

**Company Number: 2478355**

**THE COMPANIES ACTS 1985-1989**

**COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

**of**

**HERB U.K. LIMITED**

**Passed on 31 JANUARY 2007**


We, the undersigned, being all the members of the Company who, at the date of these written resolutions, would be entitled to attend and vote at General Meetings of the Company hereby pass the following resolutions as written resolutions as provided for in section 381A Companies Act 1985 as amended), and agree that the resolutions shall, for all purposes, be as valid and effective as if they had been passed as special resolutions at a General Meeting of the Company duly convened and held

The auditors have been notified of the contents of the following resolutions pursuant to section 381B(1) Companies Act 1985 (as amended)

**Special Resolutions**

- 1 That the 60,000 Ordinary "A" Shares of £1 each held by Herb U K (Holdings) Limited be redesignated as 60,000 Ordinary Shares of £1 each
- 2 That the Company's memorandum of association be amended to reflect the amendment to the Company's authorised share capital,
- 3 That the Company adopt new articles of association in the form attached to this written resolution

Signed

  
authorised signatory on behalf of  
Herb U.K. (Holdings) Limited



**THE COMPANIES ACT 1985**  
**PRIVATE COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**HERB U.K. LIMITED**

**COMPANIES HOUSE**

- 1 The Company's name is Herb U K Limited
- 2 The Company's registered office is to be situated in England and Wales
- 3 The Company's objects are -
  - 3 1 To carry on the business as manufacturers, importers, exporters, dealers in and suppliers of all articles appertaining to the business of hairdressing in all its branches, including hairdryers and other electrical goods, wigs, cosmetics, toilet requisites, dressing cases, leather and fancy goods, ties and haberdashery, and to carry on any other trade or business whatsoever of a like or similar nature
  - 3 2 To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company
  - 3 3 To acquire by purchase, lease, exchange, hire or otherwise, or to hold for any estate or interest, any land, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, stock-in-trade and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business
  - 3 4 To erect, alter or maintain any buildings, plant and machinery necessary or convenient for the Company's business and to contribute to or subsidise the erection, construction and maintenance of any of the above
  - 3 5 To acquire by subscription or otherwise and hold, sell, deal with or dispose of any shares, stock, debentures, debenture stocks, or other securities of any kind whatsoever, guaranteed by any company constituted or carrying on business in any part of the world and debentures, debenture stock and other securities of any kind guaranteed by any Government or Authority, Municipal, Local or otherwise, whether at home or abroad, and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by the ownership thereof
  - 3 6 To receive money on deposit either without security or secured by debentures, debenture stock (perpetual or terminable), mortgage or other security charged on the undertaking or on all or any of the assets of the Company including uncalled capital, and generally to act as bankers

- 3 7 To borrow and raise money in any manner and to secure with or without consideration the repayment of any money borrowed, raised, or owing by mortgage, charge, debenture, debenture stock, bond, standard security, lien or any other security of whatsoever nature upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, debenture, debenture stock, bond, standard security, indemnity, lien or security of whatsoever nature to secure and guarantee the performance by the Company or any other company or person (including, but without prejudice to the generality of the foregoing) the holding company of the Company or any company which is a subsidiary of such holding company within each case the meaning of section 736 of the Act, of any obligation or liability it or such person or company may undertake or which may become binding upon it or such person or company, and to secure any securities of the Company by a Trust Deed of other assurance and to enter in partnership or any joint venture arrangement with any person, persons, firm or company
- 3 8 To lend money with or without security, and to invest money of the Company upon such terms as the Company may approve, and to guarantee the dividends, interest and capital of the shares, stocks or securities of any company of or in which the Company is a member or is otherwise interested, and generally as the Directors think fit
- 3 9 To apply for, purchase or otherwise acquire and hold or use any patents, licences, concessions, copyrights and the like, conferring any right to use or publish any secret or other information and to use, exercise, develop or grant licences in respect of the property, rights or information so acquired
- 3 10 To take part in the formation, management, supervision or control of the business or operation of any company or undertaking and for that purpose to appoint and remunerate any Directors, Accountants, Consultants, experts or agents
- 3 11 To employ experts, consultants and valuers to investigate and examine the condition, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights
- 3 12 To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition or taking over of all or any of the assets or liabilities of the Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or the interests of the Company and to acquire, hold or dispose of shares, stocks or securities issued by or any other obligations or any such other company
- 3 13 To draw, accept and negotiate promissory notes, bills of exchange and other negotiable instruments
- 3 14 To invest and deal with the monies of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as the Company may approve

- 3 15 To pay for any property or rights acquired by the Company either in cash or by the issue of fully or partly paid up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine
- 3 16 To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company or corporation, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgages or other securities of any company or corporation or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired
- 3 17 To enter into arrangements for joint working in business or amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of the Company or which is capable of being carried on so as directly or indirectly to benefit the Company
- 3 18 To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, or company carrying on any business the carrying on of which is calculated to benefit the Company or to advance its interests, or possessed of property suitable for the purposes of the Company
- 3 19 To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit
- 3 20 To provide for the welfare of persons employed or formerly employed by the Company and to grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or of any associated company of the Company to its predecessors in business of the dependants of such persons and to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory), with a view to providing pensions or other funds for any such persons as aforesaid or their dependants
- 3 21 To subscribe to or otherwise aid the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the Company or its

predecessors in business or not, and to institute and maintain any club or other establishment

- 3 22 To distribute in specie assets of the Company properly distributable amongst the members, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law
- 3 23 To do all or any of the things hereinbefore authorised, either alone or in conjunction with others, or as factors, trustees or agents for others, or by or through factors, trustees or agents
- 3 24 To do all such other things as are incidental to or which the Company may think conducive with the other objects or any of them

The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the powers and to achieve or endeavour to achieve all or any of the objects conferred by and provided in any one or more of the said sub-clauses

- 4 The liability of the Members is limited
- 5 The Share Capital of the Company is £110,000 divided into 110,000 Ordinary Shares of £1 each \*

\* Amended by Written Resolution of the Members on 31/01/ 2007

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names

**Names and Addresses  
of Subscribers**

**Number of Shares  
taken by each  
Subscriber**

SUNDER MANSUKHANI  
Classic House  
174-180 Old Street  
London  
EC1V 9BP

ONE

LYNN HUGHES  
Classic House  
174-180 Old Street  
London  
EC1V 9BP

ONE

Dated the 4<sup>th</sup> day of January 1990

Witness to the above Signatures -

MAURICE GRIFFIN  
Classic House  
174-180 Old Street  
London  
EC1V 9BP

**Company Number 02478353**

**THE COMPANIES ACT 1985 COMPANY LIMITED  
BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**HERB U.K. LIMITED**

**Company Number 02478353**

**THE COMPANIES ACT 1985**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**HERB UK LIMITED**

**1 PRELIMINARY**

1 1 The regulations contained in Table A as prescribed by the regulations made under the Act in force at the date of adoption of these Articles of Association (hereinafter referred to as "Table A") shall apply to the Company insofar as these Articles do not exclude or modify Table A Any reference herein to any regulation is to that regulation as set out in Table A

1 2 In these Articles, the following words and expressions have the following meanings

<b>"Act"</b>	the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force
<b>"acting in concert"</b>	has, at any time, the meaning set out in the current edition of The City Code on Takeovers and Mergers at that time
<b>"Auditors"</b>	the auditors for the time being of the Company
<b>"Board"</b>	the board of Directors of the Company for the time being
<b>"Change of Control"</b>	the acquisition whether by purchase, transfer, renunciation or otherwise of shares in the Company as a result of which any person or persons Connected with each other or persons acting in concert with each other (in each case other than as a result of a transfer permitted under Article 16) would obtain control over or beneficial interest in that number of shares in the Company which in aggregate confers 50% or more of the voting rights normally exercisable at general meetings of the Company

<b>"Connected"</b>	has the meaning given by Section 839 of the Income and Corporation Taxes Act 1988
<b>"Directors"</b>	the directors for the time being of the Company or a quorum of such directors present at a duly convened meeting of the directors
<b>"Disposal"</b>	the disposal (by one transaction or a series of transactions) of all or a substantial part of the business and undertaking of the Company or any of its subsidiaries
<b>"Family Trusts"</b>	as regards any particular individual member or deceased member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of power or discretion conferred thereby on any person or persons
<b>"the Group"</b>	the Company, any of its subsidiary undertakings, any holding company of the Company and any subsidiary of any such holding company from time to time and "member of the Group" shall have a corresponding meaning
<b>"Listing"</b>	either  (a) the admission by the Financial Services Authority in its capacity as the UK Listing Authority of any of the share capital to the Official List, and such admission becoming effective, or

	(b) the admission by London Stock Exchange plc of any of the share capital to trading on the Alternative Investment Market, and such admission becoming effective, or
	(c) admission of any of the share capital on a recognised investment exchange (within the meaning of section 285 of the Financial Services and Markets Act 2000)
<b>"Member of the same Group"</b>	in relation to a member which is a body corporate any other body corporate which is a group undertaking (as defined by section 259(5) of the Act
<b>"Ordinary Shares"</b>	the Ordinary Shares of £1 each in the capital of the Company
<b>"Privileged Relation"</b>	the spouse or widow or widower of the member and the member's adult children and adult grandchildren (including adult step and adopted adult children and their adult issue)
<b>"Relevant Executive"</b>	a working director and employee or consultant to the Company or any subsidiary undertaking of the Company (but excluding, for the avoidance of doubt, the Investor Director)
<b>"Relevant Member"</b>	a member who is a Relevant Executive or a member who shall have acquired shares of the Company directly or indirectly from a Relevant Executive (including where such shares were subscribed by such member by reason of its relationship with the Relevant Executive)
<b>"Relevant Shares"</b>	(so far as the same remain for the time being held by the trustees of any Family Trusts or by any Transferee Company) the Shares originally acquired by such trustees or Transferee Company and any additional Shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such Shares or any of them or the membership thereby conferred
<b>"Shares"</b>	the Ordinary Shares for the time being in issue
<b>"Shareholders"</b>	the holders for the time being of the Ordinary Shares
<b>"Transfer Notice"</b>	a notice in accordance with Article 11 that a member desires to transfer Shares

<b>"Transferee Company"</b>	a body corporate for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series)
<b>"Transferor Company"</b>	a body corporate transferring shares pursuant to the provisions of Article 16

## **2. SHARES**

- 2 1 At the date of adoption of these Articles, the authorised share capital of the Company is £110,000 comprising 110,000 Ordinary Shares of £1 each
- 2 2 In regulation 8, the words "not being a fully paid share" shall be omitted The Company shall have a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person indebted or under liability to the Company (whether he is the sole registered holder thereof or one of two or more joint holders) for all monies presently payable by him or his estate to the Company
- 2 3 The liability of any member in default in respect of a call shall be increased by the addition of the words "and all expenses that may have been incurred by the Company by reason of such non-repayment" at the end of the first sentence of regulation 18
- 2 4 The Company may exercise the powers of paying commissions conferred by the Act Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other

## **3. ISSUE OF SHARES**

Section 89(1) and sub-sections (1) to (6) of section 90 of the Act shall not apply to the Company

## **SHARE RIGHTS**

### **4. DIVIDENDS**

Every dividend shall be distributed to the appropriate shareholders pro rata according to the amount paid up or credited as paid up on the shares held by them respectively All dividends are expressed net and shall be paid in cash

## **5. TRANSFER OF SHARES**

- 5 1 Subject to these Articles, shares may be transferred by a transfer in writing in the usual common form or in any other form approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, when the share is not fully paid, shall also be signed by the transferee.
- 5 2 The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares not fully paid or over which the Company has a lien. The Directors may also refuse to register a transfer of shares, whether fully paid or not, in favour of a person to whom they shall not approve or to more than four persons jointly. Regulation 24 shall not apply.
- 5 3 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is duly stamped and is in respect of only one class of share and is accompanied by the relevant share certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). Failing such information or evidence being furnished to the satisfaction of the Directors, the Directors shall be entitled to refuse to register the transfer in question. All instruments of transfer which are registered may be retained by the Company.

## **6. PERMITTED TRANSFERS**

- 6 1 Subject to the provisions of this Article 6 but notwithstanding the provisions of Article 11 any Shares (other than any Shares in respect of which the holder shall have been required by the Directors under these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred
- 6 1 1 by an individual member (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trusts) to a Privileged Relation of such member (and for the purposes of this Article, transfer shall include by will, bequest or other disposal on death),
- 6 1 2 by such individual member to trustees to be held upon Family Trusts related to such individual member, or
- 6 1 3 by any member being a body corporate (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trusts) to a Member of the same Group as the Transferor Company
- provided that in the case of any transfer under Article 6 1 1 or 6 1 2, the member continues to hold over 50% of the shares held by him as at the date of adoption of these Articles
- 6 2 Where shares have been transferred under Article 6 1 to trustees of Family Trusts, the trustees and their successors in office may (subject to the provisions of Article 6 1) transfer all or any of the Relevant Shares
- 6 2 1 to the trustees for the time being of the Family Trust concerned on any change of trustees,

- 6 2 2 to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person, or
- 6 2 3 to the Relevant Member or former member or any Privileged Relation of the Relevant Member or deceased or former member who has thereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid
- 6 3 If and whenever any of the Relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 6 1 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound to give a Transfer Notice in respect of the Shares concerned
- 6 4 If a person to whom Shares have been transferred pursuant to Article 6 1 1 shall cease to be a Privileged Relation, such person shall be bound (unless a majority of the Board so consent) to give a Transfer Notice in respect of the Shares concerned
- 6 5 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 6 1 3) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound (unless a majority of the so consent) to give a Transfer Notice in respect of the Relevant Shares

## **7. PRE-EMPTION ON TRANSFER**

- 7 1 The right to transfer Shares or any interests in Shares shall be subject to the following restrictions and provisions. References in this Article 7 to Shares or Sale Shares shall include any beneficial interest in and grant of contractual rights or options (including a charge of security interest) over or in respect of such Shares
- 7 2 Any Shareholders (the "Proposing Transferor") proposing to transfer any Shares (the "Sale Shares") shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company (the "Transfer Notice") that he desires to transfer the Sale Shares and specifying the price at which he is prepared to sell the Sale Shares in accordance with the following provisions of this Article 7 (the "Proposed Price"). The Transfer Notice shall constitute the Company his agent for the sale of Sale Shares (together with all rights then attached thereto) during the Prescribed Period (as defined in Article 7 6) to any Shareholders on the basis set out in the following provisions of this Article 7 and shall not be revocable except with the consent of the Directors

- 7 3 The Sale Shares shall be offered for purchase in accordance with this Article 7 at a price per Sale Share (the "Sale Price") as agreed between the Proposing Transferor and the Directors or, failing such agreement, as determined pursuant to Article 7 6
- 7 4 If agreement of the Sale Price cannot be reached in accordance with Article 7 5, then the Directors shall within 7 days refer the matter to an independent firm of Chartered Accountants who shall be nominated by agreement between the parties or failing such agreement within 14 days after the request of any party, nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales (the "Expert"), which shall within 60 days determine and certify the sum per share considered by them to be the fair value thereof as at the date of the Transfer Notice In so determining and certifying, the Expert shall
- 7 4 1 not take into account the proportion of the relevant class of shares which the Sale Shares represent,
- 7 4 2 value the Sale Shares as on an arm's length sale between a willing seller and a willing purchaser or if a bona fide offer has been made for the shares, the amount and terms of the offer,
- 7 4 3 take into account the provisions of this Article 7,
- 7 4 4 take into account prospective earnings of the Company and the Group for the then current financial year as shown by the agreed budget and its current management accounts,
- 7 4 5 assume that, if the Company is then carrying on business, it will continue to do so,
- 7 4 6 assume that the Sale Shares can be transferred without restriction

The Expert shall act hereunder as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and (in the absence of fraud) they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith The Expert shall allocate its costs equitably based upon the reasonableness of the parties' conduct, or lack thereof, in connection with attempts to establish a Sale Price prior to the appointment of the Expert

- 7 5 The Company shall offer the Sale Shares for purchase at the Sale Price by a written Offer Notice (the "Offer Notice") given within 7 days after the Sale Price is agreed ("the Notice Date") or determined under Article 7 6 to the persons (other than the Proposing Transferor) who, on the Notice Date, were the registered holders of Shares in the Company on terms that the Sale Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of Shares (and the shareholding of the Proposing Transferor shall be ignored for the purpose of calculating this proportion) Any Shares which are not accepted pursuant to the offer contained in the Offer Notice will be offered by the Company by a further written notice (the "Further Notice") given within 21 days of the date of the Offer Notice to those Shareholders whom accepted Shares pursuant to the offer contained in the Offer Notice, such second offer to be in proportion to their holdings of Shares

as increased by their acceptance of the offer contained in the Offer Notice (for the purpose of calculating the relevant proportion, ignoring the Proposing Transferor's shareholding and also ignoring the shareholdings of any Shareholders who did not accept the offer contained in the Offer Notice)

- 7 6 The period during which the relevant Shareholder may accept the offer contained in the Offer Notice shall commence on the date of the Offer Notice and terminate 14 days thereafter. The period during which a relevant shareholder may accept the offer contained in the Further Notice shall commence on the date of Further Notice and terminate 14 days thereafter. The aggregate of the periods referred to in this Article 7 8 shall be referred to in total as the "Prescribed Period"
- 7 7 After the expiry of the Prescribed Period, the Directors shall allocate the Sale Shares in accordance with the acceptances received on the basis set out in Article 7 7. The Directors shall within 7 days of the expiry of the Prescribed Period give notice in writing (the "Sale Notice") to the Proposing Transferor and to each accepting Shareholder (each a "Purchaser") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them.
- 7 8 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than 3 days nor more than ten days after the date of the Sale Notice) when the Proposing Transferor, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, shall transfer those Sale Shares and deliver the relevant share certificates to that Purchaser.
- 7 9 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser(s) hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser(s) to be registered as the holder(s) of such shares. The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) who shall not be bound to see to the application thereof and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers and validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company.
- 7 10 Any Shares not accepted by any of the members pursuant to the foregoing provisions of this Article 7 by the end of the last day of the Prescribed Period may be offered by the Proposing Transferor to such persons as he may think fit for purchase at a price not less than the Sale Price for a period of three months commencing on the day after the day on which the Prescribed Period terminates.

## **8. COMPULSORY TRANSFERS**

- 8 1 In this Article 8, a "Transfer Event" means in relation to any holder of Ordinary Shares

8 1 1 death or bankruptcy of a member who is an individual,

8 1 2 which is a company, that such company has ceased or threatened to cease to trade or has had a receiver, administrative receiver, administrator or manager

appointed over the whole or any part of its assets or undertaking or has become insolvent or gone into liquidation (unless such liquidation is for the purposes of a solvent reconstruction or amalgamation), compounded with its creditors generally or has been otherwise unable to meet its debts as they fall due or has suffered any similar action in consequence of debt,

8 1 3 a member who is or was previously a director or employee of the Company or a member of the Group ceasing to hold such office or employment and as a consequence no longer being a director or employee of the Company or any member of the Group,

8 1 4 a member who is an individual being in persistent or material breach of the Investment Agreement

8 2 Upon the happening of any Transfer Event, the member in question and any other member who has acquired Shares from him under a permitted transfer pursuant to Article 6 (directly or by means of a series of two or more permitted transfers) shall (unless a majority of the Board resolve otherwise) be deemed to be a Proposing Transferor and to have immediately given a Transfer Notice in respect of all the Shares then held by them and which in the case of a transferee of shares were the Shares received directly or indirectly from the member who is the immediate subject of the Transfer Events ("a Deemed Transfer Notice") A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice

8 3 Subject to Article 8 4 and 8 5, the Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 7 as if they were Sale Shares in respect of which a Transfer Notice had been given save that

8 3 1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of notification to the Company by the Investor Director that the relevant event is a Transfer Event,

8 3 2 the Proposing Transferor may retain any Sale Shares for which Purchasers are not found or, after the expiry of the relevant Offer Notice sell all or any of those Sale Shares to any person (including any member) at any price per Sale Share which is not less than the Sale Price,

8 3 3 the Sale Shares sold, shall be deemed sold together with all rights attaching thereto as at the date of the Transfer Event

8 4 Any Shares being sold by reason of a transfer under Article 8 1 3 or Article 8 1 4 shall be offered first to the Company within 14 days of the Sale Price being determined Any shares not sold under this article within 7 days of such offer will be available for sale to the members of the Company

8 5 For the purpose of Article 8 the date upon which a member ceases to hold office or employment as described therein shall be

8 5 1 where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or

directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination),

8 5 2 where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice,

8 5 3 save as provided in Article 8 5 1 where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance,

8 5 4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event, and

8 5 5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in Article 8 5 1 to 8 5 4 above, the date on which the action or event giving rise to the termination occurs

8 6 "Fair Value" for the purposes of these Articles means as agreed between the Board and the Proposing Transferor or, in the absence of agreement within 21 days of the Transfer Event, by the Expert in accordance with Article 7 6

## **9 BRING ALONG OPTION**

9 1 If the holders of more than 75% of the Ordinary Shares of the Company (the "Selling Shareholders") shall receive a bona fide offer from a third party to acquire all the Shares held by the Selling Shareholders then, before accepting such offer and within 10 days of receipt of such offer, the Selling Shareholders shall serve a notice (an "Article 9 1 Notice") on all the other Shareholders (the "Remaining Shareholders") specifying in reasonable detail the terms of the offer made by the third party, together with a copy of any written offer received by the Selling Shareholders from that third party provided that an Article 9 1 Notice cannot be served within the date 5 years from the date of adoption of these Articles

9 2 Following service of an Article 9 1 Notice, the Remaining Shareholders shall have the right exercisable by written notice served on the Selling Shareholders within 28 days of the date of service of the Article 9 1 Notice to offer to acquire all (but not some only) of the Selling Shareholders' Shares from the Selling Shareholders subject to the same conditions (if any) and for the same consideration as offered by the third party (an "Article 9 2 Notice") Within 28 days of serving an Article 9 2 Notice, the Remaining Shareholders shall acquire all of the Selling Shareholders Shares on the terms of the Article 9 2 Notice

9 3 In the event that the Remaining Shareholders shall fail to serve an Article 9 2 Notice within the period specified or if the Remaining Shareholders agree to waive their rights under Article 9 2, the Selling Shareholders shall have the Option (the "**Bring Along Option**") to require all the Remaining Shareholders to transfer all their Shares to the third party purchaser or as the third party purchaser shall direct in accordance with the remaining provisions of this Article 9 and upon the same terms as those on which the third party is to acquire the Selling Shareholders' Shares and, for the avoidance of doubt, the provisions of Article 7 shall not apply to such proposed sale or transfer

9 4 The Selling Shareholders shall exercise the Bring Along Option by giving notice to that effect (a "**Bring Along Notice**") to all the Remaining Shareholders at any time

before the transfer of the Selling Shareholders' Shares to the third party purchaser. A Bring Along Notice shall specify that the Remaining Shareholders are required to transfer all their shares (the "**Remaining Shares**") pursuant to this Article 9 to the third party purchaser, the price at which the Remaining Shares are to be transferred and the proposed date of transfer. A Bring Along Notice shall be irrevocable unless the third party purchaser refuses to acquire the Remaining Shares on the terms of this Article 9 in which case the Remaining Shareholders shall be under no obligation to sell their Shares to such third party purchaser.

- 9.5 The Remaining Shareholders shall be obliged to sell the Remaining Shares at the price specified in the Bring Along Notice and completion of this sale and purchase shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares, unless

9.5.1 all the Remaining Shareholders and the Selling Shareholders agree otherwise, and

9.5.2 the date is less than 14 days after the Bring Along Notice, in which case completion shall take place on the 14th day after the Bring Along Notice.

- 9.6 Each of the Remaining Shareholders shall, on service of the Bring Along Notice, be deemed to have appointed each of the Selling Shareholders severally as his attorney to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Remaining Shares to the third party purchaser pursuant to this Article 9.

## **10 TAG ALONG**

- 10.1 Subject to Article 5 and Article 9, but notwithstanding any other provisions in these Articles, no sale or transfer or other disposition of any interest in the Shares shall have any effect (other than any transfers permitted under Article 6) if it were to result in a Change of Control unless before the transfer is lodged for registration ("the Third Party Transfer") the relevant third party purchaser has made a bona fide offer in accordance with Article 10 to purchase, at the Specified Price (as defined below), all the Shares held by Shareholders who are not acting in concert or otherwise are Connected with such the third party purchaser.

- 10.2 An offer made under Article 10.1 shall be in writing, be open for acceptance for at least 21 days and be deemed to have been rejected by any member who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 30 days of the date of the offer.

- 10.3 "Specified Price" means the price per share at which the Third Party Transfer is proposed to be made.

## **11. INFORMATION CONCERNING SHAREHOLDINGS AND TRANSFERS**

- 11.1 For the purpose of ensuring that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder, or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowances, the Directors may from time to time require any member or the

legal person representing any deceased member or any person named as transferee in the transfer lodged for registration to furnish to the Company such information or evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 11 in respect of the Shares concerned

- 11 2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any Shares and such Transfer Notice is not duly given 24 within a period of one month or such longer period as the Directors may allow for the purpose, such Transfer Notice shall be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the foregoing provisions of these Articles shall take effect accordingly
- 11 3 From (and including) the date on which the Directors have duly required a Transfer Notice, all holders of Shares subject to such Transfer Notice shall not transfer or encumber any of their Shares or any interest in their Shares (other than pursuant to such Transfer Notice) until all proceedings pursuant to such Transfer Notice have been finalised in accordance with these Articles

## **12. PROCEEDINGS AT GENERAL MEETINGS**

- 12 1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two members present in person or by proxy shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of section 375 of the Act. Regulation 40 shall not apply
- 12 2 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly
- 12 3 A resolution in writing executed or approved by facsimile signature by or on behalf of the holders of all the issued Shares or holders of a class of shares shall be as valid and effectual as if the same had been duly passed at a general or extraordinary general meeting and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly
- 12 4 Regulation 41 shall be amended by the addition of the following words at the end of that regulation
- "if within half an hour of the time appointed for holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved"
- 12 5 The Chairman at any general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply

### **13. ALTERNATE DIRECTORS**

- 13 1 Any Director (other than an alternate Director) may at any time by writing under his hand and served on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. The same person may be appointed as the alternate Director of more than one Director
- 13 2 An alternate Director shall be entitled
- 13 2 1 to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, save that it shall not be necessary to give notice of such meeting to an alternate Director who is absent from the United Kingdom,
- 13 2 2 to attend, be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present, and
- 13 2 3 generally at such meeting to perform all the functions of his appointor as a Director in his absence
- If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative
- 13 3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director, but if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment
- 13 4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors
- 13 5 An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor
- 13 6 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director
- 13 7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as an alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor that such appointor may by notice in writing to the Company from time to time direct
- 13 8 Regulations 65 to 69 shall not apply to the Company

## **14. DIRECTORS**

- 14 1 Unless and until determined otherwise by general meeting of the Company the minimum number of Directors shall be two and the maximum number of Directors shall be five
- 14 2 The Directors shall not be subject to retirement by rotation and all references to such in the regulations shall be disregarded Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly
- 14 3 The Chairman at any meeting of the Directors shall not be entitled to a second or casting vote and regulation 80 shall be modified accordingly
- 14 4 A meeting of the Directors or for a committee of the Directors may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic or audiovisual communication) to speak to each of the others, and to be heard by each of the others simultaneously, and the word "meeting" in these Articles shall be construed accordingly Any such meeting shall be deemed to take place at the location of the Chairman or, if a Chairman has not been appointed, the location where the majority of Directors are present
- 14 5 A resolution in writing signed (or approved by facsimile signature) by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors, but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity Regulation 93 shall not apply
- 14 6 Regulation 89 shall not apply to the Company A quorum for all meetings of the Directors shall be three Directors present either in person or by a duly appointed alternate
- 14 7 A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract (within the meaning of section 317 of the Act) with the Company shall declare the nature of his interest at a meeting of the Directors or of any such committee of the Directors in accordance with the section Subject to such disclosure a Director may be counted in the quorum of and vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interest of the Company Regulations 94 and 95 shall not apply

## **15. INDEMNITY**

- 15 1 Without prejudice to any indemnity to which such officer may otherwise be entitled, every Director, auditor, secretary or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which related to anything done or omitted or alleged to have been done or omitted by him as an

officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in consequence with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court Regulation 118 shall not apply

- 15 2 The Company may, to the fullest extent permitted by law, purchase and maintain for any Director, secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company

## **16. OVERRIDING PROVISIONS**

Where the approval, agreement or consent of any member or Director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as such member or director may specify and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles