

Company number 02357989

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

FOCUSRITE AUDIO ENGINEERING LIMITED (Company)

19 March 2012 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that

- resolution 1 below is passed as a special resolution (the **Special Resolution**), and
- resolution 2 below is passed as an ordinary resolution (the **Ordinary Resolution**)

SPECIAL RESOLUTION

- 1 That the draft articles of association in the form circulated with this resolution be and hereby are adopted as the Company's articles of association in substitution for and to the exclusion of all existing articles of association of the Company

ORDINARY RESOLUTION

- 2 That the directors be and hereby are given the powers to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company under section 550 of the Companies Act 2006 This authority is in substitution for all previous authorities conferred on the directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006

AGREEMENT

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



The undersigned, a person entitled to vote on the above resolutions on the Circulation Date, hereby irrevocably agrees to the Special Resolution and the Ordinary Resolution.

..... Date 2012
Philip Dudderidge

..... Date: 2012
Jennifer Dudderidge

..... Date 2012
Michael Johnson

..... Date 2012
Christopher Gooddie

 Date 2nd April 2012
Robert Jenkins

..... Date 2012
Pauline Cornwell

..... Date 2012
Timothy Dingley

..... Date 2012
Damian Hawley

..... Date. 2012
Giles Orford

NOTES

- 1 You can choose to agree to both the Ordinary Resolution and Special Resolution or neither of them but you cannot agree to only one of the resolutions. If you agree to both resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

- **By Hand** delivering the signed copy to Mike Warriner at Windsor House, Turnpike Road, High Wycombe, Bucks, HP12 3FX
- **Post** returning the signed copy by post to Mike Warriner at Windsor House, Turnpike Road, High Wycombe, Bucks, HP12 3FX
- **Fax** faxing the signed copy to +44 1494 459920 marked for the attention of Mike Warriner
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to Mike Warriner@focusrite.com

If you do not agree to the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement
- 3 Unless, by 5 30 pm on the 28th day following the Circulation Date, sufficient agreement has been received for the resolutions to pass, they will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date
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Jennifer Dudderidge

Michael Johnson

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Robert Jenkins

Pauline Cornwell

Date: 2012

Date. 2012

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Michael Johnson

..... Date 2012
Christopher Gooddie

..... Date. 2012
Robert Jenkins

 Date 03/04 2012
Pauline Cornwell

..... Date 2012
Timothy Dingley

..... Date 2012
Damian Hawley

..... Date 2012
Giles Orford

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Date 19 March 2012



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Date 19 March 2012

Michael Johnson

Date 2012

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Articles of Association

In relation to Focusrite Audio Engineering Limited

Adopted on 19 March 2012

Companies Act 2006

Private Company Limited by Shares

ARTICLES OF ASSOCIATION

of

FOCUSRITE AUDIO ENGINEERING LIMITED (the "Company")

Registered Company Number 02357989

Adopted by special resolution on 19 March 2012

1. MODEL ARTICLES

- 1 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 1 2 The regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 shall not apply to the Company
- 1 3 Model articles 11(2) and (3), 13, 14(1) to (4) (inclusive), 21, 26(5), 38, 52 and 53 shall not apply to the Company
- 1 4 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur"
- 1 5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

2. SHARE CAPITAL AND LIABILITY OF SHAREHOLDERS

- 2 1 There shall be no maximum amount of shares that may be allotted or issued by the Company
- 2 2 The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them

3. ISSUE OF SHARES

- 3 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to either or both an allotment or issue of equity securities (as defined in section 560(1) of the Act) made by the Company
- 3 2 No shares may be allotted or issued by the Company unless they are first offered to all shareholders in proportion as nearly as possible to the numbers

of shares held by them. The Company does not have to make an offer under this article 3.2 if

- (a) the holders of at least 75% of the shares agree in writing, or
- (b) the proposed allotment or issue is on the exercise of options granted under a Share Option Scheme

3.3 An offer under article 3.2 shall be open for acceptance for at least 21 days after notice of it is given to the shareholders. Any shares which are not accepted in that period shall be at the disposal of the directors who may (within the period of three months from the expiry of the last offer made under article 3.2) allot, issue, grant options over or otherwise dispose of those shares to any person and on any terms, but the price per share and other terms offered to such a person cannot be more favourable than the price and terms offered to the shareholders.

3.4 Article 3.2 will also apply (with the necessary changes) to the grant of any right to subscribe for shares of any class, other than a grant of options under a Share Option Scheme.

3.5 No share is to be issued other than fully paid.

4. DIVIDENDS

Any profits that the Company may decide to distribute shall be distributed amongst the shareholders pro rata according to the number of shares held by them.

5. RETURN OF CAPITAL

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the shareholders pro rata according to the number of shares held by them.

6. VOTING AND PROXIES

6.1 Subject to any other provisions in these Articles concerning voting rights, each share shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

6.2 No business shall be transacted at any general meeting unless a quorum is present. Save where the Company has only a single shareholder, the holder(s) of at least 35% of the Company's issued share capital (present in person or by proxy or by authorised representative), shall be a quorum. If the Company only has a single shareholder, that shareholder alone (present in person or by proxy or by authorised representative) shall constitute a quorum.

6.3 Philip Dudderidge (or his proxy) shall be the chairman of each general meeting at which he (or his proxy) is present.

- 6 4 In the case of an equality of votes at a general meeting, the chairman of that general meeting shall have a second or casting vote
- 6 5 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article
- 6 6 Model article 45(1) shall be amended by
- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and
 - (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article

7. TRANSFER OF SHARES – GENERAL

- 7 1 No share shall be transferred, and the directors shall refuse to register a transfer of any share, unless it is made in accordance with these Articles Subject to the remaining provisions of this article 7, the directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent
- 7 2 To ensure that a particular transfer of shares is permitted under these Articles, the directors may ask the transferor, or the person named as transferee in any transfer lodged for registration, to give the Company any information and evidence that the directors reasonably think is necessary or relevant If that information or evidence is not furnished to the satisfaction of the directors within 28 days after the request, the directors may refuse to register the transfer in question
- 7 3 Model articles 27 to 29 inclusive in relation to the transmission of shares on death or bankruptcy shall be modified to the extent necessary to reflect the provisions of articles 7 to 11 inclusive

8. PERMITTED TRANSFERS

- 8 1 A shareholder may transfer all or any of his shares to a Privileged Relation without any price or other restriction
- 8 2 If a shareholder transfers any shares to a Privileged Relation in accordance with article 8 1 and such transferee ceases to be a Privileged Relation of the transferor for any reason, the transferee (or the transmittee(s) of any such person) shall within five Business Days of the transferee ceasing to be a

Privileged Relation of the transferor execute and deliver to the Company a transfer of all the shares in the Company held by him in favour of the transferor or, if the transferor directs, another Privileged Relation of the transferor, for £nil consideration, failing which a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the five Business Day period set out in this article 8 2

- 8 3 Notwithstanding any other provision of these Articles, a transfer of any shares approved in advance and in writing by the holders of at least 75 % of the shares may be made without any price or other restriction

9. MANDATORY TRANSFERS

Cessation of employment

- 9 1 If an Employee ceases for any reason (including death) to be an employee or director of, or consultant to, the Company or any Group Company and does not continue in that capacity in relation to the Company or any Group Company, a Transfer Notice shall be deemed to have been served on the Company at the time prescribed in article 9 2 in respect of all the Employee's Shares
- 9 2 A Transfer Notice shall be deemed to have been served under article 9 1 on the Termination Date in respect of all the Employee's Shares If any Employee's Shares are not acquired by the Employee or his personal representatives, executors or Privileged Relations until after the Termination Date, the Transfer Notice shall be deemed to have been served in respect of those shares on the date they are acquired
- 9 3 The Employee's Shares shall remain Employee's Shares until they have been validly transferred under articles 8 3 or 9 1 and 9 2 No transfer of any Employee's Share may be made other than under articles 8 3 or 9 1 and 9 2
- 9 4 The rights attaching to each Employee's Share shall be restricted immediately as set out below on the Termination Date and until completion of the transfer of that Employee's Share pursuant to articles 8 3 or 9 1 and 9 2 (or such earlier date as the holders of at least 75% of the shares shall determine in writing)
- (a) the right to attend and vote at general meetings may only be exercised by Philip Duddendge and no other person,
 - (b) the right to receive dividends or other distributions shall cease, and
 - (c) the holder of the Employee's Share shall be excluded from any offer under any or all of articles 3 2, 10 10 or 10 11

Insolvency and restricted share transfers

- 9 5 A person entitled to any shares in consequence of the bankruptcy or equivalent procedure in any jurisdiction outside England and Wales of a shareholder (other than Philip Dudderidge and/or Jennifer Duddendge) shall be deemed to have given a Transfer Notice in respect of those shares immediately upon becoming entitled to them
- 9 6 If any shareholder (other than Philip Dudderidge and/or Jennifer Dudderidge) attempts to dispose of all or any of his shares otherwise than in accordance with these Articles then such shareholder shall immediately upon such attempt be deemed to have given a Transfer Notice in respect of all of the shares then held by him For the purposes of this article 9 6 and article 9 7 below "**dispose**" shall mean, deal with, sell, transfer, mortgage, pledge or otherwise divest oneself of the whole or any part of the legal and/or beneficial interest in any share or the right to make a free and unfettered exercise of the voting rights in respect of any share
- 9 7 The rights attaching to each share to be transferred pursuant to article 9 5 or 9 6 shall be restricted immediately upon the death or bankruptcy of the shareholder concerned or upon the attempt to dispose of the share (as the case may be) and until completion of the transfer of that share pursuant to articles 8 3, 9 5 or 9 6 (or such earlier date as the holders of at least 75% of the shares shall determine in writing) as follows
- (a) the right to attend and vote at general meetings may only be exercised by Philip Dudderidge and no other person,
 - (b) the right to receive dividends or other distributions shall cease, and
 - (c) the holder of the share shall be excluded from any offer under any or all of articles 3 2, 10 10 or 10 11

10. PRE-EMPTION RIGHTS

Transfer notices

- 10 1 Save as otherwise provided in these Articles, every shareholder who desires to transfer any shares shall give the Company notice in writing of that desire The Transfer Notice must state who the shareholder wants to transfer the shares to
- 10 2 Transfer Notices and Deemed Transfer Notices both constitute the Company as the Vendor's agent for the sale of the Sale Shares in one or more lots at the discretion of the directors at the Sale Price
- 10 3 If
- (a) a shareholder gives a Transfer Notice (not being a Deemed Transfer Notice), and

- (b) a Deemed Transfer Notice is subsequently deemed to have been given by the same shareholder before their shares are transferred,

then the original Transfer Notice will immediately be cancelled. Any offers made by the Company on behalf of the Vendor under that original Transfer Notice will automatically be withdrawn and will have no effect, even if accepted.

Calculation of the Sale Price

- 10.4 The Sale Price shall be the price agreed by the Vendor and the directors. If the Vendor and the directors are unable to agree a price within 21 days of the Transfer Notice being given the Sale Price will instead be the price which the Auditors certify to be in their opinion a fair value of the Sale Shares. In arriving at their opinion, the Auditors will value the Sale Shares

- (a) as at the date the Transfer Notice is given or is deemed to have been given,
- (b) on a going concern basis as between a willing seller and a willing buyer,
- (c) including any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest, and
- (d) on the assumption that the Sale Shares are capable of transfer without restriction.

The decision of the Auditors as to the Sale Price shall be final and binding, save in the event of fraud or manifest error.

- 10.5 In the case of a transfer of shares pursuant to a Deemed Transfer Notice then, unless the holders of at least 75% of the shares agree that a higher price is appropriate in the circumstances, the Sale Price shall be restricted to

- (a) in respect of a transfer of shares pursuant to article 8.2, the sum of £nil, or
- (b) in all other cases, the lower of
 - (i) the aggregate price paid by the transferor for the Sale Shares, and
 - (ii) the price which the Auditors certify to be in their opinion a fair value of the Sale Shares determined in accordance with the valuation policies set out in articles 10.4(a) to (d) inclusive above.

- 10.6 If the Auditors are appointed under these Articles

- (a) their decision shall be final and binding, save in the event of fraud or manifest error, and

- (b) each shareholder will sign an engagement letter from the Auditors in the form agreed between the Auditors and the holders of at least 75% of the shares. Each shareholder acknowledges that the engagement letter will include a waiver of claims against the Auditors and similar 'hold harmless' provisions arising out of the Auditors' performance of their role. If a shareholder fails to sign the letter, the directors may authorise any person to sign it as agent and attorney for the shareholder.

Certification of the Sale Price and right of Vendor to cancel

- 10 7 If the Auditors are asked to certify the Sale Price, their certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. Unless the shares are to be sold under a Deemed Transfer Notice, the Vendor may, by notice in writing to the Company within seven days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 10 8 The cost of obtaining the Auditors' certificate shall be paid by the Company unless
 - (a) the Vendor cancels the Company's authority to sell, or
 - (b) the sale is pursuant to a Deemed Transfer Notice, and the Sale Price certified by the Auditors is less than the price (if any) offered by the directors to the Vendor for the Sale Shares before the Auditors were instructed,

in which case the Vendor shall bear the cost

Preliminary offer to the Company

- 10 9 Within 14 days of the Sale Price being agreed or determined, any Sale Shares being sold under a Deemed Transfer Notice will be offered to the Company who may (subject to the Act) accept the offer itself or decline the offer (in each case in whole or in part).
- 10 10 If
 - (a) the Company indicates that it does not wish to accept the offer under article 10 9 in whole or at all, or
 - (b) the Company does not accept the offer within 28 days of it being made,

then any remaining Sale Shares will immediately be offered to the shareholders (other than the Vendor)

Offer to shareholders

- 10 11 The Sale Shares (excluding any that have been taken up by the Company) will be offered to the shareholders (other than the Vendor)

- (a) in the case of Sale Shares being sold pursuant to a Deemed Transfer Notice, as soon as they become available (that is, the Company has either declined an offer of Sale Shares (in whole or in part) or any period for accepting it has elapsed, and
- (b) in the case of Sale Shares not being sold pursuant to a Deemed Transfer Notice, within 14 days of the Sale Price being agreed or determined

10 12 The offer under article 10 10 or 10 11 shall be in writing, specifying

- (a) the number of Sale Shares on offer and the Sale Price,
- (b) either
 - (i) the person the Vendor wants to transfer the Sale Shares to, or
 - (ii) the fact that the sale is pursuant to a Deemed Transfer Notice
 (as the case may be), and
- (c) the date by which the application to purchase the Sale Shares has to be received by the Company (being a date not less than 14 days and no more than 21 days after the date of the notice)

The notice shall set out the method of allocation of the Sale Shares and shall invite each shareholder (other than the Vendor) to apply in writing to the Company for as many of the Sale Shares (if any) as that shareholder would like to purchase

Basis of allocation to shareholders

10 13 If the total number of Sale Shares applied for by the shareholders is equal to or less than the number of Sale Shares available, the Sale Shares shall be allocated in satisfaction of the applications received

10 14 If the total number of Sale Shares applied for is more than the number of Sale Shares available, the directors shall allocate Sale Shares in satisfaction of each shareholder's application for Sale Shares in accordance with the following formula (rounded up or down (at the directors' discretion) to the nearest whole number of shares (including zero)) This formula shall be applied repeatedly until there are no Sale Shares left to be allocated Each application of the formula is an **'iteration'**

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

A is the number of Sale Shares to be allocated to the relevant shareholder in the iteration

B is the number of shares held by the relevant shareholder

C is the number of shares held by all shareholders to whom the iteration is being applied

D is the number of Sale Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations

If, in any iteration, a shareholder would be allocated all or more than all of the Sale Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that shareholder. That shareholder will cease to take part in any further iterations and the excess Sale Shares will be available for allocation in the next iteration

- 10 15 The Company shall notify the Vendor and each shareholder who applied for Sale Shares of the number of Sale Shares that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed

Transfer procedure for pre-emptive offers

- 10 16 If the Company finds purchasers for all or any of the Sale Shares under this article 10, the Vendor shall, on receipt of the Sale Price, transfer the Sale Shares (or those Sale Shares for which the Company has found purchasers) to those purchasers. If the purchase is by the Company, the Vendor will also sign any purchase contract required under the Act. If the Vendor does not perform his obligations under this article 10 16, the Company may

- (a) (if so required by the persons willing to purchase the Sale Shares) receive and give a good discharge for the purchase money on behalf of the Vendor,
- (b) authorise any person to execute transfers of the Sale Shares in favour of the purchasers and, if required, the purchase contract, and
- (c) enter the names of the purchasers in the Company's register of shareholders as the holders of the Sale Shares that were transferred to them

Transfers free of pre-emption

- 10 17 If the Company does not find purchasers for all of the Sale Shares under this article 10, the Vendor may, within three months after the date of the offer by the Company to its shareholders, sell and transfer the Sale Shares that have not been sold under this article 10 to the persons specified in the Transfer Notice at a price which is no less than the Sale Price. However, if the Sale Shares were offered under a Deemed Transfer Notice, they may not be sold or transferred to any third party unless

- (a) the transfer is permitted under article 8, or
- (b) the shareholder serves a new Transfer Notice under article 10 1

Effect of non-compliance

- 10 18 Any purported transfer of shares which is not in accordance with these Articles is void

11. TRANSFER OF CONTROL

Tag along

- 11 1 Save for transfers permitted or required under articles 8, 9 or 11 3 to 11 13 inclusive, no sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if, as a result of that sale or transfer and registration, a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert unless the proposed transferees or their nominees

- (a) are independent third parties acting in good faith, and
- (b) have offered to purchase all the shares at the Specified Price

If any part of the Specified Price is not paid in cash then the shareholders may, at their option, elect to take a price per share of a cash sum agreed by them and the proposed transferee having regard to the transaction as a whole

Calculation of the Specified Price

- 11 2 The '**Specified Price**' means the sum of

- (a) the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the shares being acquired, plus
- (b) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of any shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable

If there is a disagreement on the calculation of the Specified Price, the calculation shall be referred to the Auditors

Drag along

- 11 3 If the Sellers wish to transfer the Sellers' Shares at an arms length price to a bona fide arms length purchaser, the Sellers shall have the option to require all the Called Shareholders to sell and transfer all their shares to the Buyer (or as the Buyer shall direct) in accordance with articles 11 3 to 11 13 inclusive
- 11 4 The Sellers may exercise the Drag Along Option by giving written notice to that effect at any time before the transfer of the Sellers' Shares to the Buyer A Drag Along Notice shall specify

- (a) that the Called Shareholders are required to transfer all their Called Shares under article 11 3,
 - (b) the person to whom they are to be transferred,
 - (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with article 11 6), and
 - (d) the proposed date of transfer
- 11 5 Drag Along Notices shall be irrevocable but will lapse if the Sellers' Shares are not sold to the Buyer within 90 days after the date the Drag Along Notice was served. The Sellers may serve further Drag Along Notices if any particular Drag Along Notice lapses.
- 11 6 The form (in cash or otherwise) and amount of the consideration payable for each Called Share shall be
 - (a) the consideration to be paid by the Buyer for each share held by the Sellers (excluding any consideration attributable to accruals or arrears of dividends) (the "**Offer Consideration**"), or
 - (b) the consideration certified by the Auditors as not being less favourable than the Offer Consideration
- 11 7 The sale of the Called Shares shall be completed on the date proposed for completion of the sale of the Sellers' Shares unless the holders of at least 51% of the Called Shares and the Sellers agree otherwise.
- 11 8 The restrictions on transfer set out in articles 10, 11 1 and 11 2 shall not apply to any transfer of shares to a Buyer (or as he may direct) pursuant to the exercise of the Drag Along Option.
- 11 9 If any holder of Called Shares does not on completion of the sale of Called Shares execute transfers in respect of all his Called Shares, that holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Sellers to be his agent and attorney to
 - (a) execute all necessary transfers on his behalf, and
 - (b) against receipt by the Company (on trust for the holder) of the purchase monies or any other consideration payable for the Called Shares, deliver those transfers to the Buyer (or as he may direct)
- 11 10 On completion of the sale of the Called Shares, the directors shall (subject only to stamping any stock transfer forms, if required) immediately register the Buyer (or as he may direct) as the holder of the Called Shares and, after the Buyer (or his nominee) has been registered as the holder, the validity of those proceedings shall not be questioned by any person. A person may be registered as the holder of the Called Shares under this article 11 10 even if no certificate for those shares has been produced.

- 11 11 If any person becomes a shareholder of the Company (a **'New Shareholder'**) pursuant to the exercise of any option or other right to acquire shares in the Company after a Drag Along Notice has been served, the New Shareholder will be bound to sell and transfer all shares acquired by him to the Buyer or as the Buyer may direct. The provisions of articles 11 1 to 11 13 inclusive shall apply (with the necessary changes) to the New Shareholder, save that if the shares are acquired after the sale of the Called Shares has been completed, completion of the sale of the New Shareholder's shares shall take place immediately on the New Shareholder acquiring the shares.

Interpretation of this article

- 11 12 In this article 11 only

'transfer' and **'transferee'** shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under such a letter of allotment, and

'shares' includes bearer shares, warrants, depository receipts and any other security or instrument into which shares may be converted with a view to a sale

Primacy of article

- 11 13 All other regulations of the Company relating to the transfer of shares and the rights to registration of transfers shall be read subject to this article 11

12. APPOINTMENT AND PROCEEDINGS OF DIRECTORS

- 12 1 Unless otherwise determined in writing by the holders of at least 75% of the shares, the number of directors shall not exceed nine

- 12 2 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of directors to exceed the maximum number set out in article 12 1 of these Articles"

- 12 3 The quorum for directors' meetings is two Eligible Directors unless the Company has only one director, in which case the quorum shall be that sole director

- 12 4 Philip Dudderidge shall be the chairman of each directors' meeting and each committee meeting at which he is present

- 12 5 So long as Philip Dudderidge or his nominee is a shareholder of the Company, Philip Dudderidge, acting directly or through his nominee, may from time to time

- (a) appoint as a director of the Company any one person,
- (b) remove from office any person so appointed, and

- (c) appoint another person in his place,
- in each case by giving notice in writing to the Company

12 6 Any appointment or removal under article 12 5 takes effect on the later of

- (a) the date the notice was personally delivered to the Company's registered office or deemed given (if posted) under these Articles, and
- (b) the date (if any) specified in the notice

13. MEETINGS OF DIRECTORS

13 1 Any director may waive notice of any directors' meeting either prospectively or retrospectively and, if he does so, it shall be no objection to the validity of the meeting that notice was not given to him

13 2 In the event of an equality of votes at a directors' meeting or committee meeting, the chairman of that meeting shall have a second or casting vote

14. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors in respect of such existing or proposed transaction or arrangement in which he is interested,
- (c) shall be entitled to vote at a meeting of directors or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him)

derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

15. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

16. NOTICES

16 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article 16 1, no account shall be taken of any part of a day that is not a working day

16 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

17. INDEMNITY AND INSURANCE

17 1 Subject to article 17 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer

- (i) in the actual or purported execution and/or discharge of his duties, or in relation thereto, and
- (ii) in relation to the Company's (or other Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and

- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in this article 17 1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

17 2 This article 17 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

17 3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss

18. CONFLICTS OF INTEREST

18 1 The directors may, in accordance with the requirements set out in this article 18, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**")

18 2 Any authorisation under this article 18 will be effective only if

- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

18 3 Any authorisation of a Conflict under this article 18 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters

18 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict

18 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation

18 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation from time to time) and no contract

shall be liable to be avoided or terminated on such grounds

19. DEFINITIONS AND INTERPRETATION

General

- 19 1 In these Articles, a reference to a statute or statutory provision includes
- (a) any subordinate legislation (as defined in section 21(1), Interpretation Act 1978) made under it,
 - (b) any repeated statute or statutory provision which it re-enacts (with or without modification), and
 - (c) any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it
- 19 2 The headings in these Articles and the contents page are for convenience only and shall not affect its construction or interpretation
- 19 3 Where the expressions '**equity securities**', '**holding company**' and '**subsidiary**' are used in these Articles they have the meanings given to them by the Act
- 19 4 Unless the context otherwise requires
- (a) words denoting the singular shall include the plural and vice versa,
 - (b) words denoting a gender shall include all genders, and
 - (c) references to persons shall include bodies corporate, corporations and firms
- 19 5 Any phrase in these Articles introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

Definitions

- 19 6 In these Articles each of the following expressions shall, unless the context otherwise requires, have the meaning set opposite them

Auditors	the Company's auditors from time to time, acting as experts and not arbitrators
Act	the Companies Act 2006
acting in concert	the same meaning as in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers from time to time

Articles	these Articles of Association and an ' article ' means an article of these Articles
Business Day	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business
Buyer	a bona fide arms length purchaser to whom the Sellers wish to transfer their shares under article 11 3
Called Shareholders	the shareholders (other than the Sellers)
Called Shares	the shares held by the Called Shareholders
Controlling Interest	an interest in shares (as defined in sections 820-825 inclusive of the Act) in a company conferring in the aggregate at least 51% of the total voting rights conferred by all the issued shares in that company
Deemed Transfer Notice	a Transfer Notice which is deemed to have been given
Drag Along Notice	a notice to exercise the Drag Along Option given under article 11 4
Drag Along Option	the option referred to in article 11 3
Eligible Director	means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter)
Employee	a person other than Philip Dudderidge and Jennifer Dudderidge who is an employee or director of, or consultant to, the Company or any Group Company
Employee's Shares	<p>in relation to an Employee, all shares</p> <p>(a) held by the Employee immediately before the Termination Date,</p> <p>(b) held immediately before the Termination Date by any persons who acquired the shares while they were the Employee's Privileged Relations (other than shares which the directors are satisfied were not acquired by those persons either</p> <p>(i) directly or indirectly from the Employee, or</p> <p>(ii) by reason of their connection with the Employee</p>

and the decision of the board of directors in this respect will be final),

(c) acquired by the Employee or his Privileged Relations, personal representatives or executors after the Termination Date under any option scheme or other arrangement which was made before the Termination Date, and

(d) held by the Employee immediately before the Termination Date jointly with any other person

Group Company

the Company, its holding company (if any) and any company which is for the time being a subsidiary of the Company or its holding company

Model Articles

the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended

Privileged Relations

the shareholder concerned's spouse, children and step children

Relevant Loss

means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of any Group Company

Relevant Officer

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

Sale Price

the sale price of the Sale Shares, agreed or determined in accordance with article 10 4

Sale Shares

shares specified in the Transfer Notice, or in respect of which the Transfer Notice is deemed to have been given

Sellers

the holders of at least 75% of the shares

Sellers' Shares	at least 51% of the issued shares in the Company
Share Option Scheme	any share option scheme of the Company that the holders of at least 75% of the shares identify in writing as being a permitted share option scheme for the purposes of these Articles
Specified Price	the price calculated in accordance with article 11 2
Termination Date	in relation to an Employee <ul style="list-style-type: none"> (a) where the Employee's employment ceases by virtue of notice given by the employer to the Employee, the date on which the notice expires, (b) where the Employee's contract of employment is terminated by the employer and a payment is made or is liable to be made in lieu of notice, the date on which notice of termination was served, (c) where the Employee concerned is a director or consultant but not an employee, the date on which the contract for the provision of his services is terminated, (d) where the Employee dies, the date immediately prior to the date of his death, and (e) in any other case, the date on which the Employee's contract of employment, contract for the provision of services or consultancy agreement is terminated
transfer	in relation to a transfer of shares, shall be deemed to include a transfer of any interest in shares (whether legal, beneficial or otherwise)
Transfer Notice	a notice given by a shareholder who desires to transfer any shares under article 10 1
Vendor	the transferor under a Transfer Notice or a Deemed Transfer Notice