

Company No 4317404

**THE COMPANIES ACT 1985 (as amended)**

**WRITTEN RESOLUTION**

of

the shareholders of

**FURNITURE VILLAGE GROUP LIMITED**

**(Passed on 16 May 2007 pursuant to S.381A of  
the Companies Act 1985 (as amended) )**

We, the undersigned, being all the members of the above named company ("the Company") entitled to receive notice of and to attend and vote at general meetings of the Company, hereby agree that the following resolution shall have effect as a written resolution of the Company in accordance with Section 381A of the Companies Act 1985

**SPECIAL RESOLUTION**

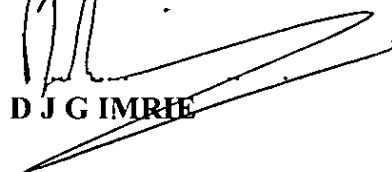
**THAT** pursuant to Section 9 of the Companies Act 1985, the Articles of Association set out in the document annexed hereto be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company



For and on behalf of  
**UBERIOR INVESTMENTS PLC**

 (AS ATTORNEY)

**J C HODKINSON**

  
**P J HARRISON**  
**E DUGGAN**  
**E G WYNNE**  
**J M L CLARK**  
**D J G IMRIE**

THE COMPANIES ACTS 1985 TO 1989

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**ARTICLES OF ASSOCIATION  
of  
FURNITURE VILLAGE HOLDINGS  
LIMITED**

**Adopted on 16 May 2007**

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Company number 6230216

**COMPANIES ACT 1985 —**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**FURNITURE VILLAGE HOLDINGS LIMITED**  
**(“the Company”)**

**1. PRELIMINARY**

These Articles, together with the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) (“**Table A**”), shall apply to the Company save insofar as such regulations are excluded or varied by these Articles. The first sentence of Regulation 24 and the provisions of Regulations 73 to 77 (inclusive), 80, 82, 87 and 118 of Table A shall not apply to the Company.

**2. DEFINITIONS AND INTERPRETATION**

2.1 In these Articles, the following words and expressions shall (except where the context otherwise requires) have the following meanings

“**Act**” means the Companies Act 1985 (as amended by the Companies Act 1989) and every other statutory modification or re-enactment thereof for the time being in force,

“**Auditors**” means the auditors from time to time of the Company,

“**Board**” means the board of directors of the Company from time to time;

“**Cessation Date**” shall have the meaning set out in Article 8.1,

“**Directors**” means the directors from time to time of the Company,

“**Employee Benefit Trust**” means any trust which may be established from time to time for the benefit of the employees (which may include past employees) of the Company and/or any other member of the Group, and which satisfies the definition of an “employees’ share scheme” set out in section 743 of the Act,

“**Existing Employee**” any person or persons who is or are (an) existing Director(s) and/or employee(s) of the Company or of any member of the Group,

**“Group”** means the Company and its subsidiary undertakings from time to time, and references to a “member of the Group” or a “Group member” shall be construed accordingly,

**“New Employee”** means a person or persons (whether or not then ascertained) whom it is proposed should be appointed as (a) Director(s) and/or employee(s) of the Company or any member of the Group,

**“Sale Notice”** has the meaning given in Article 7 1,

**“Shares”** means ordinary shares of £1 00 (one pound) each in the capital of the Company and any shares derived therefrom, whether by conversion, consolidation or subdivision, or by way of rights or bonus issue or otherwise, for the time being in issue,

**“Shareholder”** means a registered holder of Shares;

2 2 In these Articles unless the context otherwise requires

2 2 1 Words incorporating the masculine gender only include the feminine and neuter genders, and words incorporating the singular number only include the plural and vice versa

2 2 2 Headings are for ease of reference only and do not affect the construction or interpretation of these Articles

2 2 3 References to persons shall include bodies corporate, unincorporated associations and partnerships

2 2 4 Words and expressions defined in or for the purposes of the Act or Table A shall have the same meanings in these Articles unless the context otherwise requires

2 2 5 Without prejudice to the provisions of section 738 of the Act, the expressions “paid up” or “paid up value”, as used in relation to any part of the share capital of the Company, shall mean the total amount paid up, or credited as paid up, on the relevant shares, including any premium paid up or credited as paid up thereon

### 3. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £2,001,986 divided into 2,001,986 Shares

### 4. ISSUE OF NEW SHARES

4 1 Subject to Articles 4 2 and 4 4

4 1 1 any Shares for the time being unissued and any new Shares from time to time created shall, before they are issued, be offered to the holders

of the Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of Shares (of whatever class),

- 4 1 2 the offer shall be made by notice specifying the number and class of Shares offered and the price per Share and limiting a time (not being less than 20 days or greater than 30 days) within which the offer, if not accepted, will be deemed to be declined
- 4 1 3 after the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that he/they decline(s) to accept the Shares offered or any of them, the Directors shall offer the Shares declined in like manner (save that the minimum period for acceptance shall be seven days) to the other holders of Shares who have agreed to subscribe for all the Shares offered to them, in proportion (as nearly as may be) to the nominal amount of their existing holdings of Shares
- 4 1 4 if the Shares comprised in such further offer are declined or deemed to be declined, the further offer shall be withdrawn
- 4 2 In the event that all or any of the Shares to which Article 4 1 applies are not subscribed for in accordance with the provisions of Article 4 1, then subject to these Articles and the provisions of section 80 of the Act, such Shares shall be at the disposal of the Directors, who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that
  - 4 2 1 no Shares shall be issued at a discount,
  - 4 2 2 no Shares to which Article 4 1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under Article 4 1 unless the procedure set out in Article 4 1 is first repeated in respect of such Shares, and
  - 4 2 3 no Shares shall be issued at a price less than that at which they were offered to the members of the Company in accordance with Article 4 1, and so that, if the Directors are proposing to issue such Shares wholly or partly for non-cash consideration, the cash value of such consideration for the purposes of this sub-paragraph shall be as reasonably determined by the Auditors, whose determination shall be final and binding on the Company and each of its members
- 4 3 The provisions of Articles 4 1 and 4 2 shall apply mutatis mutandis to all equity securities (as defined in section 94(2) of the Act) of the Company from time to time created
- 4 4 The provisions of sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company

- 4 5 No Shares shall be allotted on terms that the right to take up such Shares may be renounced in favour of, or assigned to, another person and no person entitled to an allotment of a Share may direct that such share may be allotted or issued to any other person

## **5. TRANSFERS OF SHARES - GENERAL**

- 5 1 The Directors may, in their absolute discretion, decline to register the transfer of any Shares (including the transfer of any Shares otherwise permitted under Article 6) to any person who, in the opinion of the Directors, is carrying on business directly or indirectly in competition with the Company or any member of the Group
- 5 2 Without prejudice to the provisions of Regulation 24 of Table A (as modified hereby), the Directors shall not register any transfer of Shares
- 5 2 1 to any person who is a minor or who for any other reason does not have legal capacity to transfer Shares, or
- 5 2 2 otherwise except pursuant to a transfer permitted or required by the following provisions of these Articles
- 5 3 For the purposes of ensuring that a transfer of Shares is duly authorised under the following provisions of these Articles, or that no circumstances have arisen whereby a Shareholder may be bound or be required to give or is deemed to have given, a Sale Notice (as defined in Article 7 1), or for the purpose of ascertaining when a Sale Notice should have been or is deemed to have been given hereunder
- 5 3 1 the Directors may, from time to time, require any member, or the legal personal representatives of any deceased member, or the trustee in bankruptcy of any member, or the receiver, administrative receiver or 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 which they may deem relevant to such purpose,
- 5 3 2 failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after request, the Directors shall be entitled to refuse to register the transfer in question or, in case no transfer is in question, may resolve to require by notice in writing that a Sale Notice be given in respect of the Shares concerned,
- 5 3 3 if such information or evidence discloses, to the satisfaction of the Directors, that circumstances have arisen whereby a Shareholder may be bound or required to give, or be deemed to have given, a Sale Notice, the Directors may resolve, by notice in writing, to require that a Sale Notice be given in respect of the Shares concerned, and

- 5 3 4 a resolution of the Directors hereunder shall be binding upon the Shareholders concerned who shall be bound to give a Sale Notice in respect of the Shares concerned forthwith upon receipt of such notice from the Directors
- 5 4 In any case where the Directors have duly required a Sale Notice to be given in respect of any Shares, and such Sale Notice is not duly given within a period of one week, such Sale Notice shall be deemed to have been given at the expiry of the said period, and the provisions of these Articles relating to Sale Notices shall take effect accordingly
- 5 5 A Sale Notice given or deemed to be given pursuant to this Article or Articles 6 or 8 shall not be capable of revocation, nor may it specify that, unless all relevant Shares are sold by the Company pursuant to the Sale Notice, none shall be so sold Subject as provided to the contrary in this Article or Articles 6 and/or 8, the provisions of Article 7 shall apply to any Sale Notice given or deemed to be given under or pursuant to this Article or Articles 6 or 8
- 5 6 In any case where a Shareholder or his personal representatives has been required to give or has been deemed to have given a Sale Notice pursuant to the provisions of this Article or Articles 6 or 8, and subsequently becomes the holder of (or is deemed pursuant to Article 8 to be the holder of) further Shares in the Company by virtue of the holding of any Shares comprised in such Sale Notice (whether by way of rights or bonus issue, conversion, transfer or otherwise howsoever), such Shareholder or his personal representatives, as appropriate, shall be deemed to have served a Sale Notice pursuant to this Article or Articles 6 or 8 (as appropriate) in respect of such further Shares
- 5 7 In any case where a Shareholder or his personal representatives has been required to give or has been deemed to have given a Sale Notice pursuant to the provisions of this Article or Articles 6 or 8 the price per Share at which the Shares shall be sold or transferred shall be
- 5 7 1 the price as determined in accordance with this Article or Articles 6 or 8, or
- 5 7 2 failing any such determination, the price agreed between the Shareholder and the Board within 14 days of the date of giving of the Sale Notice or (as the case may be) the date when the Sale Notice is deemed to have been given, or
- 5 7 3 failing any agreement in accordance with Article 5 7 2, upon the expiry of 14 days after the date on which the Sale Notice was given (or the date on which the Company became aware that the same had been deemed or had become required to be given), the Directors shall request the Auditors to determine and report the sum per Share considered by them to be the fair value of the Shares The sum per Share so determined and reported shall be the price. The Auditors shall act at the cost and expense of the Company as experts and not as



arbitrators and their determination shall (in the absence of manifest error) be final. For the purposes of these Articles, the fair value of Shares shall be their market value as between a willing buyer and a willing seller (but disregarding any discount that might attach to such Shares if they constitute a minority interest, any transfer restrictions which apply to such Shares pursuant to these Articles and any discount to reflect the fact that such Shares do not carry a running dividend yield if such be the case)

- 5 8 Save as permitted pursuant to these Articles, no transfer, disposal, charge, mortgage or other dealing in any Shares or any interest or right therein shall occur other than the transfer of the whole legal and equitable title to such Shares free from all liens, charges and encumbrances

## 6. PERMITTED TRANSFERS OF SHARES

### 6 1 Privileged Relations and Trustees

- 6 1 1 Any Shares may be transferred by a beneficial owner thereof who is an individual

- (a) to a Privileged Relation of such beneficial owner, or
- (b) to trustees to be held upon Family Trusts

- 6 1 2 Where any Shares have been transferred to Privileged Relations or trustees pursuant to Article 6 1 1, or allotted to Privileged Relations or to trustees to be held upon Family Trusts, the Privileged Relations or the trustees, as the case may be, may transfer any such Shares to a person or persons shown to the reasonable satisfaction of the Directors to be

- (a) the trustees for the time being (on a change of trustee) of the Family Trusts in question, and/or
- (b) the beneficial owner or any Privileged Relation of the beneficial owner

In any case where a member proposing to transfer Shares under this Article 6 1 ("**Proposing Transferor**") holds those Shares as a result of an earlier transfer authorised under this Article 6 1 from another member ("**Original Member**"), the Proposing Transferor may only transfer those Shares pursuant to this Article 6 1 to a person to whom the Original Member could have transferred such Shares under this Article 6 1

- 6 2 Where Shares are held by trustees on a Family Trust, and any such Shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 6 1 2), the trustees shall forthwith transfer such Shares to a transferee permitted under Article 6 1 2, and in default

thereof, the trustees shall be deemed to have given a Sale Notice in respect of the Shares in question, provided that the Price shall (notwithstanding Article 5 7) be the issue price (including any premium)

6 3 For the purposes of this Article 6, the following expressions shall have the following meanings

6 3 1 **“Privileged Relation”** means the parent or spouse of the beneficial owner or any lineal descendant of the beneficial owner,

6 3 2 **“Family Trust”** means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made, or an intestacy) under which

- (a) the only persons being (or capable of being) beneficiaries are the individual beneficial owner and/or his Privileged Relations,
- (b) no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual beneficial owner or his Privileged Relations, and
- (c) the trustees of the trust have full power and capacity to give warranties on any sale of such shares or flotation of the Company as to the title to the shares held and/or being sold by such trustees

6 4 **Shareholder Consent**

Any Shares and/or any interest therein may be transferred at any time to any person with the written consent of all of the holders of the issued Shares for the time being other than the transferring Shareholder

6 5 **Employee Benefit Trust**

6 5 1 Persons holding Shares on trust for Existing Employees or New Employees may transfer any such Shares free of restriction to Existing Employees or, once they have become employees or directors of a Member of the Group, New Employees, as the case may be

6 5 2 The trustees of any Employee Benefit Trust may grant options over and/or transfer any Shares held by them in such capacity free of restriction to any beneficiary of such trust or to any replacement trustees

6 6 **Tag Along/Drag Along**

The restrictions on transfer of Shares contained in these Articles shall not apply to any transfer which is in accordance with the provisions of Articles 9 or 10

## 7. PRE-EMPTION RIGHTS ON TRANSFER

- 7 1 Subject to Articles 5 and 6, any member wishing to transfer all or any Shares held by him and/or any interest in such Shares ("**Retiring Shareholder**") shall first give a notice ("**Sale Notice**") in writing to the Company specifying
- 7 1 1 the number of the Shares which the Retiring Shareholder wishes to sell ("**Sale Shares**"),
- 7 1 2 the name of any third party or third parties to whom he proposes to sell or transfer the Sale Shares ("**Third Party Purchaser**"), and
- 7 1 3 the price per Share at which he proposes to sell or transfer the Sale Shares ("**Price**")
- 7 2 The Sale Notice shall constitute the Company as the agent of the Retiring Shareholder for the sale of the Sale Shares at the Price. A Sale Notice (other than a deemed Sale Notice) may require that unless all the Shares comprised in it are sold none shall be sold ("**Total Transfer Condition**")
- 7 3 The following provisions of this Article 7 3 will apply where a Sale Notice is given or is deemed to be given in respect of any Shares:
- 7 3 1 Within 14 days of the date of receipt or deemed receipt of a Sale Notice the Company shall, by notice in writing, offer the Sale Shares at the Price to each of the Shareholders other than the Retiring Shareholder ("**the Offeree Shareholders**") ("**the Offer**"),
- 7 3 2 The Offer shall specify that the Offeree Shareholders will have a period of [90] days from the date of such notice ("**the Offer Period**") within which to apply for some or all of the Sale Shares,
- 7 3 3 It shall be a further term of the Offer that, if there is competition among the Offeree Shareholders to purchase the Sale Shares, then the Sale Shares shall be treated as offered among the Offeree Shareholders in proportion (as nearly as possible) to their existing holdings of Shares ("**Proportionate Entitlement**") The Offer shall also invite the Offeree Shareholders to indicate in their application for Sale Shares whether they would wish to buy Sale Shares in excess of their Proportionate Entitlement, if any such Sales Shares should be available and, if so, how many such excess Sale Shares ("**Extra Shares**")
- 7 4 **Allocation of Shares**
- 7 4 1 After the expiry of the Offer Period, the Board will within 7 days allocate the Sale Shares (or the balance of the Sale Shares (as the case may be)) as follows

- (a) if the total number of Sale Shares applied for pursuant to the Offer (including Extra Shares) is equal to or less than the available number of Sale Shares, each of the Offeree Shareholders will be allocated the number applied for in accordance with his application (subject to Article 7 6), or
- (b) if the total number of Sale Shares applied for pursuant to the Offer is greater than the available number of Sale Shares, each of the Offeree Shareholders will be allocated his Proportionate Entitlement or, if less, the number of Sale Shares which he has applied for, and
- (c) applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition among the Offeree Shareholders applying for Extra Shares, in accordance with their Proportionate Entitlement

7 4 2 Allocations of Sale Shares made by the Company pursuant to this Article 7 4 will constitute the acceptance by the Offeree Shareholders to whom they are allocated to purchase those Sale Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Sale Shares which he has indicated to the Company he is willing to purchase

7 5 The Company shall, immediately upon allocating the Sale Shares

- 7 5 1 give notice ("**Allocation Notice**") thereof to the Retiring Shareholder and each person to whom Sale Shares have been allocated The Retiring Shareholder shall then become bound to sell and transfer the Sale Shares to the respective purchasers, free from all liens, charges, encumbrances and third party rights, and together with all rights attaching thereto at the date of sale,
- 7 5 2 the Allocation Notice shall state the name and address of each of the purchasers and the number of Sale Shares to be purchased by him and the aggregate price payable and (subject to Article 7 6) shall designate a place and a time (being not less than 14 nor more than 21 days following the date of the notice) for completion of the sale of the Sale Shares comprised in such notice,
- 7 5 3 Subject to Article 7 6, completion of the sale and purchase of the Sale Shares will take place at the place and time specified in the Allocation Notice when the Retiring Shareholder will, upon payment of the due price, deliver executed stock transfer form(s) in respect of those Sale Shares specified in the Allocation Notice, and deliver the relevant share certificates to the person(s) to whom they have been allocated,
- 7 5 4 If a Sale Notice validly contains a Total Transfer Condition, no transfer of any of the Sale Shares shall take effect unless the Company shall have found purchasers for all such Sale Shares Any offer made

by the Company in respect of Shares comprised in such a Sale Notice shall state as a condition of the offer that it is not capable of being accepted unless acceptances are received in respect of all the Shares comprised in the relevant Sale Notice

- 7 6 If the Transfer Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares
- 7 6 1 the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 21 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares, and
- 7 6 2 completion of the transfer in accordance with the preceding paragraphs of this Article 7 will be conditional upon all such Sale Shares being so allocated
- 7 7 If the Company shall not, within the said time limits, find purchasers for all of the Sale Shares, the Company shall promptly give notice in writing thereof to the Retiring Shareholder. The Retiring Shareholder shall then be at liberty, at any time within two months after the date of such notice, to transfer such Sale Shares for which purchasers have not been found to the Third Party Purchaser provided that
- 7 7 1 such sale is completed at the Price or any higher or (subject as provided below) lower price, and that otherwise the terms of payment of the purchase price are no more favourable to the Third Party Purchaser than those offered to the Offeree Shareholders,
- 7 7 2 no Sale Shares shall be sold at a lower price than the Price without the Retiring Shareholder first serving a further Sale Notice upon the Company, specifying such lower price as the price at which such Sale Shares are offered, and all the provisions of this Article 7 shall mutatis mutandis apply in respect of such further Sale Notice, save that the Price shall be such lower price,
- 7 7 3 if the Sale Notice states that the Retiring Shareholder is not willing to transfer part only of the Sale Shares, he shall not be entitled to sell part only of such Sale Shares hereunder to any Third Party Purchaser, and
- 7 7 4 the Directors may call for such evidence as they shall reasonably require in order to satisfy themselves that the consideration for any sale hereunder is as stated in the transfer without any rebate, allowance or deduction to the purchaser, and if not so satisfied, they may refuse to register a transfer hereunder
- 7 8 If any Shareholder shall fail or refuse to transfer any Shares which he shall have become bound to transfer in accordance with the provisions of these Articles

- 7 8 1 the Directors may authorise some person to execute and deliver, on his behalf a transfer or transfers of such Shares to the purchaser or purchasers,
- 7 8 2 the Company may give a good receipt for the purchase price of such Shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same, whereupon the purchaser or purchasers shall become indefeasibly entitled thereto,
- 7 8 3 the Shareholder shall, in such case, be bound to deliver up his certificate for the Shares to the Company, whereupon the Shareholder shall be entitled to receive the purchase price, which shall in the meantime be held by the Company on trust for the Shareholder, but without interest, and
- 7 8 4 if such certificate shall comprise any Shares which the Shareholder has not become bound to transfer as aforesaid, the Company shall issue to the Retiring Shareholder a balance certificate for such Shares

#### 8. **TRANSFERS BY SHAREHOLDERS ON CEASING TO BE A DIRECTOR OR EMPLOYEE AND TRANSFERS ON DEATH OR BANKRUPTCY**

- 8 1 In the event that an employee or director or consultant of any member of the Group ("**Relevant Individual**") ceases, for any reason (including death), to be an employee or director or consultant of such member and is not continuing as either a director or employee or consultant of any other member of the Group and
  - 8 1 1 the Relevant Individual is a holder of Shares (whether solely or jointly with any other person), and/or
  - 8 1 2 the Relevant Individual has established a Family Trust which holds Shares, and/or
  - 8 1 3 any Shareholder holds Shares as the nominee of such Relevant Individual, and/or
  - 8 1 4 Shares are held by a Privileged Relation or other permitted transferees of such Relevant Individual
  - 8 1 5 Shares are held by a company the majority of the issued share capital of which is beneficially owned by such Relevant Individual and/or a Privileged Relation and/or the trustees of a Family Trust and/or other permitted transferees of the Relevant Individual (as the case may be)

then 30 days after the date on which the Relevant Individual concerned ceases to be a director or employee or consultant as aforesaid ("**Cessation Date**") a Sale Notice shall be deemed to have been given by each of the Shareholders referred to in this Article 8 1 (or their personal representatives in the case of

their death) ("**Compulsory Sale Notice**") in respect of all their respective holdings of Shares (howsoever acquired) ("**Deemed Sale Shares**")

8 2 If any person is deemed to have given a Sale Notice under Article 8 1 in respect of any Deemed Sale Shares, the Sale Notice shall be deemed to be served in accordance with the provisions of Article 7 which shall apply mutatis mutandis except to the extent that such provisions of Article 7 are varied by the provisions of this Article 8

8 3 The price of the Deemed Sale Shares shall be

8 3 1 such price (if any) as has been previously determined as the deemed sale price for the purposes of any Sale Notice (or deemed Sale Notice) pursuant to this Article 8 by a resolution of the Directors passed at a meeting of the Board held not more than twelve months prior to the date on which the Sale Notice is given (or deemed to be given), or

8 3 2 failing any such price having been previously determined in accordance with Article 8 3 1, the price shall be as agreed in accordance with Article 5 7 2 or, failing such agreement, as determined by the Auditors in accordance with Article 5 7 3

8 4 A Compulsory Sale Notice shall be deemed not to include a Total Transfer Condition

8 5 In the event that

8 5 1 the Cessation Date occurs less than two years after the date of adoption of these Articles the Offer Period shall be deemed to be a period of one year, or

8 5 2 the Cessation Date occurs two years or more after the date of adoption of these Articles the Offer Period shall be deemed to be a period of 180 days

8 6 For the avoidance of doubt, where an individual is employed by and/or serves as a director and/or consultant of any member of the Group, Article 8 shall apply upon that company ceasing to be within the Group and the individual not continuing to be an employee or director or consultant of any member of the Group.

## **9. TAG ALONG RIGHTS**

9 1 Notwithstanding any other provision of these Articles, but subject as provided in Article 9 3, no transfer of any Shares which if made and registered would result in any person or group of persons acting in concert (as defined by the City Code on Take-Overs and Mergers) acquiring control of more than fifty (50) per cent of the aggregate voting rights attaching to the issued share capital of the Company, shall be made or registered unless

- 9 1 1 before the transfer is lodged for approval by the Directors for registration the proposed transferee has made an offer in accordance with this Article 9 (**"Qualifying Offer"**) to purchase all the Shares at the Specified Price, and
- 9 1 2 before or at the same time as the transfer of the Shares giving rise to the obligation to make the Qualifying Offer is approved by the Directors (subject to stamping), each such accepted offer is completed and the consideration thereunder paid, except insofar as failure to complete is due to the fault of the offeree
- 9 2 A Qualifying Offer shall be in writing and shall be stipulated to be open for acceptance in the United Kingdom for at least 21 days, and in default of acceptance in writing by an offeree within such time, shall be deemed to have been rejected by such offeree
- 9 3 The provisions of Article 9 1 shall not apply to any transfer of Shares pursuant to Article 6
- 9 4 For the purposes of this Article 9
- 9 4 1 **"Connected Person"** shall have the meaning as set out in section 839 Income and Corporation Taxes Act 1988, and persons will be regarded as "acting in concert" if they would be so regarded for the purposes of the City Code on Takeovers and Mergers,
- 9 4 2 **"Transfer"** and **"transferee"** shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment, and
- 9 4 3 **"Specified Price"** shall mean
- (a) a price per Share of not less than that offered or paid or agreed to be paid by the proposed transferee or any Connected Person with or any person acting in concert with such person for each Share whose proposed transfer has led to the Qualifying Offer under Article 9 1, or
  - (b) in circumstances where the proposed transferee or any Connected Person with or any person acting in concert with such person has acquired any Shares at a higher price during the preceding twelve months, the Specified Price shall mean a price of not less than the highest average price per Share paid or agreed to be paid in respect of all such Shares so acquired during such preceding twelve months including the Shares whose proposed transfer has led to the Qualifying Offer
  - (c) in determining the price paid or agreed to be paid for a Share for the purposes of Article 9 4 3, there shall be included in each case an amount equal to the relevant proportion of any



other consideration (in cash or otherwise) received or receivable by the seller of the relevant Shares (or any Connected Person or person acting in concert with him) which (having regard to the substance of the transaction as a whole) can reasonably be regarded as forming part of the consideration for the relevant Shares

- 9 5 In the event of any failure to agree the calculation of the Specified Price within 28 days of the Qualifying Offer, the said calculation shall be referred within 10 days of the expiry of such 14 day period to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales (or any successor body thereto) at the request of any of the parties concerned) whose decision shall be final and binding
- 9 6 In the absence of fraud, such umpire shall be under no liability to any person by reason of his calculation or anything done or omitted to be done by him for the purposes thereof or in connection therewith
- 9 7 The proposing transferor and any other shareholder shall provide such umpire with whatever information the umpire reasonably requests for the purposes of the calculation
- 9 8 A transfer of Shares referred to in Article 9 1 shall be deemed to include any series of transfers of Shares which the Board reasonably considers to be a related or connected series of transfers of Shares

## **10. DRAG ALONG RIGHTS**

- 10 1 In the event that transfers pursuant to Article 9 (including pursuant to a Qualifying Offer) result in the proposed transferee (together with persons acting in concert with such proposed transferee) holding or increasing their aggregate shareholding to more than fifty (50) per cent in nominal value of the issued share capital of the Company
- 10 1 1 each of the other Shareholders shall within 21 days of a notice being given by such proposed transferee be required to accept the Qualifying Offer in respect of all the Shares held by him/it,
- 10 1 2 If any such member shall refuse or fail to transfer any of the Shares held by him/it in accordance with the provisions of this Article, the holders of fifty (50) percent in nominal value of the Shares may authorise a person to execute and deliver on behalf of such member a transfer or transfers of such Shares to the person or persons making the Qualifying Offer,
- 10 1 3 The Company may give a good receipt for the purchase price for such Shares and may register the purchaser or purchasers as holders thereof

and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto; and

10 1 4 The transferor shall, in each case, be bound to deliver up his certificate for all of his shares to the Company, whereupon the transferor shall be entitled to receive the purchase price which shall, in the meantime, be held by the Company on trust for the transferor

10 2 The provisions of Article 10 1 shall not apply to any transfer of Shares pursuant to Article 6

## **11. PROCEEDINGS AT GENERAL MEETINGS**

11 1 The quorum for general meetings shall be three persons entitled to vote on the business to be transacted and the second sentence of regulation 40 of Table A shall not apply

11 2 If a meeting is adjourned under regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall form a quorum and Regulations 40 and 41 of Table A shall be modified accordingly

11 3 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote at the meeting, and Regulation 46 of Table A shall be modified accordingly

11 4 Regulation 53 of Table A shall be modified by the addition, at the end, of the following sentence "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly "

11 5 Regulation 59 of Table A shall be modified by the addition, at the end, of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof "

11 6 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Directors (the Investors Director being part of that majority) resolve otherwise"

## **12. DIRECTORS**

12 1 Unless and until otherwise determined by special resolution of the Company, the number of Directors shall be not less than three and there shall be no maximum number of Directors

- 12 2 No Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age, nor shall it be necessary to give special notice under the Act of any resolution appointing, re-appointing or approving the appointment of a Director by reason of his age
- 12 3 Regulation 68 of Table A shall be modified by the addition, at the end, of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors "
- 12 4 A Director shall not retire by rotation A Director appointed to fill a vacancy or as an addition to the board shall not retire from office at the annual general meeting next following his appointment Regulations 78 and 79 of Table A shall be modified accordingly
- 12 5 The office of Director shall be vacated if the Director, in the reasonable opinion of all his co-Directors, becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 of Table A shall be modified accordingly

### **13. PROCEEDINGS OF DIRECTORS**

- 13 1 The quorum necessary for the transaction of business at any meeting of the Directors shall be three and regulation 89 of Table A shall be modified accordingly
- 13 2 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by his alternate or by means of such type of communication device) to hear and speak at all times to such Director, and such Director to hear and speak at all times to all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device), shall be deemed to be present at such meeting and shall be counted when reckoning a quorum
- 13 3 The Chairman of the Board shall not have a casting vote at board meetings and Regulation 88 of Table A shall be modified accordingly

### **14. INDEMNITIES**

- 14 1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every Director, alternate director, secretary and other officer or employee for the time being of the Company shall be indemnified out of the assets of the Company against any liability sustained or incurred by him in defending any proceedings, whether civil or criminal, relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court These Articles shall only have

effect insofar as their provisions are not avoided by Section 309A or Section 310 of the Act

- 14 2 The Directors shall have power to purchase and maintain for any Director, alternative director, secretary and other officer or employee for the time being of the Company insurance against any such liability as is referred to in section 309(A)(1) or Section 310(1) of the Act
- 14 3 Regulation 118 in Table A shall not apply to the Company