

PMI HEALTH GROUP LIMITED

(company number 2660256)
(the "Company")

Written Resolution

Resolution in writing of all of the Company's members, holding non-voting B ordinary shares of £1 each in the capital of the Company, taken pursuant to Regulation 53 of Table A to the Companies (Tables A to F) Regulations 1985

IT IS HEREBY RESOLVED:

- (1) that new Articles of Association, in the attached form, be adopted in place of the Company's existing Articles of Association;
- (2) that the Purchase Contract, proposed to be made between the Company and David Robert Tresidder, for the purchase by the Company of forty thousand (40,000) non-voting B ordinary shares of £1 each, fully paid, in the capital of the Company, in the attached form, be and is hereby authorised; and
- (3) that, insofar as the wording of the first ordinary resolution, set out in the Minutes of the Extraordinary General Meeting of the Company, held on 17 August 1994, had the effect of increasing the number of 'B' ordinary shares of £1.00 each in the capital of the Company ("B Shares") by eighty thousand (80,000) to one million and eighty thousand (1,080,000), eighty thousand B Shares, which have not been taken up or agreed to be taken up at the date of this resolution, be cancelled, so that the number of B Shares be reduced by eighty thousand (80,000) to one million (1,000,000).

Signed:


.....
David Robert Tresidder

Signed:


.....
Elizabeth Hammond

Signed:


.....
Richard David Harrison Munro

Signed:


.....
Michael Davis

Signed:


.....



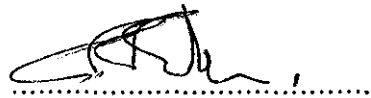
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#EQQLRL5*

0031
09/01/04

Roger Hugh Beastall

Signed:



**Christopher Perks Baldwin
for & on behalf of Baldwin Ventures Limited**

Date:

23 December 2003

The Companies Act 1985
(as amended by the Companies Act 1989)
("the Act")

COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION

of

PMI HEALTH GROUP LIMITED
(company number 2660256)
("the Company")

(adopted by Special Resolution passed on 2003)

1. Preliminary

- 1.1 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 ("**Table A**") shall apply to the Company except insofar as they are excluded or varied by these Articles
- 1.2 Expressions defined in Regulation 1 of Table A shall where the context admits bear in these Articles the meanings so defined

2. Share capital

- 2.1 The authorised share capital of the Company at the date of the adoption of these Articles is £1,200,100 divided into
 - 2.1.1 5,000 'A' ordinary shares of £0.02 each ("**A Shares**")
 - 2.1.2 1,000,000 'B' ordinary shares of £1 each ("**B Shares**") and
 - 2.1.3 200,000 'C' ordinary shares of £1 each ("**c Shares**")
- 2.2 For the purposes of these Articles the expression "**equity share capital**" shall mean the B Shares and the C Shares
- 2.3 In Regulation 2 of Table A there shall be substituted for the words following "... *issued with* ..." the words "... *or have attached to it such rights or restrictions as the Company may by special resolution determine* ..."

3. Rights attaching to shares

The rights attaching to the said respective classes of shares in the capital of the Company shall be as follows

- 3.1 Dividends

3.1.1 An amount equating to seventy per cent (70%) of any dividends which

3.1.1.1 the directors may recommend and

3.1.1.2 the Company may approve in general meeting

shall be distributed pro rata amongst the holders of the B Shares

3.1.2 An amount equating to thirty per cent (30%) of any dividends which

3.1.2.1 the directors may recommend and

3.1.2.2 the Company may approve in general meeting

shall be distributed pro rata amongst the holders of the C Shares

3.1.3 No dividend shall be payable in respect of the A Shares

3.2 Capital

On a return of assets on liquidation or otherwise the surplus assets of the Company remaining after the payment of liabilities shall belong to and be distributed as follows

3.2.1 A sum or value equating to the value at par of all issued C Shares shall belong to and be distributed amongst the holders for the time being of the C Shares

3.2.2 A sum or value equating to the value at par of all issued B Shares shall belong to and be distributed amongst the holders for the time being of the B Shares

3.2.3 The balance shall belong to and be distributed amongst the holders for the time being of the B Shares and C Shares in the following manner

3.2.3.1 thirty per cent (30%) in value shall belong to and be distributed amongst the holders of the C Shares pro rata to their holdings of C Shares and

3.2.3.2 seventy per cent (70%) in value shall belong to and be distributed amongst the holders of the B Shares pro rata to their holdings of B Shares

3.2.4 No distribution shall be made in respect of the A Shares

3.3 Voting

3.3.1 The holders of the A Shares shall

3.3.1.1 on a show of hands each have one vote and

3.3.1.2 on a poll each have one vote per share

3.3.2 The B Shares and the C Shares shall not carry any voting rights save in respect of class meetings convened pursuant to Article 4

3.4 Limitation on share issue

No shares shall be issued to any infant bankrupt or person suffering from a mental disorder

4. Class rights

4.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up 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 an extraordinary resolution passed at a separate meeting of the holders of the shares of that class but not otherwise

4.2 To every such separate meeting all of the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall (mutatis mutandis) apply except

4.2.1 that the necessary quorum shall be one person present in person or by proxy (whenever there is only one holder of shares in that class) but where there are two or more holders of that class the quorum shall be two persons at least holding or representing by proxy not less than one third in nominal amount of the issued shares of that class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present that member who is present shall be a quorum) and

4.2.2 that the holders of shares of that class shall on a poll have one vote in respect of every share of the class held by them respectively

4.3 Without prejudice to the generality of such rights the rights attached to the B Shares shall be deemed varied by any of the following at any time

4.3.1 any variation of the rights attaching to

4.3.1.1 the A Shares or

4.3.1.2 the C Shares

4.3.2 any alteration of the Company's Articles of Association from time to time or

4.3.3 the creation of any class of shares in the capital of the Company other than A Shares B Shares or C Shares

5. Further issue of shares

- 5.1 Sections 89 (1) and 90 (1) to (6) inclusive of the Act shall not apply to any allotment of shares in the Company
- 5.2 If the directors of the Company determine to make an issue of B Shares they shall be bound to make an offer (stipulated to be open for acceptance within twenty-eight days) to each member for the time being holding B Shares of such proportion of those B Shares which the directors of the Company determine to issue as that member's holding bears to the aggregate nominal value of all B Shares immediately prior to the issue of the new B Shares
- 5.3 Any such member shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing such offer in full or in part (and in default of so doing shall be deemed to have rejected the offer in full)
- 5.4 After the expiration of such period of twenty-eight days or on receipt of an intimation from any member holding B Shares to whom the offer is made that he rejects the offer in full or in part the directors of the Company shall offer the shares so rejected or deemed to have been rejected in like manner to such of the other members holding B Shares as accepted the original offer in full

6. Transfer of shares

- 6.1 The holder or holders from time to time of any A Shares or any C Shares may at any time transfer any of such A Shares or C Shares to any person without restriction
- 6.2 Any holder from time to time of any B Shares (a "**Desirous B Transferor**") may at any time transfer to any Qualifying Person (as defined in Article 6.4) all (but not some only) of his her or its B Shares
- 6.3 The personal representatives ("**Desirous B PRs**") of a holder of any B Shares ("**B Member**") who is deceased may transfer all (but not some only) of the B Shares registered in the name of that deceased B Member as sole holder or as sole surviving joint holder to any Qualifying Person (as defined in Article 6.4) who becomes entitled to such B Shares under the Will or on the intestacy of that deceased B Member
- 6.4 For the purposes of Articles 6.2 and 6.3 "**Qualifying Person**" means and includes

6.4.1 the wife widow husband or widower and any child or remoter issue (whether natural or adopted) over the age of eighteen years

6.4.1.1 of the Desirous B Transferor (being a natural person) who wishes to effect the first transfer after the date of the adoption of these Articles of the B Shares held by him or her or

6.4.1.2 of the B Member (being a natural person) who effected the first transfer after the date of the adoption of these Articles of the B Shares held by the Desirous B Transferor or

6.4.1.3 of the deceased B Member whose Desirous B PRs wish to effect the transfer under his or her Will or on his or her intestacy of the B Shares held by him or her being the first transfer after the date of the adoption of these Articles of those B Shares or

6.4.1.4 of the B Member (being a natural person) who effected the first transfer after the date of the adoption of these Articles of the B Shares held by the deceased B Member whose personal representatives are the Desirous B PRs or

6.4.1.5 of the holder of any shares in the capital of the Desirous B Transferor (being a company or corporation) which wishes to effect the first transfer after the date of the adoption of these Articles of its B Shares or

6.4.1.6 of the holder of any shares in the capital of the B Member (being a company or corporation) which effected the first transfer after the date of the adoption of these Articles of the B Shares held by the Desirous B Transferor and

6.4.2 the trustees of any trust or settlement in which any holder of B Shares from time to time or any of the persons named in Article 6.4.1 has an interest or interests of whatever nature and whether absolute or limited and whether vested or contingent and whether in possession or reversion

6.5 Except in the case of a transfer of shares expressly authorised by Article 6.1 (or by Article 6.2 or Article 6.3 read in conjunction with Article 6.4) the right to transfer shares in the Company shall be subject to the following restrictions

6.5.1 Before requiring the Company to register a transfer of any shares the person whether a member of the company or not desiring to transfer them ("**the proposing transferor**") shall

6.5.1.1 give to the Company notice in writing ("**the transfer notice**") that he desires to sell such shares and

6.5.1.2 specify in the transfer notice the price at which he is prepared to sell such shares

6.5.2 The transfer notice shall constitute the Company as the *agent of the proposing transferor for the sale of all (but not part only) of the shares specified in the transfer notice in accordance with this Article 6*

6.5.2.1 to any member or

6.5.2.2 to any other person selected by the directors

at such price

6.5.3 If the proposing transferor does not in the transfer notice specify the price at which he is prepared to sell such shares then such shares shall be offered for sale at the prescribed price (as determined in Article 6.5.11)

6.5.4 A transfer notice once received by the Company shall not be revocable without the prior consent of the directors

6.5.5 If

6.5.5.1 the proposing transferor has specified a price at which he is prepared to sell such shares and

6.5.5.2 within the period of two months after receiving a transfer notice the Company finds members or other persons ("**the purchasers**") willing to purchase all of the shares specified in the transfer notice at the specified price

the Company shall give to the proposing transferor notice (a "**Sale Notice**") of that fact and the proposing transferor shall be bound upon payment of the specified price to transfer those shares to the purchasers

6.5.6 If

6.5.6.1 no price is specified and

6.5.6.2 within a period of two months after receiving a transfer notice the Company finds members or other persons ("**the prospective purchasers**") who are willing to purchase all of the shares specified in the transfer notice subject to agreement upon the price for such shares

the Company shall give to the proposing transferor written notice of that fact and the provisions of Article 6.5.11 as regards the determination of the prescribed price shall take effect and if the price for such shares as so determined under Article 6.5.11 is accepted by the prospective purchasers by written notice to the Company within fourteen days after the notification to them of such price the Company shall give written notice (a "Sale Notice") of that fact to the proposing transferor who shall be bound upon payment of the prescribed price to transfer those shares to the prospective purchasers

6.5.7 Every Sale Notice given by the Company under either Article 6.5.5 or Article 6.5.6 shall

6.5.7.1 state

- (a) the name and address of the purchaser or prospective purchaser or if more than one their names and addresses and
- (b) the number of shares which each such purchaser or prospective purchaser is willing to purchase and

6.5.7.2 be accompanied by appropriate instruments of transfer for execution by the proposing transferor

6.5.8 The purchase shall be completed at a time and a place to be appointed by the Company as soon as reasonably practicable but in any event not more than twenty-eight days after the date on which the Sale Notice was given by the Company and for the purpose of determining the right to any distribution by the Company the proposing transferor shall be deemed to have sold such shares on the date of completion of the purchase

6.5.9 If the proposing transferor after having become bound pursuant to Article 6.5.5 or Article 6.5.6 to transfer any shares to a purchaser or prospective purchaser fails to do so

6.5.9.1 the directors may authorise some person to sign an instrument of transfer on behalf of the proposing transferor in favour of the purchaser or prospective purchaser and

6.5.9.2 the Company

- (a) may receive the purchase money
- (b) shall on receipt of the purchase money cause the name of the purchaser or prospective

purchaser (as applicable) to be entered in the register as the holder of the shares and

- (c) shall hold the purchase money on trust for the proposing transferor

6.5.10 The receipt of the Company for the purchase money shall be a good discharge to the purchaser or prospective purchaser who shall not be bound to see to its application and after his name has been entered into the register the validity of the proceedings shall not be questioned by any person

6.5.11 In the event that the purchase price for such shares is not specified by the proposing transferor then after receipt by the proposing transferor of a notice given by the Company under Article 6.5.6

6.5.11.1 the proposing transferor shall use his best endeavours to agree with the prospective purchaser the price for such shares but

6.5.11.2 in the event of failure to agree within one month of receipt by the proposing transferor of such notice given by the Company then the fair value for such shares shall be determined

- (a) by the auditors for the time being of the Company or

- (b) (if the proposing transferor requires) by some other Chartered Accountant to be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales

who shall act as an expert and not as an arbitrator and whose determination as regards the fair value of the shares which the proposing transferor wishes to sell shall be conclusive and such fair value shall be determined on the basis that the open market value of the shares shall be an amount equating to that proportion of the sum which a willing buyer would agree with a willing seller to be the purchase price for all of the shares comprised in the class of shares of which those shares form part as the number of those shares bears to the total number of issued shares then comprised in that class but taking no account of any premium or any discount by reference to the size of the holding the subject of the proposed transfer and in fixing such price such auditors or Chartered Accountant shall have power to determine how the costs of fixing the fair value of such shares shall be borne

6.5.12 All shares comprised in any transfer notice shall be offered by the Company in the first instance for sale to all members holding shares of the same class as those so comprised (other than the proposing transferor) on the terms that if more than one such member desires to purchase such shares then the shares so offered shall be sold to members accepting the offer in proportion (as nearly as may be) to their existing holdings of such shares

6.5.13 All offers of shares under Article 6.5.12

6.5.13.1 shall be made in writing and sent by pre-paid post to the members at their respective registered addresses and

6.5.13.2 shall limit a time (not being less than twenty-one days) within which the offer must be accepted or in default be treated as declined

6.5.14 Once the price for the shares has been ascertained under Article 6.5.11

6.5.14.1 any prospective purchaser shall have the right to withdraw his application to purchase such shares and

6.5.14.2 there will be no obligation on any prospective purchaser to purchase shares at such price unless he so signifies his consent to the Company and for that purpose he shall be deemed to have so signified his consent if he does not within two weeks of being notified by the Company of the price so determined inform the Company in writing that he no longer desires to purchase the shares
PROVIDED THAT

(a) if there is more than one prospective purchaser and

(b) if not all prospective purchasers signify or are deemed to signify their consent to the purchase of the shares at such price

there shall be no obligation on the proposing transferor to sell the shares specified in the transfer notice unless such prospective purchasers as are prepared to purchase the shares agree to purchase all of the shares specified in the transfer notice

6.5.15 The following provisions shall apply

6.5.15.1 If within a period of two months after receiving a transfer notice the Company does not find

purchasers for all of the shares specified in the transfer notice it shall give notice in writing to that effect to the proposing transferor

6.5.15.2 Within the period of two months after receiving a transfer notice the Company may give to the proposing transferor notice in writing that it has no prospects of finding such purchasers

6.5.15.3 If either

- (a) the Company gives to the transferor notice under Article 6.5.15.1 or Article 6.5.15.2 or
- (b) all of the prospective purchasers give notice to the Company under Article 6.5.14 that they are not prepared
 - (i) to pay the price determined under Article 6.5.11 or
 - (ii) to purchase all of the shares specified in the transfer notice

of the receipt of which notice the Company must inform the proposing transferor in writing

the proposing transferor shall be at liberty until the expiration of four months thereafter to transfer all or any of the shares specified in the transfer notice to any person but he may not transfer the shares or any of them at a price lower than the specified price or the price ascertained under Article 6.5.11 (as applicable)

6.5.16 If a proposing transferor wishes to sell any of his shares specified in a transfer notice after the expiry of the period of four months to which reference is made in Article 6.5.15 he must give notice in writing to the Company again in accordance with Article 6.5.1

6.6 The personal representatives of any deceased holder of B Shares shall be bound if and when called upon by the directors to do so *not earlier than six months after the date of his death* to give a transfer notice in respect of

6.6.1 all of the shares registered in the name of the deceased holder of B Shares as sole holder or as sole surviving joint holder at the date of his death or

6.6.2 such of those shares as still remain so registered

and if within a period of twenty-one days after being called upon the personal representatives fail either to give such a transfer notice or to present for registration one or more transfers of such B Shares authorised by Article 6.3 they shall be deemed to have given a transfer notice at the expiration of that period and the provisions of Article 6.5 shall have effect accordingly

6.7 If any holder of B Shares is adjudged bankrupt

6.7.1 his trustee in bankruptcy shall be bound immediately to give to the Company a transfer notice in respect of all of the B Shares registered in the name of the bankrupt member as sole holder or as sole surviving joint holder at the date of his bankruptcy and

6.7.2 if no such transfer notice is given within one month of the bankruptcy

6.7.2.1 the trustee in bankruptcy shall be deemed to have given it at the end of that period and

6.7.2.2 the said provisions shall have effect accordingly

7. Lien and forfeiture

7.1 The lien conferred by Regulation 8 of Table A shall attach to fully paid as well as to partly paid shares and to all shares registered in the name (whether as sole or joint holder) of any person indebted or under liability to the Company

7.2 The registration of a transfer of a share shall operate as a waiver of any lien of the Company on that share

7.3 In Regulation 8 of Table A there shall be substituted for the words "*... any amount payable in respect of it ...*" the words "*... all distributions and other moneys or property attributable to it ...*" and the same words shall be substituted in Regulation 19 for the words "*... all dividends or other moneys payable in respect of the forfeited shares ...*"

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

8. Alteration of capital

8.1 In Regulation 32 of Table A there shall be inserted after the words "*... the resolution may ...*" in paragraph (c) the parenthesis "*... (if it is a special resolution) ...*"

8.2 In Regulation 33 of Table A the parenthesis "*... (including subject to the provisions of the Act the Company) ...*" shall be omitted

- 8.3 Subject to the provisions of the Act the Company
 - 8.3.1 may purchase its own shares (including any redeemable shares) but
 - 8.3.2 shall not except as authorised in accordance with the Act give any financial assistance for the purpose
 - 8.3.2.1 of an acquisition of its own shares or
 - 8.3.2.2 of reducing or discharging a liability incurred for that purpose

9. General meetings and regulations

- 9.1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Regulation 38 in Table A shall be modified accordingly
- 9.2 All business shall be deemed special
 - 9.2.1 which is transacted at an extraordinary general meeting and
 - 9.2.2 which is transacted at an annual general meeting

with the exception of declaring a dividend the consideration of accounts balance sheets and the reports of the directors of the Company and auditors and the appointment of and the fixing of the remuneration of the auditors
- 9.3 Every notice convening a general meeting shall comply with the provisions of Section 372 (3) of the Act as regards giving information to members in regard to their right to appoint proxies and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company
- 9.4 Regulation 40 of Table A shall be read and construed as if the words "... *at the time when the meeting proceeds to business* ..." were added at the end of the first sentence
- 9.5 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed the members then present shall constitute a quorum
- 9.6 At any general meeting of the Company a poll may be demanded by one or more members present in person or by proxy and

having the right to vote at the meeting and sub-clauses (b) (c) and (d) of Regulation 46 of Table A shall be modified accordingly

9.7 In Regulation 54 of Table A there shall be inserted after the second occurrence of the words "... *every member* ..." the words "... *present in person or by proxy* ..."

9.8 In Regulation 61 of Table A there shall be substituted for the words following "... *the instrument appointing a proxy shall be in* ..." the words "... *any form which enables the members to direct how their votes are to be exercised on each of the resolutions comprised in the business of the meeting for which it is to be used* ..."

10. Appointment and retirement of directors

10.1 In Regulation 81 of Table A there shall be inserted in paragraph (d) after the words "... *to the company* ..." the words "... *left at the office* ..."

10.2 Regulations 73 to 78 inclusive of Table A shall not apply to the Company and in the second sentence of Regulation 79 the words following "... *annual general meeting* ..." shall be omitted

11. Remuneration of directors

In Regulation 82 of Table A there shall be inserted after the words "... *such remuneration* ..." the words "... *for their services as such* ..." and at the end of that Regulation the sentence

"... A director who has ceased to hold office as such when the resolution is passed shall unless it otherwise provides be entitled to be paid the appropriate proportion of any remuneration voted to the directors for a period during all or any part of which he held office ..."

12. Appointment and removal of directors

12.1 In Regulation 84 of Table A there shall be inserted in the third sentence after the words "... *shall terminate* ..." the parenthesis "... (*unless the terms of his appointment otherwise provide*) ..."

12.2 Unless and until otherwise determined by ordinary resolution of the Company

12.2.1 there shall be a maximum number of seven directors of the Company and

12.2.2 the minimum number of directors shall be three

12.3 The directors of the Company shall not be required to retire by rotation

- 12.4 The provisions of section 293 of the Act shall apply to the Company notwithstanding that the Company is neither a public company nor a subsidiary of a public company
- 12.5 In addition and without prejudice to the provisions of sections 303 and 304 of the Act the Company may by extraordinary resolution appoint another person
 - 12.5.1 in the stead of a director removed from office under the said section 303 or
 - 12.5.2 as an additional director
- 12.6 Any such removal shall be without prejudice to any claim which the removed director may have for damages for breach of any contract of service between him and the Company

13. Alternate directors

- 13.1 Each director of the Company shall have the power
 - 13.1.1 at any time to appoint as an alternate director either another director of the Company or any other person who may be approved for that purpose by resolution of the directors and
 - 13.1.2 at any time to terminate such appointment
- 13.2 The appointment of an alternate director shall automatically terminate
 - 13.2.1 on the happening of any event which if he were a director of the Company would cause him to vacate the office of director or
 - 13.2.2 if his appointor ceases for any reason to be a director of the company otherwise than by retiring and being re-appointed at the same meeting
- 13.3 Every appointment removal or resignation of any alternate director
 - 13.3.1 shall be in writing signed
 - 13.3.1.1 by the appointor or
 - 13.3.1.2 (as the case may be) by the alternate director and
 - 13.3.2 shall take effect (subject to any approval required under Article 13.1) upon receipt of such written appointment removal or resignation at the registered office of the Company

- 13.4 An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served) be entitled
- 13.4.1 to receive notices of all meetings of the directors of the Company or of any committee of the directors of which his appointor is a member
 - 13.4.2 to attend and in place of his appointor vote as a director
 - 13.4.3 to be counted for the purposes of a quorum at any such meeting at which his appointor is not personally present and
 - 13.4.4 generally in the absence of his appointor
 - 13.4.4.1 to perform and exercise all the functions powers and duties as a director of his appointor and
 - 13.4.4.2 to receive notice of all general meetings
- 13.5 An alternative director shall during his appointment be an officer of the Company and shall not
- 13.5.1 be deemed to be an agent of his appointor or
 - 13.5.2 be entitled to any remuneration or fee from the Company
- 13.6 A director of the Company or any other person may act as alternate director to represent more than one director of the Company and an alternate director shall be entitled at meetings of the directors of the Company or of any committee of the directors of the Company to one vote for every director whom he represents in addition to his own vote (if any) as a director

14. Proceedings of directors

- 14.1 In Regulation 90 of Table A there shall be substituted for the words "... *fixed as the quorum they ...*" the words "... *constituting the quorum they or he ...*"
- 14.2 A director may vote at any meeting of the directors or of any committee of the directors on any resolution notwithstanding that it in any way concerns or relates to a matter in which he has directly or indirectly any kind of interest whatsoever and
- 14.2.1 if he votes on any such resolution as aforesaid his vote shall be counted and
 - 14.2.2 in relation to any such resolution as aforesaid he shall (whether or not he votes on the same) be taken into account in calculating the quorum at the meeting

15. Secretary

In Regulation 99 of Table A there shall be added at the end the words "... but without prejudice to any claim for damages which he may have for breach of contract by the Company ..."

16. Dividends

In Regulation 104 of Table A there shall be inserted after the words "... as from a particular date ..." the words "... or to a particular extent ..."

17. Notices

In Regulation 115 of Table A the words "... unless the contrary is proved ..." shall be omitted

18. Borrowing powers

The directors of the Company may exercise all of the powers of the Company (whether express or implied)

18.1 to borrow and/or secure the payment of money

18.2 to guarantee

18.2.1 the payment of money

18.2.2 the fulfilment of obligations and

18.2.3 the performance of contracts

18.3 to mortgage or charge the property assets and uncalled capital of the Company and

18.4 (subject to Section 80 of the Act) to issue debentures debenture stock and all other securities whether outright or as security for any debt liability or obligation of the Company or of any third party

19. Gratuities and pensions

19.1 The directors of the Company may exercise all of the powers of the Company conferred by the Memorandum of Association of the Company to pay and/or provide pensions annuities gratuities superannuation and other allowances benefits advantages facilities and services both

19.1.1 for persons

19.1.1.1 who are or have been directors of or

19.1.1.2 who are or have been employed by

the Company and

19.1.2 for their dependants and relatives

19.2 The directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers

20. Indemnity

Every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him

20.1 in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or

20.2 in connection with any application under sections 144 or 727 of the Act in which relief is granted to him by the Court

and no director or other officer shall be liable for any loss damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office in relation thereto **PROVIDED THAT** this Article shall only have effect insofar as its provisions are not avoided by section 310 of the Act

THIS PURCHASE CONTRACT is made the day of 2003

BETWEEN

- (1) **PMI HEALTH GROUP LIMITED** (company number 2660256) having its registered office at The Courtyard Hall Lane Wincham Northwich Cheshire CW9 6DG ("the company") and
- (2) **DAVID ROBERT TRESIDDER** of 14 Blackwell Road Barnt Green Worcestershire B45 8BU ("DT")

1. Preliminary statements

- 1.1 The authorised share capital of the Company at the date of this Purchase Contract is £1,200,100 divided into
 - 1.1.1 5,000 'A' ordinary shares of £0.02 each
 - 1.1.2 1,000,000 'B' ordinary shares of £1 each and
 - 1.1.3 200,000 'C' ordinary shares of £1 each
- 1.2 DT is the beneficial owner of ninety-one thousand and eighty-one (91,081) non-voting B ordinary shares of £1 each fully paid in the capital of the Company
- 1.3 The parties to this Purchase Contract have proposed
 - 1.3.1 that DT shall sell and
 - 1.3.2 that the Company shall buyforty thousand (40,000) of those shares on the terms set out in this Purchase Contract and in accordance with all applicable laws

IT IS AGREED as follows

2. Definitions

In this Purchase Contract

- 2.1 "**B shares**" means non-voting B ordinary shares of £1 each in the capital of the Company
- 2.2 "**DT's shares**" means the ninety-one thousand and eighty-one (91,081) B Shares which are held by DT
- 2.3 "**Encumbrance**" means any claim charge lien encumbrance equity or adverse right of any kind whatsoever

2.4 "New Articles" means the proposed altered form of the Articles of Association of the Company set out in the Second Schedule and

2.5 "Shareholders' Agreement" means a shareholders' agreement in the form set out in the First Schedule and

3. DT's Shares

3.1 On the date of this Purchase Contract DT shall

3.1.1 sign and deliver a written resolution of all holders of B Shares approving the adoption of the New Articles in place of PMIHG's current Articles of Association

3.1.2 execute and deliver the Shareholders' Agreement and

3.1.3 give to the Secretary of the Company written notice of DT's desire to transfer forty thousand (40,000) of DT's Shares ("the Sale Shares") for the sum of two hundred thousand pounds (£200,000) ("the Stated Price") in accordance with Regulation 6.5.1.1 of the New Articles

3.2 The Company shall on the date of this Purchase Contract ("the Transfer Date")

3.2.1 accept from DT a transfer with full title guarantee of the Sale Shares

3.2.1.1 free from any Encumbrance and

3.2.1.2 together with

(a) all rights now and hereafter attaching or accruing to the Sale Shares and

(b) all dividends and distributions declared made or paid after the date of such transfer and

3.2.2 pay to DT by Clearing House Automated Payment System transfer or electronic funds transfer in consideration of the transfer of the Sale Shares the Stated Price

3.3 On the Transfer Date DT shall

3.3.1 transfer to the Company with full title guarantee the Sale Shares and

3.3.2 cause to be delivered to the Company

- 3.3.2.1 a duly executed transfer in respect of the Sale Shares in favour of the Company
 - 3.3.2.2 the relative certificates and
 - 3.3.2.3 any power of attorney or other authority under which such transfer has been executed
- 3.4 DT hereby represents warrants and undertakes to the Company (and to its successors in title) that DT does not require the consent of any third party in relation to the sale and transfer of the Sale Shares
- 3.5 The Company hereby
 - 3.5.1 represents and warrants to DT that the Company has sufficient distributable profits from which to pay to DT the Stated Price and
 - 3.5.2 indemnifies DT from and against all losses liabilities costs claims actions demands expenses and proceedings
 - 3.5.2.1 which DT may incur or
 - 3.5.2.2 which may be made against him as a result of or in connection with the inability of the Company to make such payment in accordance with the applicable legislation

4. Interpretation

In this Purchase Contract

- 4.1 the headings to clauses are for convenience only and have no legal effect and
- 4.2 unless the context otherwise requires references to clauses and Schedules are to clauses of and the Schedules to this Agreement so numbered

5. Whole agreement

This Agreement

- 5.1 sets out the entire agreement between the Company and DT relating to the subject matter of this Agreement and
- 5.2 supersedes
 - 5.2.1 all prior discussions between them or their advisers and

5.2.2 all statements representations terms and conditions
warranties guarantees proposals communications and
understandings whenever given and whether orally or in
writing

relating to the subject matter of this Agreement

IN WITNESS of which the Company and DT have executed this Agreement as a
deed on the date which first appears on page 1 above

FIRST SCHEDULE

Shareholders' Agreement

THIS AGREEMENT is made the day of 2003

BETWEEN

- (1) **CHRISTOPHER PERKS BALDWIN** of Factory Cottages Georges Lane Aston-by-Budworth Northwich Cheshire CW9 6LS
- (2) **BALDWIN VENTURES LIMITED** (company number 4424266) having its registered office at Anderton Wharf Soot Hill Anderton Northwich Cheshire CW9 6AA
- (3) **DAVID ROBERT TRESIDDER** of 14 Blackwell Road Barnt Green Worcestershire B45 8BU
- (4) **ELIZABETH HAMMOND** of 5 Matlock Close Sale Cheshire M33 3FA
- (5) **RICHARD DAVID HARRISON MUNRO** of Heath Cottage School Lane Bunbury Cheshire CW6 9NR
- (6) **MICHAEL DAVIS** of Hurlstone House 8 Bentinck Avenue Altrincham WA14 2BT and
- (7) **ROGER HUGH BEASTALL** of 6 Village Farm Church Minshull Nantwich Cheshire CW5 6EG

NOW IT IS AGREED as follows

1. Definitions and interpretation

In this Agreement unless the context otherwise requires

- 1.1 the following expressions shall have the meanings ascribed to them below
 - 1.1.1 "**Articles**" means the Articles of Association of the Company from time to time in force
 - 1.1.2 "**A Shares**" means the "A" ordinary shares of £0.02 each in the capital of the Company
 - 1.1.3 "**B Shareholders**" means such of the Shareholders which from time to time hold B Shares (and "**B shareholder**" means any of them)

- 1.1.4 "B Shares" means the "B" ordinary shares of £1 each in the capital of the Company
- 1.1.5 "Company" means PMI Health Group Limited (company number 2660256)
- 1.1.6 "c shares" means the "C" ordinary shares of £1 each in the capital of the Company
- 1.1.7 "Group" means the Company and any other company which is from time to time its subsidiary or its holding company or which is from time to time another subsidiary of its holding company or in which the Company and/or such subsidiaries and/or its holding company control(s) from time to time not less than twenty-five per cent of the voting shares
- 1.1.8 "Parties" means the parties to this Agreement (and "Party" means any of them)
- 1.1.9 "Share" means any of the A Shares B Shares or C Shares
- 1.1.10 "Shareholders" means
 - 1.1.10.1 the Parties and
 - 1.1.10.2 any other person who as a transferee or an allottee of Shares is required to enter into an undertaking pursuant to clause 8.1 or clause 8.2
 for so long as such persons are holders of Shares (and "Shareholder" means any of them)
- 1.1.11 "Today" means the date of this Agreement
- 1.2 references to statutory provisions
 - 1.2.1 shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date of this Agreement) from time to time and
 - 1.2.2 shall include any provisions of which they are re-enactments (whether with or without modification)
- 1.3 references to persons include bodies corporate firms and unincorporated associations
- 1.4 words importing gender include each other gender
- 1.5 references to clauses and the Schedule are to the clauses of and the Schedule to this Agreement and

- 1.6 the headings are inserted for convenience only and shall not affect the construction of this Agreement

2. Commencement and duration

2.1 This Agreement

2.1.1 shall commence Today

2.1.2 shall continue in full force and effect until terminated in accordance with the provisions of this clause 2 and

2.1.3 (without prejudice to the generality of clause 8.10.2) shall supersede all or any previous shareholders' agreements relating to the Company

2.2 Termination shall not affect

2.2.1 any provision of this Agreement expressed to have effect after termination or

2.2.2 any rights which any Party may have against any other Party subsisting at the time of termination

2.3 This Agreement shall terminate in respect of a Party (but shall continue between the other Shareholders if more than one but not otherwise) if at any time as a result of a transfer of Shares made in accordance with this Agreement that Party holds no Shares

2.4 This Agreement shall terminate forthwith on the dissolution of the Company

2.5 This Agreement shall enure for the benefit of and be binding upon the respective successors in title and/or personal representatives and/or permitted assigns of the Parties

3. Distribution

3.1 The Shareholders agree that

3.1.1 on any sale to any person (not being a Shareholder) of all of the Shares or

3.1.2 on a return of assets to Shareholders on a winding up of the Company or otherwise

the sale consideration paid by such person for the Shares or the surplus assets of the Company remaining after payment of all liabilities of the Company (as the case may be) ("the Proceeds") shall

belong to and be distributed in the manner set out in clauses 3.2 3.3 and 3.4

- 3.2 The first tranche of the Proceeds (equating to the value of all issued C Shares at par) shall belong to and be distributed amongst the holders for the time being of the C Shares (pro rata to their holdings of C Shares)
- 3.3 The second tranche of the Proceeds (equating to the value of all issued B Shares at par) shall belong to and be distributed amongst the holders for the time being of the B Shares (pro rata to their holdings of B Shares)
- 3.4 The balance of the Proceeds ("**the Balance**") shall belong to and be distributed amongst the holders for the time being of the B Shares and C Shares in the following manner
 - 3.4.1 A sum equating to thirty per cent (30%) of the Balance shall belong to and be distributed amongst the holders for the time being of the C Shares (pro rata to their holdings of C Shares)
 - 3.4.2 A sum equating to seventy per cent (70%) of the Balance shall belong to and be distributed amongst the holders for the time being of the B Shares (pro rata to their holdings of B Shares)
- 3.5 For the avoidance of doubt this Deed shall constitute the written consent required by section 125 (2) of the Companies Act 1985 of three quarters in nominal value of the holders of the issued B Shares to the variation of the class rights attaching to the B Shares in the Articles as set out in this clause 3

4. Offers for all of the Shares

- 4.1 If the holder from time to time of any Shares ("**the Receiving Shareholder**")
 - 4.1.1 receives from any person not being a Shareholder (an "**offeror**") an offer ("**offer**") to purchase all of the Shares for a specified value (in cash and/or in kind) and
 - 4.1.2 serves on each of the B Shareholders (or if the Receiving Shareholder is a B Shareholder then on each of the other B Shareholders) a notice (an "**offer Notice**")
 - 4.1.2.1 referring to (and attaching a copy of) that Offer and
 - 4.1.2.2 indicating that the Receiving Shareholder wishes to accept that Offer

the provisions of clause 4.2 shall take effect

4.2 If the provisions of this clause 4.2 take effect pursuant to clause 4.1 each B Shareholder (including for the avoidance of doubt the Receiving Shareholder) may within seven days of the service upon that B Shareholder of an Offer Notice give to the Secretary for the time being of the Company ("**the secretary**") notice in writing ("**the Acceptance Notice**") indicating that it is prepared to accept the Offer in question and if by the date ("**the Expiry Date**") which falls fourteen days after the date of service of an Offer Notice on the last B Shareholder to have service of an Offer Notice effected on it the Secretary has received Acceptance Notices from B Shareholders holding a majority of those B Shares which are on the Expiry Date in issue ("**the Acceptance Event**") each Shareholder shall

4.2.1 accept that Offer

4.2.2 waive its rights of pre-emption under the provisions of the Articles and

4.2.3 co-operate in the sale of the Shares to or at the direction of the Offeror who made that Offer which co-operation shall include but shall not be limited to

4.2.3.1 the execution of

(a) any agreement for the sale of the Shares (and any ancillary document) and

(b) Stock Transfer Forms and such other documents as are necessary for the transfer of that Shareholder's Shares and

4.2.3.2 the giving of such warranties and indemnities in any agreement for the sale of the Shares or in any ancillary document as the B Shareholders holding a majority of those B Shares which are on the Expiry Date in issue are prepared to give provided that liability under such warranties and indemnities

(a) *is proportionate to the price receivable by that Shareholder for its Shares and*

(b) does not in any event exceed such price

4.3 Each Shareholder ("**the Appointor**") irrevocably appoints each other Shareholder conditionally upon

4.3.1 the occurrence of the Acceptance Event and

- 4.3.2 the Appointor's failure to provide the co-operation described in clause 4.2.2 or clause 4.2.3.1 (b) within fourteen days after the Appointor's receipt from the B Shareholders holding a majority of those B Shares which are on the Expiry Date in issue of a written request to do so

as its attorney in the Appointor's name and on the Appointor's behalf to execute all Stock Transfer Forms and other documents (including for the avoidance of doubt a waiver of its rights of pre-emption under the provisions of the Articles) necessary for the transfer of the Appointor's Shares to or at the direction of any Offeror the acceptance of whose Offer is required under clause 4.2

- 4.4 Each of the Shareholders shall (so long as it holds any Shares) not take any action which may directly or indirectly damage or undermine the business of the Company

5. Sale of Shares in the event of breach of post-termination restrictions

- 5.1 If any Shareholder commits any breach of any of the obligations or restrictions which are contained in the clause of his Service Agreement (if any) with the Company or with any other company in the Group headed "POST-TERMINATION RESTRICTIONS" (or which are subsequently reaffirmed) that Shareholder

5.1.1 shall forthwith give to the Company a transfer notice under Regulation 6.5.1.1 of the Articles (or any under any corresponding Regulation insofar as the Articles are altered after Today) in relation to all Shares which he owns on the date of such breach and

5.1.2 shall not in such transfer notice specify the price at which he is prepared to sell such Shares

- 5.2 For the avoidance of doubt the provisions of this clause 5

5.2.1 are for the benefit of the Company and

5.2.2 (pursuant to the Contract [Rights of Third Parties] Act 1999) shall be enforceable by the Company and by its successors and assignees

6. Notices

- 6.1 Any notice to be given pursuant to this Agreement shall be in writing and sent by registered or recorded delivery return receipt requested

- 6.2 Any notice to a Shareholder shall be sent

- 6.2.1 to the address of such Shareholder as set forth in the books of the Company or
- 6.2.2 to such other address as such Shareholder may have designated by notice pursuant to this clause 6

7. Assignment

No Party shall be entitled to assign this Agreement or any of its rights and obligations under it except by way of transfer of that Party's Shares in the Company

- 7.1 which is permitted under the express terms of this Agreement and/or
- 7.2 which is made in accordance with the Articles and/or
- 7.3 which is otherwise
 - 7.3.1 approved in writing by the other Shareholders and
 - 7.3.2 in accordance with the provisions of clause 8.1 and (insofar as it is applicable) clause 8.2

8. General

- 8.1 Each Party shall procure that it is a condition of the sale transfer or other disposition of any Shares for the time being legally or beneficially owned by it or of any interest in them in favour of any person ("**the Transferee**") who is not a Party to this Agreement that such sale transfer or other disposition (being one which is otherwise permitted under or pursuant to the provisions of the Articles) shall not be effected unless the Transferee (and any other person who will in consequence of the transfer or other disposal have any beneficial interest in the shares concerned) first enters into an undertaking with all the other Shareholders whereby the Transferee (and any such other person) agrees to be bound and to comply with all the provisions of this Agreement binding upon his transferor (other than any which impose a personal obligation upon his transferor which is not also undertaken by each of the other Parties)
- 8.2 The undertaking to which reference is made in clause 8.1 shall be in the form (as nearly as circumstances will permit) set out in the Schedule and the Shareholders shall also procure that no shares of the Company are issued except upon the condition that the person to whom the shares are to be issued and any person who will following the issue have any beneficial interest in the shares issued also enters into such an undertaking

- 8.3 The personal representatives of any deceased Shareholder and all other successors to the Shareholders together with each person entering into an undertaking in the form required by clauses 8.1 and 8.2 shall automatically become entitled to the benefit of this Agreement as if he was named in it in place of the Party who originally held the shares in which he is interested and all references to a Party or Parties or a Shareholder or Shareholders or any similar expression shall from such date be construed accordingly
- 8.4 A Party or any successor or permitted assign of a Party
- 8.4.1 who ceases to be legally and beneficially entitled to any Shares and
- 8.4.2 who has complied
- 8.4.2.1 with clauses 8.1 and 8.2 and
- 8.4.2.2 with all other applicable provisions
- (a) of this Agreement and
- (b) of the provision of the Articles
- relating to the transfer of its Shares
- shall (subject as provided in clause 2.2) cease to be bound by this Agreement
- 8.5 This Agreement shall be capable of being amended by an instrument executed by all the Shareholders
- 8.6 No exercise or failure to exercise or delay in exercising any right power or remedy vested in any Party under or pursuant to this Agreement shall constitute a waiver by that Party of that or any other right power or remedy
- 8.7 Nothing in this Agreement shall be deemed
- 8.7.1 to constitute a partnership between the Parties (or any of them) or
- 8.7.2 to constitute any Party or Parties the agent of the other Party or Parties or
- 8.7.3 (subject to the provisions of clause 4.3) otherwise to entitle any Party to have authority to bind any other Party or Parties for any purpose

8.8 Each Party shall bear its own costs of or in connection with the preparation and execution of this Agreement

8.9 No Party shall be entitled to make or permit or authorise the making of any press release or other public statement or disclosure concerning this Agreement or any of the transactions contemplated in it without the prior written consent of the other Parties

8.10 This Agreement (together with all agreements and documents to which reference is made in it)

8.10.1 constitutes the entire agreement between the Parties in relation to the subject matter of it and

8.10.2 supersedes all prior agreements and understandings whether oral or written with respect to that subject matter

and no variation of this Agreement shall be effective unless reduced to writing and signed by or on behalf of a duly authorised representative of each of the Shareholders but subject to clause 8.4

8.11 If any term condition or provision of this Agreement is held to be a violation of any applicable law statute or regulation it shall be deemed to be deleted from this Agreement and shall be of no force and effect and this Agreement shall remain in full force and effect as if that term condition or provision had not originally been contained in this Agreement but notwithstanding the foregoing in the event of any such deletion the Shareholders shall negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory alternative provision in place of the provisions so deleted

8.12 This Agreement may be executed in any number of counterparts or duplicates each of which shall be an original but the counterparts or duplicates shall together constitute one and the same agreement

8.13 Except insofar as otherwise expressly stated in this Agreement a person (other than the Company) who is not a Party has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of it

9. Governing law

This Agreement shall be governed by and be construed in accordance with the laws of England and each Party agrees to submit to the exclusive jurisdiction of the English courts

IN WITNESS of which the Parties named in this Agreement have executed this Agreement as a deed on the date which first appears above

SCHEDULE

Form of undertaking required on transfer of Shares

THIS DEED is made the day of 20[...]

BETWEEN

- (1) *(name)* of *(address)* ("the New Shareholder") and
- (2) the persons whose names and addresses appear in the Schedule below ("the Existing Shareholders")

WHEREAS

- (A) Christopher Perks Baldwin Baldwin Ventures Limited (company number 4424266) David Robert Tresidder Elizabeth Hammond Richard David Harrison Munro Michael Davis and Roger Hugh Beastall entered into an agreement ("the Shareholders' Agreement") ON 2003
- (B) *(recite any previous Deeds of Adherence made pursuant to the Shareholders' Agreement and any releases from it)*
- (C) The New Shareholder has become entitled to [a transfer of *(or)* be issued with] *(state number and class)* ordinary shares of £1 each in the capital of the Company
- (D) It is a term of the Shareholders' Agreement that no [transfer *(or)* issue] of shares in the Company shall be effected unless the [transferee *(or)* the person to whom such shares are to be issued] has first entered into a deed in the form of this Deed

THIS DEED WITNESSES that the New Shareholder covenants with each of the Existing Shareholders that the New Shareholder will be bound by and will observe and perform every provision of the Shareholders' Agreement by which [*(name of outgoing party)* was bound *(or)* the Existing Shareholders are bound] in every way as if the New Shareholder had been named in it as a party to it

IN WITNESS of which the parties to this Deed have executed this Deed as a deed on the date which first appears above

THE SCHEDULE

(insert names and addresses of existing shareholders)

(signature (or common seal) of the New Shareholder)

(execution of the parties as a deed)

SIGNED AS A DEED and DELIVERED)
by **CHRISTOPHER PERKS BALDWIN**)
in the presence of)

SIGNED AS A DEED and DELIVERED)
by **BALDWIN VENTURES LIMITED**)
acting by)

Director

Secretary

SIGNED AS A DEED and DELIVERED)
by **DAVID ROBERT TRESIDDER** in the)
presence of)

SIGNED AS A DEED and DELIVERED)
by **ELIZABETH HAMMOND** in the)
presence of)

SIGNED AS A DEED and DELIVERED)
by **RICHARD DAVID HARRISON**)
MUNRO in the presence of)

SIGNED AS A DEED and DELIVERED)
by **MICHAEL DAVIS** in the presence of)

SIGNED AS A DEED and DELIVERED)
by **ROGER HUGH BEASTALL** in the)
presence of)

