

TEDDIES NURSERIES LIMITED

SPECIAL RESOLUTION

At an Extraordinary General Meeting of the Company duly convened and held on 5th May 1995 the following Resolution was duly passed as a Special Resolution:-

SPECIAL RESOLUTION

That the existing Article 9 of the Company's Articles of Association be and it hereby is replaced with the following with immediate effect:-

"TRANSFER OF SHARES

- 9 (1) No transfer of any share whether or not it is fully paid, shall be registered unless it shall first be approved by the Directors. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of the members in respect thereof. The first sentence of Regulation 24 of Table A shall not apply to the Company.
- (2) In the event that any shareholder or shareholders ("the Offeree Shareholder") receive a bona fide offer from a third party to purchase their entire shareholding in the Company ("an Offer") then, notwithstanding the provisions in sub-clause (3) below the following shall apply:-
- (a) At the request of any remaining shareholders, the Offeree Shareholder shall be obliged to furnish such information and documentation as may reasonably be required to evidence or substantiate that such Offer is bona fide (and in the event of a dispute to be arbitrated by the same person appointed under Clause 9(3) below); and



- (b) Subject to satisfactory fulfilment of sub-clause 2(a) above, and unless the shareholders otherwise agree in writing, the provisions of Article 9(3) shall apply save that if the terms of the Offer contain a higher offer for shares than that calculated under Article 9(3) the price contained in the Offer shall be substituted for fair market value and Articles 9(3) to 9(10) shall be varied accordingly.
 - (c) For the avoidance of doubt, if the remaining shareholders shall fail to purchase the Sale Shares at the price contained in the Offer or revised offer then the Offeree Shareholder shall be at liberty to sell its entire shareholding pursuant to the Offer or any revised offer provided always that the Offeree Shareholder shall be obliged to procure that the Offer or revised offer shall also be made available (without obligation to accept the same) to the remaining shareholders on terms no less favourable than those contained in the Offer or revised offer (including, for the avoidance of doubt, terms as to price method, and timing of payment)
 - (d) No shareholder shall be obliged to accept an Offer or a revised offer from a third party.
- (3) Any member who wishes to transfer shares or any interest in shares ("the Vendor") shall give to the Company notice thereof in writing ("the Transfer Notice"). Subject as hereinafter mentioned, a Transfer Notice shall constitute the Directors the Vendor's agents for the sale of the shares specified therein ("the Sale Shares") at a price ("the Sale Price") to be agreed between the Vendor and the Directors. In the absence of agreement as to the price the matter shall be referred to the auditors of the Company or, at the election of the Vendor, to an independent firm of accountants to be nominated by the President for the time being of the Institute of Chartered Accountants within 21 days

("the Valuer") who, acting as experts and not as arbitrators, shall certify in their opinion the fair market value thereof as between a willing seller and a willing buyer contracting on arms length terms having regard to the fair market value of the business of the Company as a going concern. In acting as experts the auditors and accountants may have regard to relevant internal and external factors which may be relevant in determining the fair market value including controlling interests but disregarding minority interests.

- (4) The Valuer's certificate shall be binding upon all parties.
- (5) If the Valuers are asked by any of the Shareholders to certify the Sale Price the Company shall within 7 days of the issue of the Valuers' certificate furnish a copy thereof to the Vendor and the Vendor shall be entitled by notice in writing given to the Company within 28 days of the service upon him of the said copy to withdraw the Transfer Notice in which event the Vendor shall be responsible for the costs of the Valuer in producing the said certificate. The cost of obtaining the certificate shall in any other event be shared equally between the Vendor and any transferee(s) of the Sale Shares. Except as otherwise expressly provided in this Clause a Transfer Notice shall not be revocable except with the consent of the Board of Directors of the Company who may, subject as aforesaid, impose such conditions as it thinks fit including a condition that the Vendor bears costs arising.
- (6) Upon the Sale Price being fixed as aforesaid and provided the Vendor does not give notice of withdrawal as aforesaid the Directors shall forthwith by notice in writing offer to the other members ("the Transferees") the Sale Shares at the Sale Price. Such offer shall be open for a period of 28 days from the date of the notice ("the Acceptance Period"). If the Transferees shall within the Acceptance Period apply for all of the Sale Shares the Directors shall allocate the Sale Shares to the Transferees who shall be entitled to apply for the

Sale Shares pro rata to the number of shares at that time held by them in the Company or in such other proportions as shall be agreed between them. If one Transferee does not wish to purchase some or all of its entitlement to the Sale Shares, the other Transferees shall have the right to purchase those Sale Shares not so accepted provided that no Sale Shares shall be available for transfer to any person who is not already a holder of shares of the same class as those comprised in the Transfer Notice while any existing holder of such shares is willing to take up and pay for them and to the further intent that as between the members of the Company competing for the Sale Shares, such Sale Shares shall be allocated between the competing members in proportion to the number of Shares of the same class as those comprised in the Transfer Notice in the Company already held by them and to the further intent that if the said members shall not be willing to purchase all the shares so offered, such of those shares as they shall not be willing to purchase shall be offered to such persons in such proportions as the directors of the Company shall approve. Between them the Transferees must purchase all or none of the Sale Shares specified in the Transfer Notice.

- (7) If within the Acceptance Period the other members accept the offer of the Sale Shares at the Sale Price the Directors shall forthwith give notice in writing ("the Acceptance Notice") of such Acceptance to the Vendor and shall specify in such notice the place and time (being not earlier than 7 and not later than 28 days after the date of the Acceptance Notice) at which the sale of the Sale Shares shall be completed.
- (8) The Vendor shall be bound to transfer the Sale Shares to the Transferees and the Transferees shall be bound to purchase the Sale Shares at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares shall be made to the Vendor. If the Vendor shall fail to transfer the Sale Shares a director

duly authorised in writing or some other person appointed by the Board of Directors shall be deemed to have been appointed attorney of the Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor a transfer of the Sale Shares to the Transferees against payment of the Sale Price to the Company. On payment of the Sale Price to the Company the Transferees shall be deemed to have obtained a good discharge for such payment and on execution and delivery of the transfer the Transferee(s) shall be entitled to insist upon its name being entered in the register of members as the holder by transfer of the Sale Shares. The Company shall forthwith pay the price for the Sale Shares into a separate bank account in the Company's name and shall hold such price in trust for the Vendor subject to applying the same on its behalf in settling any fees or expenses falling to be borne by the Vendor. After the name of the relevant Transferee(s) has been entered in the register of members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

- (9) Subject to the remaining provisions of this Clause, if the offer of the Sale Shares at the Sale Price shall not be accepted in whole by the Transferees within the Acceptance Period or if through no fault of the Vendor the Transfer of the Sale Shares shall not be completed within 7 days of the end of the Acceptance Period then the Vendor for a period of 6 months thereafter shall be at liberty to transfer such of the Sale Shares (and at the Sale Price or any higher price) as are comprised in the Transfer Notice which were not accepted by the Transferees or in respect of which the sale was not completed as aforesaid to any person.
- (10) The restrictions on transfer contained in this Clause shall not apply to:-
 - (a) any transfer approved in writing by all the members;

- (b) any transfer by a corporate member to another company in the same group (as defined in the Companies Act 1985 (as amended)) as such corporate member provided always that if the transferee company subsequently ceases to be a member of the same group as the transferor company the transferee company shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all shares so transferred unless (within 60 days of such event) (i) the transferee company transfers to another company in the same group as the original transferor company member all shares in the Company transferred to it;
- (c) any transfer by a corporate member to a company formed to acquire the whole or a substantial part of the undertaking and assets of such corporate member as part of a scheme of amalgamation or reconstruction;

provided that it must be proved to the reasonable satisfaction of the Directors that the transfer bona fide falls within one of these exceptions (except that no such proof shall be required in the case of sub-article (9)(a)).

- (11) If any member of the Company attempts to transfer any shares otherwise than in accordance with this Article or if any member enters into liquidation (except a members' voluntary liquidation for the purpose of reconstruction or amalgamation) or suffers a receiver to be appointed of any of its assets, or dies or ceases to be a director or if a director, under the terms of a Service Agreement becomes incapacitated for a period of more than nine months, such member shall be deemed to have given a Transfer Notice in respect of all shares of each class held by such member or by any nominee for him respectively immediately prior to that event and such member may be required at the option of the remaining members of the Company exercised by written notice to transfer all the shares held in the Company by such

member or by any nominee for him to the remaining members pro rata to their then holdings of shares in the Company at fair market value in accordance with this Article 9."

A handwritten signature in black ink, appearing to be "P. J. [unclear]", written over a horizontal dotted line.

Director

Ref: D0335e