

115
attention to
Resolution
1.4

ARTICLES

Introduction

- 1.1 The articles constituting Schedule 1 to the Companies (Model Articles) Regulations 2008 ('Schedule 1') shall apply to the company except in so far as they are excluded or varied by these articles.
- 1.2 For the purposes of these Articles the following Articles in Schedule 1 shall be deleted: 8 and 21
- 1.3 Any expression defined in article 1 of Schedule 1 shall bear the same meaning in these articles unless the context requires otherwise.
- 1.4 For the purposes of these Articles "the EBT" shall mean The Bauman Lyons Architects Limited Employee Benefit Trust

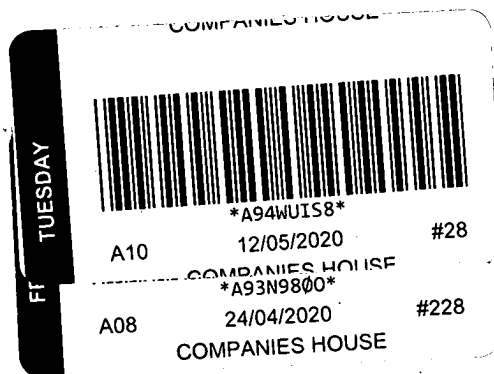
2 Directors' decisions

- 2.1 A decision of the Directors is taken if there is a common view on the matter by a majority of the Eligible Directors indicated by any means and Article 7(1) shall be amended to read: "Any decision of the Directors must be by a majority decision of Eligible Directors" and for the purposes of this Article Eligible Directors means directors entitled to vote on the matter proposed.
- 2.2 For Article 13 of Schedule 1 there shall be substituted the following:
- 'Exclusion of casting vote
- 13 If the numbers of votes for and against a proposal are equal, no person shall have a second or casting vote'
- 2.3 In article 14 of Schedule 1, in paragraph (1) there shall be substituted for the words following 'in which a director is interested' the words 'that director is to be counted as participating in the decision-making process for quorum or voting purposes provided that the director discloses the interest in accordance with either Section 177 or Section 182 of the Act (as the case may be).
- 2.4 In article 14 of Schedule 1, paragraphs (2) to (4) inclusive shall be omitted.
- 2.4 There shall be added to Article 4 the following:-

41.1 In the event that any shareholder or director shall have:

- (i) been incapacitated by reason of ill health or accident from attending and participating in directors meetings or General Meetings for a period of or periods aggregating six months in the preceding period of twelve consecutive months; or
- (ii) become bankrupt or had an interim order made against him under the Insolvency Act 1986 or compounded with his creditors generally; or
- (iii) have disqualified from being a director by reason of any order made under the Company Directors Disqualification Act 1986 or any other enactment; or
- (iv) become of unsound mind or a patient within any statute relating to mental health then his right to vote at a directors meeting or at a General Meeting shall be suspended.

3 Appointment and retirement of directors



3.1 The number of directors is not subject to any maximum, unless the company by ordinary resolution decides otherwise. The minimum number of directors is three.

3.2 In article 18 of Schedule 1, in paragraph (f) there shall be substituted for the words 'notification is received by the company from the director' the words 'the director leaves at the company's registered office notification'.

4. Issue of shares

4.1 The directors may not without the approval of the "A" Ordinary shareholders exercise the power to allot shares in the company, or to grant rights to subscribe for or to convert any security into shares in the company up to a limit of 10,000 shares of £0.10p each, for a period of five years from the date of the adoption of these articles and afterwards in so far as this is necessary to comply with an offer or agreement made by the company before the expiry of the five-year period.

4.2 In article 22 of Schedule 1, in paragraph (1) there shall be substituted for the words following 'such rights or restrictions' the words 'as may be determined by special resolution or attach such rights or restrictions to existing shares'.

4.3 The provisions of Section 561 and 562 of the Act do not apply to the Company

5. Company's lien over shares

5.1 This article applies to any share (whether partly or fully paid) registered in the name whether as sole or joint holder) of any person indebted or under liability to the company.

5.2 The company has a lien ('the company's lien') over every share to which this article applies for any sum which has not been paid to the company, and which is payable immediately or at some time in the future (including but not limited to any part of that share's nominal value and any premium at which it was issued), whether or not a call notice has been sent in respect of it.

5.3 The company's lien over a share takes priority over any third party's interest in that share, and extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

5.4 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

6. Enforcement of the company's lien

6.1 Subject to the provisions of this article, if—

6.1.1 a lien enforcement notice has been given in respect of a share, and

6.1.2 the person to whom the notice was given has failed to comply with it, the company may sell that share in such manner as the directors decide.

6.2 A lien enforcement notice—

6.2.1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

6.2.2 must specify the share concerned;

6.2.3 must require payment of the sum payable within 14 days of the notice;

- 6.2.4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
- 6.2.5 must state the company's intention to sell the share if the notice is not complied with.
- 6.3 Where shares are sold under this article—
 - 6.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - 6.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 6.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied—
 - 6.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice;
 - 6.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
- 6.5 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the company's lien on a specified date—
 - 6.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - 6.5.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

7. Purchase of own Shares

- 7. Subject to the Chapter 4 of Part 18 of the Companies Act 2006 the Company shall have the power to purchase its own shares (including redeemable shares) and if it is a private company make a payment for the shares otherwise than out of distributable profits or the proceeds of a fresh issue of shares

8 The transfer notice

- 8.1 This article applies to any proposed transfer.
- 8.2 Except in relation to any "A" ordinary shares held by Maurice Patrick Lyons or Irena Bauman and transferred or gifted between them or in relation to a transfer by or to the EBT any person wishing to transfer any shares in the company ('the transferor') must first give to the company notice in writing ('the transfer notice') stating that he wishes to sell those shares ('the relevant shares').
- 8.3 The transfer notice will constitute the company as his agent for the sale of all (but not a part only) of those shares to any of the other members or the company at the price to be specified in Article 11.
- 8.4 Once the company has received the transfer notice, the transferor may not revoke it without the directors' prior consent.

- 8.5 The restrictions on transfer contained in these Articles shall not apply to any transfer approved in writing by all the members.

9. The offer notice

- 9.1 On receipt of the transfer notice, the company (if the company has not agreed to purchase the relevant shares) must send a written notice ('the offer notice') to all the members of the company holding shares of the same class as the relevant shares (other than the transferor) ('the relevant members').
- 9.2 The offer notice must be sent by pre-paid post to the relevant members at their respective registered addresses.
- 9.3 The offer notice must offer the relevant shares to the relevant members:
- 9.3.1 at a price to be fixed in accordance with article 11 ('the prescribed price');
 - 9.3.2 on the terms that if more than one member desires to purchase the relevant shares then the shares will be sold to members accepting the offer in proportion (as nearly as may be) to their existing holdings of that class of shares.
- 9.4 The offer notice must set a deadline (not being less than 21 days) by which the offer must be accepted or be treated as declined.

10. The interim sale notice

- 10.1 In this article, 'prospective purchaser' means any member or the company willing to purchase subject to the prescribed price proving to be acceptable, and 'prospective purchasers' is to be construed accordingly.
- 10.2 Where the company finds a prospective purchaser or purchasers for all of the relevant shares specified in the transfer notice within the period of 2 months of receiving that notice, it must give written notice ('the interim sale notice') to the transferor, stating this fact together with the name and address of each prospective purchaser and the number of shares which each prospective purchaser is willing to purchase.
- 10.3 The interim sale notice must state that:
- 10.3.1 the transferor has one month from the receipt of the notice ('the negotiation period') to use his best endeavours to agree the price for each share with each prospective purchaser;
 - 10.3.2 if the transferor succeeds in agreeing the price in accordance with article 10.3.1 during the negotiation period, he must forthwith give written notice of the fact to the company, which must then proceed to issue a final sale notice under article 12;
 - 10.3.3 if the transferor fails to agree the price in accordance with article 10.3.1 by the end of the negotiation period, the fair value for the shares disregarding any discount or addition due to minority or majority holdings ('the prescribed price') shall be determined by the accountants for the time being of the company or (if the transferor requires) by some other chartered accountant to be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales, whose decision in either case shall be final.
 - 10.3.4 the company accountant or other nominated chartered accountant must determine the prescribed price by the end of the period of one month beginning immediately after the last day of the negotiation period ('the valuation period').

11. The prescribed price

11.1 In determining the prescribed price under article 10.3.3, the company accountant or other nominated chartered accountant:

11.1.1 shall act as an expert and not as an arbitrator, and

11.1.2 shall have power to determine how the costs of fixing the fair value of the shares shall be borne.

11.2 Where the prescribed price has been determined and the company has given written notice to the transferor within a month of that determination that it does not wish to purchase the relevant shares, the company must give written notice of the fact to each prospective purchaser and inform him that he has a period of one month from the receipt of the notice ('the acceptance period') to:

11.2.1 withdraw his application to purchase the shares, or

11.2.2 signify his consent to proceed with the purchase.

11.3 A prospective purchaser shall be deemed to have signified his consent under article 11.2.2 unless he informs the company in writing within the acceptance period that he no longer desires to purchase the shares.

11.4 If all of the prospective purchasers signify or are deemed to signify their consent to proceed with the purchase, the company must give the transferor notice of the fact by issuing a final sale notice under article 12.

11.5 If some but not all of the prospective purchasers signify or are deemed to signify their consent to proceed with the purchase:

11.5.1 the company must offer the shares which have been rejected to those prospective purchasers which have signified or are deemed to have signified their consent, and

11.5.2 if by doing so buyers can be found for all of the shares specified in the transfer notice, the company must give the transferor notice of the fact by issuing a final sale notice under article 12.

11.6 For the avoidance of doubt, if some but not all of the prospective purchasers signify or are deemed to signify their consent to the purchase of the shares at the prescribed price, the transferor shall be under no obligation to sell the relevant shares specified in the transfer notice unless those prospective purchasers who are prepared to purchase shares agree to purchase all of the shares specified in the transfer notice.

12 The final sale notice

12.1 The final sale notice must:

12.1.1 give the name and address of each prospective purchaser and the number of shares which each is willing to purchase;

12.1.2 state the price which each prospective purchaser has agreed with the transferor or the prescribed price to which each has signified his consent (as the case may be);

12.1.3 be accompanied by appropriate instruments of transfer for the transferor to execute:

12.1.4 specify a time and a place for the transferor to complete the purchase (not being more than 28 days after the date on which the final sale notice is given).

12.2 Upon payment of the agreed or prescribed price and if the company is the prospective purchaser after compliance with the requirements of the Companies Acts, the transferor shall be bound to transfer the appropriate number of shares to the relevant prospective purchaser.

12.3 For the purpose of determining the right of any prospective purchaser to any distribution by the company, the transferor shall be deemed to have sold the relevant shares at the date of the completion of the purchase.

13. **Transferor's failure to transfer shares**

13.1 If the transferor fails to transfer any shares in accordance with the sale notice or the final sale notice (as the case may be):

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

13.1.2 the company may receive the purchase money to be held in trust for the transferor and cause the name of the purchaser or prospective purchaser (as applicable) to be entered in the register as the holder of the shares.

13.2 The company's receipt for the purchase money shall be a good discharge to the purchaser or prospective purchaser, who shall not be bound to see to its application.

13.3 After a purchaser's or prospective purchaser's name has been entered into the register, the validity of the proceedings shall not be questioned by any person.

13.4 For the purpose of determining the right of any purchaser or prospective purchaser to any distribution by the company, the transferor shall be deemed to have sold the relevant shares at the date of the completion of the purchase.

14. **Transferor's right to transfer shares where pre-emption procedure fails**

14.1 This article applies on the occurrence of any of the following events:

14.1.1 the expiry of the period of 2 months beginning with the company's receipt of the transfer notice without the company having found purchasers or prospective purchasers for all of the relevant shares specified in the transfer notice;

14.1.2 the company giving notice before the end of the period referred to in article 14.1.1 that it has not found purchasers or prospective purchasers for all of the relevant shares specified in the transfer notice and has no prospects of doing so;

14.1.3 the expiry of the valuation period referred to in article 10.3.4 without the company auditor or other nominated chartered accountant having determined the prescribed price;

14.1.4 the expiry of the acceptance period referred to in article 11.2 without buyers having been found for all of the shares specified in the transfer notice in accordance with either article 11.4 or article 11.5.

14.2 For a period of four months beginning with the relevant event as described in article 14.1, the transferor shall be at liberty to transfer all or any of the shares specified in the transfer notice to any person, provided that he does so at a price no lower than the price specified in the transfer notice or agreed under article 10.3.1 or prescribed under article 10.3.3 (as the case may be) provided that the directors may require to be satisfied that the relevant shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction rebate or allowance of any kind and if not so satisfied may refuse to register the relevant instrument of transfer.

14.3 If the transferor wishes to transfer all or any of the shares specified in the transfer notice after the expiry of the period of four months referred to in article 14.2 then he must give a new transfer notice to the company in accordance with article 8.

15. Deemed Transfer

15.1 For the purposes of this article and other relevant provisions of these Articles the following shall be deemed (without limitation) to be service of a Transfer Notice:-

15.1.1 any direction (by way of renunciation nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted to issued or transferred to some person other than himself;

15.1.2 any sale or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise) by whomsoever made and whether or not effected by an instrument in writing;

15.1.3 if a member has a receiving order or any similar order made against him under the provisions of the Mental Health Act 1983 or any statutory modification or re-enactment of the same.

15.1.4 a member of the company entering into a transaction of the kind referred to in this Article 15 or otherwise attempting to transfer any Shares otherwise than in accordance with these Articles;

15.1.5 if any person ceases to be a director of the company, Transfer Notices shall be deemed to have been served forthwith upon cessation in respect of all shares held by that Director unless the other Directors decide otherwise.

15.2 For the purpose of ensuring that a transfer of shares is duly authorised or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given Directors may require any member or the legal representatives of a deceased member or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration, to furnish to the company such information and evidence as the directors may think fit regarding any matter they 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. the Directors shall be entitled to refuse to register the transfer in question.

15.3

15.3.1 when a member ceases to be an employee or director of the company following service at any time by the company of notice of termination of his employment by reason of any Gross Misconduct; or

15.3.2 the Member is guilty of fraud; or

15.3.3 within 12 months of the date of termination of his contract of employment with the Company he is engaged or involved in any capacity in any business capacity which competes with the Company; or

15.3.4 he has been found guilty of breaching professional standards by the Architects Registration Board or other similar body; or

15.3.5 enters into any composition or arrangement with or for the benefit of his Creditors or becomes insolvent; or

15.3.6 becomes addicted to betting or gambling or alcohol or drugs of any kind; or

15.3.7 is guilty of any serious criminal offence or grave conduct detrimental to the reputation of the Company.

he or his trustee in bankruptcy as the case may be) shall be deemed to have given a Transfer Notice in respect of all Shares held by him (and them) and the provisions of Article 8 -12 shall apply mutatis mutandis save that:-

- (a) the price to be paid for the Sale Shares shall be as 30% of the prescribed price and in the event of dispute the same shall be referred to an independent arbitrator appointed by the President for the time being of the Institute of Chartered Accountants in accordance with the Arbitration Act 1996.
- (b) any purchaser(s) procured by the Company for the Sale Shares may be a person who is not a shareholder of the Company and
- (c) the Transfer Notice may not be withdrawn

16 Death of a member

- 16.1 The "A" Ordinary shares are freely transferable between Irena Bauman and Maurice Patrick Lyons and are transmissible by them by gift will or intestacy.
- 16.2 Subject to 16.1 above this article applies where ordinary shares (not being "A" ordinary shares) are the subject of a will or intestacy.
- 16.3 The directors may give written notice to the personal representatives of the deceased member requiring them, before the expiry of a period of 21 days beginning with the date of receipt of the notice, to give a transfer notice in accordance with article 8.
- 16.4 If the personal representatives fail to comply with the notice, they shall be deemed at the expiration of the 21-day period referred to in article 16.2 to have given a transfer notice in relation to the remaining shares in accordance with article 8.

17 Bankruptcy of a member

- 17.1 If a bankruptcy order is made against any member, his trustee in bankruptcy must immediately give to the company a transfer notice in accordance with article 8 in respect of all the shares registered in the name of the bankrupt member as sole holder or as sole surviving joint holder at the date of his bankruptcy.
- 17.2 If the trustee in bankruptcy fails to give a transfer notice within one month of the bankruptcy, he shall be deemed to have given it at the end of that period.
- 17.3 The provisions of articles 8-12 (inclusive) will apply to any transfer notice given or deemed to be given under this article except that the transfer notice shall be deemed not to contain a specified price for the shares and the price shall be the fair value for the shares determined in accordance with article 10.3.3.

18 Adjournment

- 18.1 In article 41 of Schedule 1, in paragraph (1) after the words 'the chairman of the meeting must adjourn it' there shall be added the words 'unless the meeting is convened on the requisition of the members in which case the meeting shall be dissolved'.

19 Shares

- 19.1 The share capital at the date of the adoption of these articles comprising of 1,000 ordinary Shares of £0.10p each and 20 "A" ordinary shares of £0.10p each shall be converted into 10,000 ordinary shares of £0.01p each and 200 "A" ordinary shares of £0.01p each having the rights as set put in the paragraphs below.
- 19.2 Rights attaching to the "A" ordinary shares and the ordinary shares:

- (i) As regards income the "A" ordinary shares and the ordinary shares shall be entitled to such dividend out of profit as shall be declared by the Directors from time to time
- (ii) As regards capital, the "A" ordinary shares and the ordinary shares shall entitle the holder thereof on a winding up (or on a reduction of capital involving a return of capital) to repayment of the capital paid up or credited as paid up thereon together with any arrears or accruals of dividend.
- (iii) "A" ordinary shares and the ordinary shares shall be entitled to a part of the consideration in the event of a sale of the issued share capital of the Company based on the consideration multiplied by the number of shares held divided by the total number of issued ordinary shares and "A" ordinary shares.
- (iv) As regards voting the holders of ordinary shares and the "A" ordinary shares shall be entitled to receive notice of or to attend or vote at any general meeting of the Company and shall have one vote at such meeting for each such share held.