forming part of the original or any increased capital) (the "**Existing Shares**"), this article 13.5.1 shall apply. Subject to the provisions of the Companies Acts and these articles and to any special resolution passed by the company and without prejudice to any rights attached to existing shares, each holder of the class of Existing

Shares which are to be issued and, in the case of an issue of Ordinary Shares, any Relevant B Shareholders and holders of Superior Preference Shares as at the time the Company gives the written notice referred to in the next sentence shall have the pre-emptive right to subscribe for up to their pro rata portion of any newly issued Existing Shares issued by the company (at the same price and on the same terms as the Existing Shares are to be issued), determined on the basis of (i) the percentage of the Existing Shares of the relevant class owned by each such holder or (ii) in the case of an issue of Ordinary Shares, the Relevant Percentage of each holder of Ordinary Shares and Relevant B Shareholder and holder of Superior Preference Shares at the time the company gives the written notice referred to in the next sentence (subject to [article 13.5.7](#) below). The company shall give written notice to each such holder and, in the case of an issue of Ordinary Shares, Relevant B Shareholder and holder of Superior Preference Shares of its intention to issue any such Existing Shares. In this [article 13.5](#) the term “**Relevant Percentage**” means, at any time, with respect to a member, the percentage which:

- (a) the aggregate of the amount of Ordinary Shares, B Ordinary Shares (whose Conditions have been satisfied at that time) and Superior Preference Shares (on a Superior Preference Share Equivalent Basis) held by that member at that time;

is of

- (b) the aggregate of the amount of Ordinary Shares, B Ordinary Shares (whose Conditions have been satisfied at that time) and Superior Preference Shares (on a Superior Preference Share Equivalent Basis) in issue at that time.

13.5.2 If there is to be an issue of any unissued shares or equity securities other than Existing Shares (the “**Relevant Securities**”) of the company (whether forming part of the original or any increased capital) this [article 13.5.2](#) shall apply. Subject to the provisions of the Companies Acts and these articles and to any special resolution passed by the company and without prejudice to any rights attached to existing shares, each holder of Ordinary Shares and any Relevant B Shareholder and each holder of Superior Preference Shares as at the time the company gives the written notice referred to in the next sentence shall have the pre-emptive right to subscribe for up to their pro rata portion of any Relevant Securities issued by the company (at the same price and on the same terms as the Relevant Securities are to be issued), determined on the basis of the Relevant Percentage of each holder of Ordinary Shares and Relevant B Shareholder and holder of Superior Preference Shares (subject to [article 13.5.7](#) below). The company shall give written notice to each such holder of its intention to issue any such Relevant Securities.

13.5.3 Upon receipt of the notice referred to in [article 13.5.1](#) or [13.5.2](#), each holder of Ordinary Shares and, if applicable, Relevant B Shareholder and holder of Superior Preference Shares shall have 20 Business Days in which to exercise its subscription right, in whole or in part, by sending an acceptance notice to the company. Such acceptance notice may also indicate that each holder of Ordinary Shares or Relevant B Shareholder or holder of Superior Preference

Shares is prepared to acquire an additional amount of the Existing Shares or Relevant Securities (as applicable) (such holder or Relevant B Shareholder or holder of Superior Preference Shares being an “**Over Allocation Subscriber**”) if and to the extent other holders or Relevant B Shareholders or holders of Superior Preference Shares do not exercise their rights under article 13.5.1 or 13.5.2 (as applicable).

13.5.4 To the extent any holder of the relevant class of Existing Shares or holder of Ordinary Shares or Relevant B Shareholder or holder of Superior Preference Shares (as applicable) does not elect to subscribe for its entire allocation of the proposed new issue of shares or equity securities within the time provided, the unsubscribed for part of its allocation shall be allotted:

(a) firstly to the Over Allocation Subscribers, in each case up to the additional amount of the Existing Shares or Relevant Securities they have indicated they are prepared to acquire (as applicable) pro rata to their holdings of the relevant class of Existing Shares (if article 13.5.1(i) is applicable) or Relevant Percentage (if article 13.5.1(ii) or 13.5.2 is applicable); and

(b) secondly, if the proposed new issue of Existing Shares or Ordinary Shares (as applicable) is not fully subscribed for, to such person(s) as the company shall decide.

13.5.5 The board is unconditionally authorised to exercise all powers of the company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of this article or such other amount as may from time to time be authorised by the company in general meeting. The authority conferred on the directors by this article shall remain in force for a period of five years from the date of adoption of this article but may be revoked varied or renewed from time to time by the company in general meeting in accordance with the Act.

13.5.6 Section 89(1) of the Companies Act 1985 (or any provision that replaces Section 89(1) of the Companies Act 1985) shall not apply to the allotment by the company of any equity security.

13.5.7 The provisions of articles 13.5.1 and 13.5.2 shall not apply to and no holder of shares shall have any pre-emption right in connection with (i) the allotment or issue of options or shares under any employees’ share scheme established by the company (including, without limitation, any allotment or issue of options or shares to the Trustee in connection with the Employee Benefit Scheme), (ii) the allotment or issue of shares on the exercise of such options, (iii) any allotment or issue of B Ordinary Shares to employees or directors (who are not partners or employees of Palamon Capital Partners, LP or Palamon Capital Partners Limited or any person that Controls Palamon Capital Partners, LP) of any member of the Group, (iv) any conversion and/or redesignation of Preference Shares or Superior Preference Shares, (v) any conversion and/or redesignation of Shares into Deferred Shares, or (vi) any conversion and/or redesignation of Shares in accordance with articles 2.5.5 and/or 2.10.

13.6 Payment of Commission

The company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.

13.7 Trusts Not Recognised

Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or required in any way to recognise (even when having notice of it) any interest in any share or (except only as by these articles or by law otherwise provided) any other right in respect of any share other than an absolute right to the whole of the share in the holder.

13.8 Right to Share Certificates

Subject to the provisions of these articles, every person (except a person to whom the company is not by law required to issue a certificate) whose name is entered in the register as a holder of any shares shall be entitled, without payment, to receive within the time limits prescribed by the Companies Acts one certificate for all those shares of any one class. In the case of a share held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who transfers some but not all of the shares comprised in a certificate shall be entitled to a certificate for the balance without charge.

13.9 Replacement of Share Certificates

If a share certificate is defaced, worn out, lost or destroyed, it may be replaced (subject as provided in this article) without charge but on such terms (if any) as to evidence and indemnity as the board may decide and, where it is defaced or worn out, after delivery of the old certificate to the company. Any two or more certificates representing shares of any one class held by any member shall at his request be cancelled and a single new certificate for such shares issued in lieu. Any certificate representing shares of any one class held by any member may at his request be cancelled and two or more certificates for such shares may be issued instead. The board may require the payment of any exceptional out-of-pocket expenses of the company incurred in connection with the issue of any certificates under this article. Any one of two or more joint holders may request replacement certificates under this article.

13.10 Execution of Share Certificates

Every share certificate shall be executed under a seal or in such other manner as the board, having regard to the terms of issue may authorise, and shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical, electronic or other means or may be printed on them or that the certificates need not be signed by any person.

14. TRANSFER OF SHARES

14.1 Transfer

14.1.1 No Disposal of any share or any legal or beneficial interest in a share shall be permitted except a transfer of the entire legal and beneficial interest in the share (and for these purposes a transfer of the entire legal and beneficial interest in a share from a member to a Family Trust of that member or a Privileged Relation of that member and from a Family Trust to a person or Privileged Relation of a person who has a beneficial interest in such Family Trust shall be permitted) provided that, subject to the terms of the Employee Benefit Trust, transfers of the beneficial interest in a share which the Trustee is and remains the registered owner of, shall be permitted.

14.1.2 No Disposal of any B Ordinary Share or any legal or beneficial interest in a B Ordinary Share is permitted prior to a Sale or Listing, without Palamon's prior written consent.

14.1.3 "**Dispose**" means, in relation to any share or any legal or beneficial interest in any share:

- (a) to sell, assign, transfer or otherwise dispose of that share or any legal or beneficial interest in that share;
- (b) to pledge, charge, mortgage or otherwise create or permit to subsist any lien, security interest or encumbrance over that asset or any legal or beneficial interest in that asset;
- (c) to create any trust or confer any interest over that asset or any legal or beneficial interest in that asset;
- (d) to enter into any agreement, arrangement or understanding in respect of votes or the right to receive dividends with respect to that share;
- (e) to renounce or assign any right to receive that asset or any legal or beneficial interest in that asset; or
- (f) to agree, whether or not subject to any condition precedent (other than a condition precedent in relation to the observance of any pre-emption or other procedures required by these articles) or subsequent, to do any of the foregoing,

and any derivative term, as well as any reference to a "**Disposal**", shall be construed accordingly.

14.1.4 Any transfer of shares made in accordance with these articles shall (subject to stamping, if applicable) be registered as soon as practicable and, in any event, within two months of the transfer being lodged with the company. The board shall refuse to register any transfer of shares which is not made in accordance with these articles and will provide the transferee with such information about the reasons for refusal as the transferee reasonably requests.

14.2 Execution of Transfer

The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the company.

14.3 Rights to Decline Registration of Partly Paid Shares

The board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share.

14.4 Other Rights to Decline Registration

The board may decline to register any transfer of a share:

- (A) on which the company has a lien;
- (B) to a person who is under 18 years of age;
- (C) if the instrument of transfer is not left at the office or such other place as the board may from time to time determine accompanied (save in the case of a transfer by a person to whom the company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the board may reasonably require to show the right of the person executing the instrument of transfer to make the transfer;
- (D) if the instrument of transfer is not in respect of only one class of share; and
- (E) in the case of a transfer to joint holders, if the number of joint holders to whom the share is to be transferred exceeds four.

14.5 Notice of Refusal

If the board declines to register a transfer of a share it shall, as soon as practicable and, in any event, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal, together with its reasons for refusal.

14.6 No Fee for Registration

No fee shall be charged by the company for registering any transfer, document or instruction relating to or affecting the title to any share or for making any other entry in the register.

14.7 Drag Offer

14.7.1 For the purposes of this article 14.7, a “**Drag Offer**” is an offer to buy all (but not some only) of the shares then held by all of the Palamon Shareholders which is:

- (A) conditional on acceptance in respect of all the shares then in issue within a specified time period being made;
- (B) with respect to all shares of the same class, at the same price per share and otherwise on the same terms; and
- (C) not made by a person who is Controlled by, under common Control with, or who Controls, a Palamon Fund.

14.7.2 (A) A Drag Offer may be accepted at any time by a shareholder who is a Palamon Shareholder.

(B) A Drag Offer may not be accepted by a shareholder who is not a Palamon Shareholder, other than in accordance with article 14.7.2.

(C) If a Drag Offer is accepted by all the Palamon Shareholders that hold shares with respect to their shareholdings then each of the other shareholders shall be deemed to have accepted such Drag Offer and Palamon shall be and is hereby authorised on behalf of such other shareholders to notify the person making the Drag Offer of such other shareholders' acceptance of the Drag Offer.

(D) The transfer of shares pursuant to the Drag Offer shall be completed in accordance with the following:

(i) on the Transfer of any share, the share shall be transferred free of encumbrances and with all rights attaching thereto.

(ii) on completion of any Transfer of shares under or in accordance with this article:

(a) the seller shall deliver to the purchaser a certificate representing the relevant shares duly endorsed in the name of the purchaser or as directed by the purchaser together with the necessary instrument of transfer and the shareholders and the company will ensure that, subject to due stamping, such transfer shall promptly be entered in the company's share register;

(b) the purchaser shall pay the aggregate transfer price in respect of the relevant shares to the seller by bankers' draft for value on the date of completion or in such other manner as may be agreed by the seller and the purchaser before completion; and

(c) the seller shall do all such other acts and/or execute all such other documents in a form satisfactory to the purchaser as the purchaser may reasonably require to give effect to the transfer of title to the shares to it.

- (E) If a shareholder fails or refuses to Transfer any shares agreed to be sold as required under this article against payment of the price for them:
- (i) the company shall by written notice authorise any director to execute and deliver on the relevant shareholder's behalf the necessary instrument of Transfer and to do any other acts and/or execute any other deeds and documents on the seller's behalf required to effect the transfer of title to the shares;
 - (ii) the company shall receive the purchase money in trust for the shareholder and the receipt of the Company for the purchase money shall be a good discharge for the Transferee, who shall not be bound to see to the application of the purchase money;
 - (iii) the company shall, subject to the instrument of Transfer being duly stamped, cause the Transferee to be registered as holder of the relevant shares; and
 - (iv) once registration has taken place in purported exercise of the power contained in this sub-clause, the validity of the proceedings shall not be questioned by any person.

14.7.3 The offer constituted by a Drag Offer shall extend to persons holding options to subscribe for shares which are exercisable at the time of completion of the share Transfers being made pursuant to the Drag Offer or which become exercisable as a result of the making of the Drag Offer or the completion of such share Transfers. The provisions of article 14.7.2 shall apply to the shares issued as a result of the exercise of such options in the same manner as they apply to shares in issue at the time of the Drag Offer.

14.8 Tag Along

14.8.1 Subject to articles 14.8.3 and 14.8.4, in the event of a proposed Transfer of any shares other than between members of the Palamon Group or Palamon Shareholders or pursuant to article 14.7, by any Palamon Shareholder, the proposed transferor shall give written notice of the proposed Transfer to the other shareholders together with an irrevocable written offer from the proposed Transferee complying with the terms of article 14.8.2(A) and (B) to purchase the same pro rata portion of such other shareholders' holding of shares of the same class as the proposed transferor is proposing to Transfer at the same price per share and on the same terms and conditions as the proposed sale to the proposed Transferee (a "**Tag Offer**") failing which the proposed transferor shall not be permitted to Transfer any shares pursuant to such proposed Transfer.

14.8.2 (A) The delivery of a Tag Offer shall be irrevocable for a period of 21 Business Days after service of the Tag Offer (unless all the shareholders otherwise agree) and shall, on written acceptance by each shareholder, bind the Transferee to purchase the shares that are so accepted, in accordance with article 14.8.2(B).

- (B) Subject always to written acceptance of the relevant offer the parties so accepting shall be obliged to complete the sale and purchase of the shares pursuant to article 14.8.1 within 21 Business Days after service of the Tag Offer.
- (C) If a shareholder fails or refuses to Transfer any shares agreed to be sold as required under this article 14.8.2 against payment of the price for them:
 - (i) the company shall by written notice authorise any director to execute and deliver on the relevant shareholder's behalf the necessary instrument of Transfer and to do any other acts and/or execute any other deeds and documents on the seller's behalf required to effect the transfer of shares on the terms of the Tag Offer;
 - (ii) the company shall receive the purchase money in trust for the shareholder and the receipt of the company for the purchase money shall be a good discharge for the Transferee, who shall not be bound to see to the application of the purchase money;
 - (iii) the company shall, subject to the instrument of Transfer being duly stamped, cause the Transferee to be registered as holder of the relevant shares; and
 - (iv) once registration has taken place in purported exercise of the power contained in this sub-clause, the validity of the proceedings shall not be questioned by any person.

14.8.3 This article 14.8 shall not apply in such circumstances as the Palamon Funds and the Former Executives may agree between themselves in respect of certain shareholdings of the Former Executives.

14.8.4 This article 14.8 shall not apply with respect to:

- (A) B Ordinary Shares;
- (B) any transfer of Ordinary Shares in accordance with the terms of a Subscription Agreement entered into in or around April, 2006 between the company, Andrew Fisher and Palamon Capital Partners, LP; or
- (C) any transfer of the beneficial interest in a share which the Trustee is and remains the registered owner of, in accordance with the terms of the Employee Benefit Trust.

14.9 Pre-emption Rights on Transfer

14.9.1 This article 14.9 will not apply to a Transfer to which article 14.7 or 14.8 is applicable.

- 14.9.2 Subject to article 14.9.11, unless Palamon has given its written consent thereto, a shareholder shall not, other than for a Transfer from that member to a Family Trust of that member or a Privileged Relation of that member and from a Family Trust to a person or a Privileged Relation of a person who has a beneficial interest in such Family Trust, Transfer or Dispose of or agree to Transfer or Dispose of or grant any interest or right in any Ordinary Share to any person (hereinafter a "**transferee**") without first offering the same for transfer to the holders of Ordinary Shares and Relevant B Shareholders and holders of Superior Preference Shares (other than, in each case, the proposing transferor). Such offer may be in respect of all or part only of the Ordinary Shares held by the proposing transferor and shall be made by the proposing transferor by the giving in writing of a notice ("**Transfer Notice**").
- 14.9.3 Each Transfer Notice shall specify the number of Ordinary Shares offered (the "**Sale Shares**") and the price at which the Sale Shares are offered (the "**Specified Price**") and the identity(ies) of the proposed transferee(s) and it shall constitute the directors as the agent of the proposing transferor for the sale of the Sale Shares to the other holders of Ordinary Shares and Relevant B Shareholders and holders of Superior Preference Shares (other than, in each case, the proposing transferor).
- 14.9.4 Upon receipt by the company of the Transfer Notice, the directors shall promptly give written notice to the holders of Ordinary Shares and Relevant B Shareholders and holders of Superior Preference Shares (other than, in each case, the proposing transferor) of the number and description of the Sale Shares and the Specified Price and the identity(ies) of the proposed transferee(s) inviting each of such holders to state by notice in writing to the company within 30 days whether he is willing to purchase any and, if so, what maximum number of the Sale Shares (the "**Maximum**") he is willing to purchase, and shall also forthwith give a copy of such notice to the proposing transferor. A person who pursuant to such a notice expresses a willingness to purchase any Sale Shares is referred to below in this article as a "**Purchaser**".
- 14.9.5 Within 10 days of the expiration of the said period of 30 days the directors shall, allocate the Sale Shares amongst the Purchasers and if Purchasers expressed a willingness to acquire in aggregate more than the maximum number of Sale Shares such allocation shall be made pro-rata to the number of Ordinary Shares and B Ordinary Shares (in respect of which the Conditions have been satisfied) and Superior Preference Shares (on a Superior Preference Share Equivalent Basis) held by them (but individual allocations shall not exceed the Maximum which the relevant person shall have expressed a willingness to purchase).
- 14.9.6 If the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Sale Shares, no allocation shall be made unless all the Sale Shares are allocated.
- 14.9.7 Forthwith upon such allocation being made, the Purchasers amongst whom such allocation has been made shall be bound to pay to the company (as agent for the proposing transferor) the Specified Price for, and to accept a transfer of, the Sale Shares so allocated to them respectively and the proposing transferor shall be bound forthwith upon payment of the Specified Price as aforesaid to

deliver to the company (as agent for the Purchasers) such documents as are required to transfer such shares to the respective Purchasers.

14.9.8 If in any case the proposing transferor, after having become bound to transfer Sale Shares as aforesaid, makes default in so doing the company may receive the Specified Price and the directors may appoint some person to execute instruments of transfer of such Sale Shares in favour of the Purchasers and shall thereupon, subject to such transfers being properly stamped, cause the name of each of the Purchasers to be entered in the register of members of the company as the holder of those Sale Shares allocated to them as aforesaid and shall hold the Specified Price in trust for the proposing transferor. The issue of a receipt by the company therefor shall be a good discharge to the Purchasers and after their names shall have been entered in the register of members of the company in exercise of the aforesaid power the validity of the transactions shall not be questioned by any person.

14.9.9 If, at the expiration of the period of 10 days referred to in article 14.9.5, any of the Sale Shares have not been allocated in accordance with the provisions of this article 14.9, the proposing transferor may at any time within a period of 30 days after the expiration of the said period of 10 days referred to in article 14.9.5 above transfer such unallocated Sale Shares to the proposed transferee(s) (if any) specified in the Transfer Notice, or to any other person at any price not being less than the Specified Price provided that:

- (A) if the Transfer Notice shall contain the statement referred to in article 14.9.6 the proposing transferor shall not be entitled hereunder to transfer any of such unallocated Sale Shares unless in aggregate all of such unallocated Sale Shares are so transferred; and
- (B) the Board may require to be satisfied on reasonable grounds that such unallocated Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the transferee and if not so satisfied may refuse to register the instrument of transfer.

14.9.10 Subject to article 14.9.11, the restrictions on transfer contained in this article 14.9 shall apply to all transfers and transmissions by operation of law of Ordinary Shares, unless Palamon has given its written consent that these restrictions will not apply.

14.9.11 This article 14.9 shall not apply with respect to:

- (A) any transfer of Ordinary Shares in accordance with the terms of a Subscription Agreement entered into in or around April, 2006 between the company, Andrew Fisher and Palamon Capital Partners, LP; or
- (B) any transfer of the beneficial interest in a share which the Trustee is and remains the registered owner of, in accordance with the terms of the Employee Benefit Trust.

15. EMPLOYEE SHARE PROVISIONS

15.1 Employee related tax liability

Except with respect to shares acquired on exercise of options granted under the Company Share Option Plan, if any PAYE or income tax and/or national insurance contribution (or similar or substituted tax) liability and/or related interest penalties, fines, costs and expenses (together "**employee related tax liability**") becomes payable by the company and/or any subsidiary thereof by reference to any shares held or disposed of by any member (even if the employee or director or former employee or director of the company or other relevant Group member by reference to which the relevant employee related tax liability arises or arose is a person other than that member) then (except to the extent that such contribution may not lawfully be demanded) the member concerned shall be liable on demand by the company and without right of reimbursement from the Group, to make payment to the company of such amount as on an after tax basis will meet the employee related tax liability concerned and the company shall have a lien as referred to in article 20 (notwithstanding that the shares concerned are fully paid), as security for any such amount payable, over the shares concerned and over any proceeds for sale or other disposal thereof. On a Sale or Listing the company shall without limitation be irrevocably appointed as attorney and authorised on behalf of any such member to make such arrangements as are necessary for any such amounts payable by him under this article 15.1 to be directly paid to the company or relevant member of the Group out of any proceeds of sale which are payable for such shares on such Sale or under the Listing arrangements.

15.2 Restricted Securities

The following provisions shall apply as regards Restricted Securities, except to the extent otherwise agreed by the board:-

- (A) for the purposes of this article "**Restricted Securities**" shall mean any restricted securities or interests in restricted securities as defined in Part 7 of The Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") in the company or any member of the Group and other words and expressions defined in such Part 7 shall bear the same meaning except where clearly inconsistent with the context;
- (B) no Restricted Security or interest therein shall be transferred or otherwise disposed of or allotted or issued to any person in circumstances where as a result that person and the company or another member of the Group could make an election in respect thereof under Section 431(1) ITEPA (an "**Up Front Election**"), unless the board is satisfied that such election will be made in the manner and by the latest time provided by Section 431(4) and (5) ITEPA;
- (C) each member who through employment by any member of the Group becomes entitled to make an Up Front Election or who is an associated person of a person so entitled shall and shall procure that any such associated person shall duly join with his employer member of the Group in duly making that election as and within the time limits provided in Sections 431(4) and (5) ITEPA and such member hereby irrevocably and as security for his due performance of such obligation appoints the Secretary for the time being of the Company as his attorney for the purposes of signing, making and submitting any such election

on his behalf, provided that such a member is not required to make an Up Front Election in respect of shares acquired on exercise of options granted under the Company Share Option Plan to the extent that an Up Front Election is deemed to have been duly made under legislation applicable to the Company Share Option Plan;

- (D) each member shall duly provide to the company and relevant employer member of the Group such information as it shall require or need for the purposes of fulfilling its obligations as a responsible person in relation to that member and/or his associated persons and/or any Restricted Securities or interest therein from time to time held or owned or formerly held or owned or proposed to be acquired by him and/or any such associated person and in particular and without limitation shall notify the company of any reportable event and/or chargeable event relevant thereto without delays after it occurs; and
- (E) the company shall procure that any Up Front Elections required to be signed and made by it and/or any other employer member of the Group as required by the foregoing are duly made as so required and in the manner and by the latest time provided in Sections 431(4) and (5) ITEPA.

15.3 Buy-backs

If at any time any holder of shares does not comply with any obligations he/she may have to transfer his/her shares to the company or a person(s) nominated by the company, the company shall (subject to having first obtained the prior written consent of Palamon thereto) be entitled to appoint any of its directors to execute and deliver on behalf of the relevant holder the necessary instruments of transfer and to do any other acts and/or execute any other deeds or documents on the relevant holder's behalf that are required to be done by the relevant holder in connection with that transfer.

16. TRANSMISSION OF SHARES

16.1 Transmission on Death

If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his shares; but nothing contained in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

16.2 Entry of Transmission in Register

Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within two months after proof cause the entitlement of that person to be noted in the register.

16.3 Election of Person Entitled by Transmission

Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself he shall give notice to the company to that effect. If he elects to have another person registered, he shall transfer title to the share to that person. The board may at any time require the person to elect either to be registered himself or to transfer the share and if the requirements are not complied with within 60 days of being issued the board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements have been complied with. All the provisions of these articles relating to the transfer of, and registration of transfers of, shares shall apply to the notice or transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer was given or executed by the member.

16.4 Rights of Person Entitled by Transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share (except with the authority of the board) to attend or vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company or to exercise any other right conferred by membership in relation to general meetings.

17. ALTERATION OF SHARE CAPITAL

17.1 Increase, Consolidation, Sub-Division and Cancellation

The company may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe including the creation of any new class or series of shares;
- (ii) consolidate, or consolidate and then sub-divide, all or any of its share capital into shares of larger amount than its existing shares;
- (iii) subject to the Companies Acts, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

17.2 **Fractions**

Whenever as a result of a consolidation or consolidation and sub-division of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit. In particular the board may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Companies Acts, the company) and distribute the net proceeds of sale in due proportion among those members and the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. For the purposes of effecting the sale, the board may arrange for the shares representing the fractions to be entered in the register. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

17.3 **Reduction of Capital**

Subject to the provisions of the Companies Acts and the provisions of these articles, the company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any way.

PART 6: DISTRIBUTIONS, CAPITALISATIONS AND RETURNS OF VALUE

18. DIVIDENDS AND OTHER PAYMENTS

18.1 Declaration of Dividends by Company

Subject to the provisions of the Companies Acts, the company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.

18.2 Payment of Interim and Fixed Dividends by Board

Subject to the provisions of the Companies Acts the board may pay such interim dividends as appear to the board to be justified by the financial position of the company and may pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the company, in the opinion of the board, justifies its payment. If the board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares.

18.3 Calculation and Currency of Dividends

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

- (a) all dividends shall be declared and paid according to the amounts paid up (excluding any premium) on the share in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share;
- (b) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up (excluding any premium) on the share during any portion or portions of the period in respect of which the dividend is paid; and
- (c) dividends may be declared or paid in any currency.

The board may decide the basis of conversion for any currency conversions that may be required and how any costs involved are to be met.

18.4 Amounts Due on Shares may be Deducted from Dividends

The board may deduct from any dividend or other moneys payable to a member by the company on or in respect of any shares all sums of money (if any) presently payable by him to the company on account of calls or otherwise in respect of shares of the company. Sums so deducted can be used to pay amounts owing to the company in respect of the shares.

18.5 No Interest on Dividends

Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other moneys payable by the company on or in respect of any share shall bear interest against the company.

18.6 Payment Procedure

Any dividend or other sum payable in cash by the company in respect of a share may be paid by cheque, warrant or similar financial instrument sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque, warrant or similar financial instrument shall, unless the holder or joint holders otherwise direct, be made payable to the holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of the shares, and shall be sent at his or their risk and payment of the cheque, warrant or similar financial instrument by the financial institution on which it is drawn shall constitute a good discharge to the company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the company shall have no responsibility for any sums lost or delayed in the course of payment by any such system or other means or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address and where two or more persons are so entitled, any one of them may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares.

18.7 Uncashed Dividends

The company may cease to send any cheque, warrant or similar financial instrument through the post or to employ any other means of payment for any dividend payable on any shares in the company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques, warrants or similar financial instruments have been returned undelivered or remain uncashed during or at the end of the period for which the same are valid or that means of payment has failed. In addition, the company may cease to send any cheque, warrant or similar financial instrument through the post or may cease to employ any other means of payment if, in respect of one dividend payable on those shares, the cheque, warrant or similar financial instrument has been returned undelivered or remains uncashed during or at the end of the period for which the same is valid or that means of payment has failed and reasonable enquiries have failed to establish any new address or account of the holder. Subject to the provisions of these articles, the company must recommence sending cheques, warrants or similar financial instruments or employing such other means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing.

18.8 Forfeiture of Unclaimed Dividends

All dividends or other sums payable on or in respect of any shares which remain unclaimed may be invested or otherwise made use of by the board for the benefit of the company until claimed. Any dividend or other sum unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and shall revert to the company and the payment by the board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the company a trustee in respect of it.

18.9 Dividends Not in Cash

Members (via a general meeting or via written resolution) declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution the board may settle it as it thinks expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any assets or any part thereof to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the board.

19. DISTRIBUTION OF ASSETS OTHERWISE THAN IN CASH

Subject to article 2.5, if the company commences liquidation, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Companies Acts:

- (i) divide among the members in kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or
- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

but no member shall be compelled to accept any shares or other assets upon which there is any liability.

PART 7: LIEN, CALLS AND FORFEITURE

20. LIEN

20.1 Company's Lien on Shares Not Fully Paid

The company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the company (whether presently or not) in respect of that share. The company's lien on a share shall extend to every amount payable in respect of it. The board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this article.

20.2 Enforcing Lien by Sale

The company may sell, in such manner as the board may decide, any share on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after a notice in writing has been served on the holder of the share or the person who is entitled by transmission to the share and who has supplied the company with an address within the United Kingdom for the service of notices, demanding payment and stating that if the notice is not complied with the share may be sold. For giving effect to the sale the board may authorise some person to execute an instrument of transfer of the share sold to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in relation to the sale.

20.3 Application of Proceeds of Sale

The net proceeds, after payment of the costs, of the sale by the company of any share on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale and upon surrender, if required by the company, for cancellation of the certificate for the share sold) be paid to the person who was entitled to the share at the time of the sale.

21. CALLS ON SHARES

21.1 Calls

Subject to the terms of issue, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the company serving upon him at least 14 clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed, in whole or in part, as the board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

21.2 Payment on Calls

A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

21.3 Liability of Joint Holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

21.4 Interest Due on Non-Payment

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 15 per cent. per annum, as the board may decide, and all expenses that have been incurred by the company by reason of such non-payment, but the board shall be at liberty in any case or cases to waive payment of the interest or expenses wholly or in part.

21.5 Sums Due on Allotment Treated as Calls

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these articles shall apply as if the sum had become due and payable by virtue of a call.

21.6 Power to Differentiate

Subject to the terms of issue, the board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

21.7 Payment of Calls in Advance

The board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and on all or any of the moneys so advanced the company may (until those moneys would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as the board may decide.

22. FORFEITURE OF SHARES

22.1 Notice if Call or Instalment Not Paid

If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the company by reason of such non-payment.

22.2 Form of Notice

The notice shall name a further day (not being less than 14 clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call has been made or instalment is payable will be liable to be forfeited. The board may accept the surrender of any share liable to be forfeited and, in that event, references in these articles to forfeiture shall include surrender.

22.3 Forfeiture for Non-Compliance with Notice

If the notice is not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest and expenses due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

22.4 Notice after Forfeiture

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give notice.

22.5 Sale of Forfeited Shares

Until cancelled in accordance with the requirements of the Companies Acts, a forfeited share shall be deemed to be the property of the company and may be sold or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the board shall decide. The board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The company may receive the consideration (if any) given for the share on its disposal. At any time before a sale or disposition the forfeiture may be cancelled by the board on such terms as the board may decide.

22.6 Arrears to be Paid Notwithstanding Forfeitures

A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the company all moneys which at the date of the forfeiture were payable by him to the company in respect of those shares with interest thereon at the rate of 15 per cent. per annum (or such lower rate as the board may decide) from the date of forfeiture until payment, and the company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.

22.7 Statutory Declaration as to Forfeiture

A statutory declaration that the declarant is a director of the company or the secretary and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The

declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is sold or otherwise disposed of shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale or disposal.

PART 8: GENERAL PROVISIONS

23. SERVICE OF NOTICES AND DOCUMENTS

- 23.1 Any notice or document to be given or delivered to or by any person (other than a Palamon Fund) pursuant to these articles (save for notices of board meetings as arranged by article 4.2) shall be effective if it is in hard copy form or electronic form and for such purpose, faxes, emails, text messages, any other electronic form or through a website are permitted. Any notice or document to be given or delivered to a Palamon Fund, pursuant to these articles, shall only be effective if it is in writing and, for such purposes, faxes are permitted, but emails, text messages, or any other electronic form, or through a website are not permitted
- 23.2 Any notice (other than notices of board meetings, to which article 4.2 will apply) may be served on or delivered to any person under these articles:
- 23.2.1 personally; or
- 23.2.2 by leaving it for, or sending it by post (first class if inland and airmail if overseas) addressed to, a member at his registered address or the company at its registered office; or
- 23.2.3 by fax to a number provided by the member, company or director for this purpose; or
- 23.2.4 other than a Palamon Fund, by email, text message or other electronic form or through a website agreed (or deemed to be agreed in accordance with the provisions of the Companies Acts) by the member, company or director; or
- 23.2.5 in the case of a Palamon Fund, by any other means authorised in writing by that Palamon Fund.
- 23.3 In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 23.4 A member or director present in person or by proxy or alternate at any meeting of the company or of the holders of any class of shares in the company or at any meeting of directors shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 23.5 Any notice given under these articles shall, in the absence of earlier receipt, be deemed to have been duly given as follows:
- 23.5.1 if delivered personally, on delivery;
- 23.5.2 if sent by first class inland post, two Business Days after the date of posting;
- 23.5.3 if sent by airmail, six Business Days after the date of posting;
- 23.5.4 if sent by facsimile or text when the recipient acknowledges receipt;

23.5.5 if sent by email, two business days after the date of sending; and

23.5.6 if notified by website, when the material is made available on the website or, if later, when the recipient received (or was deemed to have received) the notification that the material is available on the website.

24. MISCELLANEOUS

24.1 Secretary

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term and upon such conditions as the board may think fit; and any secretary so appointed may be removed by the board. The secretary shall receive such remuneration as the board or any committee authorised by the board shall decide.

24.2 Seals

The board shall provide for the custody of every seal of the company. A seal shall only be used by the authority of the board or of a committee of the board authorised by the board in that behalf. Subject as otherwise provided in these articles, and to any resolution of the board or committee of the board dispensing with the requirement for counter-signature on any occasion, any instrument to which the common seal is applied shall be signed by at least one director and the secretary, or by at least two directors or by such other person or persons as the board may approve. Any instrument to which an official seal is applied need not, unless the board for the time being otherwise decides or the law otherwise requires, be signed by any person.

24.3 Record Dates

Notwithstanding any other provision of these articles, the company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made. The power to fix any such record date shall include the power to fix a time on the chosen date.

24.4 Accounting Records

The board shall cause to be kept accounting records sufficient to show and explain the company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the company at that time, and which accord with the Companies Acts.

24.5 Destruction of Documents

If the company destroys or deletes:

- (a) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- (b) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at

any time after a period of two years has elapsed from the date the instruction or notification was recorded by the company, or

- (c) any instrument of transfer of shares which has been registered at any time after a period of six years has elapsed from the date of registration, or
- (d) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it

and the company destroys or deletes the document or instruction in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrefutably in favour of the company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed or deleted was a valid and effective instrument of transfer or instruction and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the company were correctly recorded. Nothing contained in this article shall be construed as imposing upon the company any liability which, but for this article, would not exist or by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this article to the destruction of any document include references to its disposal in any manner.

24.6 Indemnity

24.6.1 To the extent permitted by the Companies Acts, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was a director of the company (other than any person (whether or not an officer of the company) engaged by the company as auditor) shall be and shall be kept indemnified out of the assets of the company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the company or its affairs provided that such indemnity shall not apply in respect of any liability incurred by him:

- (i) to the company or to any associated company; or
- (ii) to pay a fine imposed in criminal proceedings; or
- (iii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); or
- (iv) in defending any criminal proceedings in which he is convicted; or
- (v) in defending any civil proceedings brought by the company, or an associated company, in which judgement is given against him; or
- (vi) in connection with any application for relief (as that term is defined in section 234(6) of the Companies Act 2006, subject to the provisions of any relevant commencement orders or transitional provisions) in which the court refuses to grant him relief.

The reference to a conviction, judgement or refusal of relief in (iv), (v) or (vi) above is a reference to the final decision in the proceedings.

24.6.2 To the extent permitted by the Companies Acts, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was a director of the company acting in its capacity as a trustee of an occupational pension scheme shall be and shall be kept indemnified out of the assets of the company against all costs, charges, losses and liabilities incurred by him in connection with the company's activities as trustee of the scheme provided that such indemnity shall not apply in respect of any liability incurred by him:

- (i) to pay a fine imposed in criminal proceedings; or
- (ii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); or
- (iii) in defending any criminal proceedings in which he is convicted.

For the purposes of this article, a reference to a conviction is to the final decision in the proceedings.

24.6.3 Without prejudice to article 24.6.1 and to the extent permitted by the Companies Acts and otherwise upon such terms and subject to such conditions as the board may in its absolute discretion think fit, the board shall have the power to make arrangements to provide a director with funds to meet expenditure incurred or to be incurred by him:

- (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him;
- (ii) in connection with an application for relief (as that term is defined in section 205(5) of the Companies Act 2006, subject to the provisions of any relevant commencement or transitional provisions); or
- (iii) in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the company or any associated company (as that term is defined in section 256 of the Companies Act 2006).

or to enable a director to avoid incurring such expenditure.

24.6.4 To the extent permitted by the Companies Acts, the company may indemnify any person who is or was:

- (i) a director, alternate director, secretary, employee, agent or consultant of the company or of a company which is or was a subsidiary undertaking of the company or in which the company has or had an interest (whether direct or indirect);
- (ii) trustee of a retirement benefits scheme, employee share scheme or other trust in which a person referred to in sub-paragraph 24.6.5(i) above is or has been interested,

against any liability for negligence, default, breach of duty or breach of trust or any other liability and may purchase and maintain for any such person insurance against any such liability.

ANNEXURE

The following is an illustrative example of the operation of article 2.7 of these articles.

1. Assumptions for Articles 2.7(A), (B) and (C)

- 1.1 The relevant Liquidity Event occurs after 5 years.
- 1.2 Amount originally subscribed for Preference Shares = £10,000,000 for the A Preference Shares (at a price of £100 per share) and £50,000 (i.e. nominal value) for the B Preference Shares.
- 1.3 There are at the relevant Liquidity Event:
 - (i) 100,000 A Preference Shares; and
 - (ii) 500,000 B Preference Shares.
- 1.4 Preferred Subscription Price is £100 ($£10,000,000 \div 100,000$ A Preference Shares).

2. Article 2.7(C)

Target Exit Price is £16,185,625.50, which is £10,050,000 at a cumulative rate of return of 10% p.a. (compounded annually) for 5 years. This assumes there have been no Preferred Dividends and no other amounts received for the Preference Shares (and so the amounts in (B)(i), (ii) and (iii) of the definition of Preferred Cash Flows are zero). This Target Exit Price amount is the amount referred to in (B)(iv).

3. Article 2.7(D)

$£16,185,625.50 - (£100 \times 100,000) = £6,185,625.50$ (the Conversion Amount).

4. Article 2.7(E)

$6,185,625.50 \div 100 = 61,856.255$. This is rounded down to 61,856 per article 2.7(K) and is the New Preference Shares Number.

5. Article 2.7(F)

61,856 of the B Preference Shares convert into new A Preference Shares. Therefore total number of A Preference Shares is now 161,856.

438,144 of the B Preference Shares convert into new Deferred Shares.

£50,000 issued share capital previously attributable to B Preference Shares remains in issue.