

Company Number: 04360695

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**OF**

**ALPHATEC HOLDINGS LIMITED (THE "COMPANY")**

The directors of the Company propose the following resolution (the "Resolution") to be passed as a written resolution of the Company under Chapter 2 of Part 13 Companies Act 2006. The Resolution is proposed as a Special Resolution.

**SPECIAL RESOLUTION**

- 1 THAT the Company's Articles of Association attached, be and they are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of:
  - 1.1 the existing Articles of Association; and
  - 1.2 the relevant provisions of the Memorandum of Association of the Company that would otherwise be treated as provisions of the Articles of Association under section 28 of the Companies Act 2006

By order of the Board



Director

Registered in England and Wales no. 04360695.

Registered office: Baird House, Seebeck Place, Milton Keynes MK5 8FR

**Circulation date:** 24 February 2012. The Resolution will lapse if not passed before the end of the period of 28 days beginning with the circulation date.

TUESDAY



A33      \*A145V388\*      #116  
06/03/2012  
COMPANIES HOUSE

## AGREEMENT

We, the undersigned, being all of the members of the Company who are entitled to vote on the Resolution on the circulation date, hereby signify our agreement to the Resolution



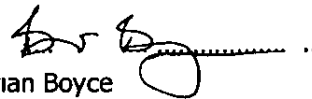
David Grier

Date of signature: 24 February 2012



Russell Grant Browning

Date of signature: 24 February 2012



Brian Boyce

Date of signature 24 Feb 2012

## NOTE

You may signify your agreement to the Resolution by signing a hard copy of this document and delivering it by hand or sending it by fax or email to the directors, the Company's solicitors or the registered office.

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**  
**of**  
**ALPHATEC HOLDINGS LIMITED**  
**No. 04360695**

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LONDON ♦ MILTON KEYNES



A handwritten signature in black ink, appearing to be 'AB' followed by a flourish.

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NO. 07086043

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**

**ALPHATEC HOLDINGS LIMITED ("THE COMPANY")**

(adopted by special resolution passed on 24/02/2012)

**1 PRELIMINARY**

1 1 The regulations referred to in regulation 2, and set out in schedule 1, of The Companies (Model Articles) Regulations 2008 ("**the Model Articles**") apply to the Company except to the extent that they are excluded and modified by these articles, and are to the exclusion of all other regulations and articles

1 2 The registered office of the Company will be situated in England and Wales

**2 DEFINED TERMS**

2 1 In the articles, unless the context requires otherwise

"**Alternate**" or "**Alternate Director**" has the meaning given in article 8

"**Appointor**" has the meaning given in article 8

"**Approved Offer**" means an offer in writing made by a bona fide arm's length third party purchaser (the "Buyer") and served on all shareholders holding shares (including the proposing transferor), offering to purchase all of the shares in issue (including any shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into shares in existence at the date of such offer) which

- (a) is stipulated to be open for acceptance for at least 15 Business Days,
- (b) offers the same or equivalent consideration for each share (whether in cash, securities or otherwise in any combination),
- (c) includes an undertaking by or on behalf of the Buyer that no other consideration, (whether in cash or otherwise) is to be received or receivable by any shareholder which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the shares to be sold by such shareholder, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other shareholder for the purchase of shares, and

- (d) is on terms that the sale and purchase of shares in respect of which the offer is accepted will be completed at the same time

**"Bad Leaver"** means a Leaver who

- (a) is not a Good Leaver, or  
(b) who is dismissed as an employee and/or director of the Company or any Group Company

**"board"** means the board of Directors of the Company from time to time

**"CA2006"** means the Companies Act 2006

**"Conflict of Interest"** includes a conflict of duties, or a conflict of interest and duty, or a potential conflict

**"Controlling Interest"** means the holding of shares (or the right to exercise the votes attaching to shares) which confer in aggregate 50% or more of the total voting rights conferred by all the shares for the relevant time being in issue

**"company"** includes (except when referring to the Company) any body corporate, partnership, limited liability partnership, unincorporated business or association or other body

**"Connected Company"** means

- (c) any associated body corporate (as defined in section 256 of CA2006) of the Company,  
(d) any company which is controlled by any person or group of persons who have control of the Company (to "control" a body corporate meaning to be entitled to exercise or to control the exercise of more than 50% of the voting power at any general meeting of that body corporate),  
(e) any company promoted by the Company or in which the Company is in any way interested, and  
(f) any company with which the Company is engaged in any joint venture or joint enterprise

**"Director"** includes a former director or a shadow director to the extent that the general duties apply to them and the definition of "director" in regulation 1 of the Model Articles is modified accordingly

**"Effective Date"** means 1 January 2012

**"Fair Value"** means such value as is determined in accordance with the provisions of article 20

**"Family Trust"** means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations and 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

**"Good Leaver"** means a Leaver who becomes a Leaver as a result of

- (a) death,
- (b) permanent disability,
- (c) permanent incapacity through ill health (including mental illness),
- (d) retirement, or
- (e) resignation

**"Group"** means the Company, each holding company for the time being of the Company and all subsidiaries or subsidiary undertakings for the time being of the Company or such holding company or any one of them

**"Group Company"** means any member of the Group for the time being

**"Leaver"** means any shareholder who is employed by or is a director of the Company or a Group Company from time to time and who ceases to be an employee and/or director of the Company or any other Group Company (for whatever reason and whether or not his contract of employment or appointment to office is validly terminated) and does not continue (or is not immediately re-employed or re-appointed) as an employee and/or a director of any other Group Company

**"Net Asset Value"** means the net asset value of the Company as determined by the Company's accountants by reference to

- (a) the most recent set of finalised end of year accounts, or
- (b) if no such accounts have been prepared, such interim accounts as are available

**"Pre-Tax Profit"** means the pre-tax profit of the Company as determined by the Company's accountants by reference to

- (a) the most recent set of finalised end of year accounts, or
- (b) if no such accounts have been prepared, such interim accounts as are available

**"Privileged Relation"** means in relation to a shareholder, a spouse of that shareholder and all lineal descendants of that shareholder (including for this purpose any stepchild, adopted child or illegitimate child of any such shareholder or his lineal descendants)

**"Shareholder's Investment"** means the amount paid by an individual shareholder to the Company in respect of shares allotted to that shareholder prior to the date of this agreement

2 2 Unless the context otherwise requires words or expressions which have particular meanings in the Model Articles or in CA2006 have the same meanings in these articles

### 3 DECISION-MAKING BY DIRECTORS

3 1 Any decision of the Directors must be

- 3 1 1 a majority decision at a Directors' meeting, or
  - 3 1 2 a decision taken in accordance with regulation 8 of the Model Articles, or
  - 3 1 3 in the form of a Directors' written resolution,
- and regulation 7(1) of the Model Articles is modified accordingly

#### **4 QUORUM FOR DIRECTORS' MEETINGS**

- 4 1 For so long as the minimum number of Directors is 1, a sole Director has all the powers, duties and discretions conferred on or vested in the Directors by these articles

#### **5 CASTING VOTE**

- 5 1 The chairman shall not have a casting vote and regulation 13 of the Model Articles shall not apply

#### **6 DIRECTORS' WRITTEN RESOLUTION**

- 6 1 Any Director may propose a Directors' written resolution
- 6 2 The Directors, or the company secretary (if one is appointed), must propose a Directors' written resolution if a Director so requests
- 6 3 A Directors' written resolution is proposed by giving notice of the proposed resolution to the Directors
- 6 4 Notice of proposed Directors' written resolution must indicate
  - 6 4 1 the proposed resolution, and
  - 6 4 2 the time by which it is proposed that the Directors should adopt it
- 6 5 Notice of a proposed Directors' written resolution must be given in writing to each Director
- 6 6 Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith
- 6 7 A proposed Directors' written resolution is adopted when all the Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting
- 6 8 It is immaterial whether any Director signs the resolution before or after the time by which the notice proposed that it should be adopted
- 6 9 Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Directors' meeting in accordance with the articles
- 6 10 The Directors, or the company secretary (if any), must ensure that the Company keeps a record, in Writing, of all Directors' written resolution for at least 7 years from the date of their adoption



## **7 DIRECTORS' CONFLICTS OF INTEREST**

7 1 Regulation 14 of the Model Articles does not apply

7 2 This article 7 contains provisions for dealing with directors' conflicts of interest, so that the general duties of directors set out in sections 171 to 177 of CA2006 (the "general duties") are not infringed by anything done (or omitted) by a director in accordance with this article. So far as is lawful, the general duties have effect subject to any authority given by or under this article 7

7 3 The authorisations in this article 7 are subject to any more restrictive provisions contained in any contract between a director and the Company, in any applicable policy or code adopted by the Company or in any conditions imposed in any authorisation under this article 7. If any such provisions require disclosure or prior approval of any conflict of interest or benefit otherwise authorised by this article, or impose conditions on any such authorisation (which may include conditions permitted by article 7 9), the authorisations in this article apply only to the extent that those requirements or conditions are complied with, provided that the directors may excuse any non-compliance either before or after it occurs

7 4 A director may be an officer or employee of, engaged in any other capacity in, or have a direct or indirect interest in

7 4 1 any connected company,

7 4 2 if he is a director appointed by another company which has, under these articles or any contract between members of the Company, a right to appoint a director of the Company, his appointing company or any member of the same group as his appointing company,

7 4 3 any company which does not compete to a material extent with the business of the Company,

7 4 4 any company whose securities are dealt with on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or on AIM or Plus (or any successors to such markets), provided the director's interest is limited to a direct or indirect holding of securities not amounting to more than 5% of the equity share capital of that company,

7 4 5 any trust or scheme whose primary purpose is the provision of pensions, life assurance or employee benefits or any employees' share scheme,

and may do anything in the ordinary course of acting in that character which is not calculated directly to harm the interests of the Company

7 5 A director may enter into any transaction in or relating to securities of the Company or its holding company or may have any interest arising as holder of securities of the Company or its holding company or in any transaction in his character as holder of such securities

7 6 A director may exploit any property, information or opportunity wholly outside the scope of the Company's business or that of its connected companies. This article 7 6 does not authorise a

director to exploit property of the Company or confidential information of the Company or information received by the Company under a duty of confidentiality

- 7 7 The directors may authorise any matter proposed to them which otherwise would or might infringe the duty of a director to avoid conflicts of interest. Provided that he has declared the nature and extent of his interest as if the matter were a transaction or arrangement with the Company in which he was interested, a director may vote and be counted in the quorum on any resolution to authorise a conflict of interest of his and section 175(6) of CA2006 shall not apply
- 7 8 The directors may
- 7 8 1 give any such authorisation subject to such conditions as they think fit,
- 7 8 2 vary or terminate the authorisation or waive, vary or terminate any such conditions at any time or excuse any non-compliance with such conditions either before or after it occurs, but any termination or variation will not affect anything done or committed to be done by the director prior to such termination or variation
- 7 9 The conditions may include that the director
- 7 9 1 is to be excluded from discussions, whether at meetings of directors or otherwise, relating to matters in respect of which he has the conflict of interest,
- 7 9 2 is not to be given documents or information relating to matters in respect of which he has the conflict of interest,
- 7 9 3 may not vote, or count in the quorum at any future meeting of directors in relation to any resolution relating to matters in respect of which he has the conflict of interest
- 7 10 A director who holds a position outside the Company or its connected companies which does not give rise to a conflict of interest or which is authorised by or under this article 7 who in that character obtains any information in respect of which he owes a duty of confidentiality to another person (other than a connected company or a director of the Company) is under no obligation to disclose such information to the Company or to use or apply any such confidential information for the purpose of or in connection with the performance of his duties as a director if to do so would amount to a breach of that confidence
- 7 11 Any authorisation of a conflict of interest authorised by or under this article 7 shall (unless the contrary intention appears) extend to any conflict of interest which may reasonably be expected to arise out of the matter authorised either at the time of giving the authority or subsequently
- 7 12 A director is not required to account to the Company for any remuneration, profit or other benefit which he gains from any matter in respect of which he has a conflict of interest which has been authorised by or under this article 7, no contract, arrangement or transaction shall be avoided on the grounds of any conflict of interest so authorised, and the receipt of such remuneration, profit or benefit shall not constitute a breach of the director's duty not to accept benefits from third parties
- 7 13 The Company may by ordinary resolution authorise or ratify any contract, transaction, arrangement, conflict of interest, acceptance of a benefit or other proposal which might otherwise

infringe or may have infringed the general duties, including any contravention of any provision of this article 7 When shareholders ratify a conflict of interest the vote of any shareholder who is also an interested director will not be counted

7 14 A director may accept from third parties and retain the benefit of

7 14 1 entertainment of a character and extent that can reasonably be regarded as intended to foster relationships between the Company and such person and not to exercise improper influence over the decisions of the director and in any event not exceeding (in the reasonable estimation of the director) a cost of £1,000 on any occasion or £5,000 from any one company or person in any financial year of the Company,

7 14 2 training, travel, meals, accommodation or other services or facilities in the ordinary course of the director's functions on behalf of the Company,

7 14 3 small gifts with a cost (in the reasonable estimation of the director) not exceeding £250 from any one company or person in any financial year of the Company,

7 14 4 frequent flyer or similar incentives for use of travel or accommodation, or incentives for the use of personal credit or debit cards for Company expenses, provided openly under a published scheme, where the value of the incentives (in the director's reasonable estimation) does not exceed 2% of the expenditure on the item, and

7 14 5 anything which would be permitted by paragraphs 7 14 1 to 7 14 4 but for any financial limit, if the directors resolve to waive the financial limit in relation to that particular thing

7 15 The directors may authorise the receipt and retention by a director or any specific benefit from a third party which has been disclosed to the directors which is not authorised by article 7 14

## **8 ALTERNATE DIRECTORS**

8 1 Any Director (the "Appointor") may appoint as an Alternate any other Director, or any other person approved by resolution of the Directors, to

8 1 1 exercise that Director's powers, and

8 1 2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Alternate's Appointor

8 2 Any appointment or removal of an Alternate must be effected by notice in writing to the Company's signed by the Appointor, or in any other manner approved by the Directors

8 3 The notice must

8 3 1 identify the proposed Alternate, and

8 3 2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that the proposed Alternate is willing to act as the Alternate of the Director giving the notice

## **9 RIGHTS OF ALTERNATE DIRECTORS**

9 1 An Alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the Alternate's Appointor

9 2 Except as the articles specify otherwise, Alternate Directors

9 2 1 are deemed for all purposes to be Directors,

9 2 2 are liable for their own acts and omissions,

9 2 3 are subject to the same restrictions as their Appointors, and

9 2 4 are not deemed to be agents of or for their Appointors

9 3 A person who is an Alternate Director but not a Director

9 3 1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and

9 3 2 may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor)

No Alternate may be counted as more than one Director for such purposes

9 4 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company

9 5 An Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of directors of which his Appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his Appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an Alternative Director. But it shall not be necessary to give notice of such a meeting to an Alternative Director who is absent from the United Kingdom

## **10 TERMINATION OF ALTERNATE DIRECTORSHIP**

10 1 An Alternate Director's appointment as an Alternate terminates

10 1 1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

10 1 2 on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director,

10 1 3 on the death of the Alternate's Appointor, or

10 1 4 when the Alternate's Appointor's appointment as a Director terminates

## **11 ASSOCIATE DIRECTOR**

- 11 1 The Directors may at any time and from time to time appoint any person to be an associate director with a title including the word "director". An associate director is not a Director of the Company and is not a member of the board. The Directors may define and limit the powers and duties of any associate and may be in addition to their remuneration as managers or employees of the Company.

## **12 SHARE CERTIFICATES**

- 12 1 Sub-paragraph (d) of regulation 24(2) of the Model Articles shall not apply.

## **13 RESTRICTIONS ON ALLOTMENT OF SHARES**

- 13 1 Subject to the provisions of article 14, there shall be no restriction on the amount or number of ordinary shares the Directors can allot and the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot ordinary shares at any time.
- 13 2 The Directors shall ensure that no allotment of shares shall take place which as a consequence results in the shareholders being unable to reach a majority decision on a resolution counted by way of a poll.

## **14 ALLOTMENT OF SHARES**

- 14 1 Shares may be allotted only in accordance with the provisions of this article.
- 14 2 Any shares shall, before they are allotted, be offered to the shareholders in proportion as nearly as may be to the number of shares held by them unless the Company shall by special resolution otherwise direct. Such offer shall be made by notice in writing specifying the number and class of shares and price and limiting the time in which the offer if not accepted will lapse and determine, such time limit to be not less than 30 days or greater than 40 days ("the Lapse Date"). Offers not accepted by the Lapse Date shall be deemed declined.
- 14 3 If the offer to a shareholder lapses and determines without any of the shares the subject of the offer having been accepted or if shareholders accept some but not all of the shares offered by the Lapse Date, then the Company shall make a second offer in the manner specified above of the shares unaccepted on the first offer to those shareholders who did accept all the shares offered to them in the first offer.
- 14 4 First and second offers shall be deemed to be accepted upon receipt of a letter of acceptance by the Company.
- 14 5 If any shares offered have not been accepted in the second offer (due to the expiration of such time limit or on receipt of a written intimation from the person to whom the offer was made that he declines to accept any or all of the shares comprising in the second offer) or if any shares are released from the provisions of article 14 2 by special resolution of the Company in general meeting then the board may allot or grant options over such shares in such manner to such persons on such terms as they think most beneficial to the Company.
- 14 6 The board may also dispose in such manner to such persons on such terms as they think most beneficial to the Company any shares which cannot be offered except by way of fractions.

14 7 Any shares accepted in the first offer shall be paid for within 21 days of the date on which the offer lapsed Where shares were accepted on the second offer then they shall be paid for within 21 days of the date on which the second offer lapsed Payment shall be deemed to be made on the day the Company receives a cheque, credit transfer or banker's draft for the appropriate sum Failure to pay within the time specified will enable the Company to re-offer the shares unpaid for as if they had been offered to and unaccepted by the defaulting shareholder

14 8 No allotment of shares shall be permitted which as a consequence results in the shareholders being unable to reach a majority decision on a resolution counted by way of a poll

14 9 Section 561 of CA2006 does not apply to the allotment by the Company of any equity security

## **15 RESTRICTION ON SHARE TRANSFERS**

15 1 No transfer of shares shall be permitted which as a consequence results in the shareholders being unable to reach a majority decision on a resolution counted by way of a poll

## **16 PERMITTED TRANSFERS**

16 1 Any shareholder may at any time transfer all or any of his shares to any other person with the prior written consent of 55% of the shareholders entitled to vote on such a matter and such transfers shall be registered by the Board

16 2 Any shares may be transferred by a shareholder who is an individual to a Privileged Relation, or to trustees to be held upon Family Trusts or to trustees of that shareholder's pension scheme (a "Pension Scheme") A transfer of any share pursuant to this Article shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share free from all liens, charges and other encumbrances

16 3 Subject to Article 16 4, where any shares have been transferred to Privileged Relations or trustees pursuant to this Article 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 Board to be

16 3 1 the trustees for the time being (on a change of trustee) of the Family Trusts or Pension Scheme in question and/or,

16 3 2 any Privileged Relation of the shareholder, not being an infant or an undischarged bankrupt

16 4 In any case where a shareholder proposing to transfer shares under Article 16 2 (the "Proposing Transferor") holds those shares as a result of an earlier transfer authorised under Article 16 2 from the first holder of those shares (the "Original Shareholder") the Proposing Transferor may only transfer those shares to a person to whom the Original Shareholder could have transferred such shares under Article 16 2

16 5 Where shares are held by trustees of a Family Trust or Pension Scheme and any such shares cease to be held upon Family Trust or within a Pension Scheme (otherwise than in consequence of a transfer authorised under Articles 18 2 to 18 4) the trustees shall forthwith transfer such shares to a transferee permitted under Articles 16 2 to 16 4

16 6 In the event of any default of Article 16 the relevant party in this Article shall be deemed to have served a Transfer Notice in respect of such shares

## **17 VOLUNTARY SHARE TRANSFER PROCEDURE**

17 1 Any shareholder holding shares who wishes to transfer such shares (a "Vendor") otherwise than in accordance with Article 16 shall give a Transfer Notice to the Company of his wish specifying

17 1 1 the number of shares which he wishes to transfer ("Sale Shares"),

17 1 2 the price per share at which he wishes to sell such Sale Shares (if any) (the "Transfer Price"), and

17 1 3 whether the Transfer Notice is conditional upon all and not part only of the Sale Shares so specified being sold pursuant to the offer hereinafter mentioned, and in the absence of such stipulation it shall be deemed not to be so conditional

17 2 Subject to the provisions of article 18, for the purposes of this article 17 the "Transfer Price" means the price per share for the Sale Shares (if any) specified in the Transfer Notice or (if no such price is so specified) the Fair Value as determined in accordance with the provisions of Article 20 1 2

17 3 Save in the event of the Transfer Notice being conditional upon all and not part only of the Sale Shares so specified being sold pursuant to article 17 1 3, no Transfer Notice once given in accordance with this article shall be withdrawn without the consent in writing of the board

17 4 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares specified therein at the Transfer Price

17 5 The Company shall within 21 days of receipt of the Transfer Notice give notice in writing to each of the shareholders of the Company (other than the Vendor) informing them that the Sale Shares are available and of the Transfer Price and shall invite each shareholder (other than the Vendor) to state in writing within 28 days from the date of the notice from the Company (which date shall be specified therein) whether he is willing to purchase any and, if so, how many of the Sale Shares at the Transfer Price

17 6 The Sale Shares shall be offered to each shareholder (other than the Vendor) on terms that in the event of competition the Sale Shares offered shall be sold to the shareholders accepting the offer in proportion (as nearly as may be and without involving fractions) to their existing holdings of shares ("Proportionate Entitlement") It shall be open to each such shareholder to specify if he is willing to purchase Sale Shares in excess of his Proportionate Entitlement ("Excess Shares") and if the shareholder does so specify he shall state the number of Excess Shares

17 7 After the expiry of the offers to be made pursuant to article 17 5 the board shall allocate the Sale Shares in the following manner

17 7 1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications, or

17 7 2 if the total number of Sale Shares applied for is more than the available number of Sale Shares, each shareholder shall be allocated his Proportionate Entitlement or such lesser number of Sale Shares for which he may have applied. Applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each shareholder applying for Excess Shares in the proportion which the Shares held by such shareholder bears to the total number of Shares held by all such shareholders applying for Excess Shares. A shareholder shall not be allocated more Excess Shares than he shall have stated himself willing to take. The Company shall forthwith give notice of each such allocation ("Allocation Notice") to the Vendor and each of the persons to whom Sale Shares have been allocated ("Shareholder Applicant") and shall specify in the Allocation Notice the place and time (being not later than 14 days after the date of the Allocation Notice) at which the sale of the Sale Shares be completed.

17 8 Subject to article 17 9, upon such allocation being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price for each of the Sale Shares comprised in the Allocation Notice, to transfer the Sale Shares comprised in the Allocation Notice to the Shareholder Applicants named therein at the time and place therein specified. If the Vendor makes default in so doing the chairman for the time being of the Company (or failing him one of the directors or some other person duly nominated by a resolution of the board for that purpose) shall forthwith be deemed to be the duly 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 relevant Sale Shares to the Shareholder Applicant. Any director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Shareholder Applicant in the register of shareholders as the holder or holders by transfer of the Sale Shares so purchased by him or them. The board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant Sale Shares to the Company when he shall thereupon be paid the purchase money.

17 9 If the Vendor shall have included in the Transfer Notice a provision that unless all the Sale Shares are sold none shall be sold and if the aggregate number of Sale Shares applied for by Shareholder Applicants is less than the total number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation open for 28 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this article shall be conditional upon such provision as aforesaid being complied with in full.

17 10 In the event of all the Sale Shares specified in a Transfer Notice served under article 17 1 not being sold under the preceding paragraphs of this article, the Company shall forthwith give notice in writing of this fact to the Vendor, and the Vendor may (subject to the provisos to this article 17 10) at any time within 3 calendar months after receiving such notice from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares not sold at any price not less than the Transfer Price provided that

17 10 1 any such sale shall be a bona fide arms length sale and the board may require to be satisfied in such manner as they may reasonably require that the Sale Shares are being sold in pursuance of a bona fide arms length sale for not less than the Transfer Price without deduction, rebate or allowance whatsoever,



17 10 2 if the Transfer Notice was conditional upon all and not part only of the Sale Shares so specified being transferred pursuant to the offer then all of the Sale Shares so specified must be sold

17 11 The board may in its absolute discretion and without assigning any reason therefore decline to register any transfer of any share not being a transfer authorised by the provisions of this article and they may also refuse to register any transfer (whether or not authorised by the provisions of this article) of a share on which the Company has a lien Regulation 26(5) of the Model Articles does not apply

17 12 Notwithstanding the provisions relating to the transfer of shares in these Articles, if a transfer of shares would result, if made and registered, in a person and/or his Connected Persons obtaining a Controlling Interest, no transfer of shares shall be made or registered unless an Approved Offer is made and accepted

17 13 Any transfer of shares in the Company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these Articles

17 14 If at any time an Approved Offer is made which is accepted by the holders of more than 55% of the shares, the shareholders who have not accepted the Approved Offer shall be obliged to accept the Approved Offer in respect of the shares held by them and to sell all of the shares held by them in accordance with such Approved Offer

17 15 If any person (a "Compulsory Transferor") fails to transfer any shares in accordance with Article 17 14 above within 25 Business Days of the Approved Offer having been made the directors may authorise any person to execute and deliver on his behalf the necessary stock transfer form transferring the relevant shares with full title guarantee and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the Holder of such shares (subject to payment of any stamp duty) The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) The Compulsory Transferor shall in such case be bound to deliver up his certificate for such shares to the Company whereupon he shall be entitled to receive the purchase price without interest

17 16 Save as expressly provided in these articles, a transfer of shares shall mean a transfer of the entire legal and beneficial interest in such shares, whereby a shareholder cannot transfer one without the other

## **18 COMPULSORY SHARE TRANSFER PROCEDURE**

18 1 Upon a shareholder becoming a Leaver (unless all other shareholders agree otherwise within 20 Business Days following the date upon which that person became a Leaver), an irrevocable Transfer Notice (a "Deemed Transfer Notice") shall be deemed to be issued in respect of all shares then held by the Leaver, and such shares shall be offered for sale as if they were Sale Shares and the Leaver shall be treated as the Vendor in accordance with the provisions of article 17, save that the Transfer Price for any Sale Shares which are the subject of a Deemed Transfer Notice shall be calculated as set out below

<b>Date when the shareholder becomes a Leaver</b>	<b>Good Leaver</b>	<b>Bad Leaver</b>
Prior to the 3 <sup>rd</sup> anniversary of the Effective Date	The lower of a sum equivalent to (1) the Shareholder's Investment or (2) such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding	The lower of a sum equivalent to (1) the Shareholder's Investment or (2) such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding
On or after the 3 <sup>rd</sup> anniversary of the Effective Date and prior to the 7 <sup>th</sup> anniversary of the Effective Date	A sum equivalent to such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding	66% of the sum equivalent to such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding
On or after the 7 <sup>th</sup> anniversary of the Effective Date and prior to the 10 <sup>th</sup> anniversary of the Effective Date	A sum equivalent to such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding	80% of the sum equivalent to such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding
On or after the 10 <sup>th</sup> anniversary of the Effective Date	The higher of a sum equal to the Leaver's percentage shareholding as a proportion of either (1) the Net Asset Value, or (2) a multiple of 3 times Pre-Tax Profit	The higher of a sum equal to the Leaver's percentage shareholding as a proportion of either (1) the Net Asset Value, or (2) a multiple of 3 times Pre-Tax Profit

18 2 For the purpose of this article 18, the date upon which a shareholder ceases to be an employee shall

18 2 1 where the employer terminates or purports to terminate a contract of employment by giving notice to the employee of the termination of the employment, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice and the date (if any) for the termination expressly stated in such 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),

18 2 2 where the employee terminates or purports to terminate a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice,

18 2 3 where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated, be the date of such acceptance by the employee or employer respectively,

18 2 4 where a contract of employment is terminated under the doctrine of frustration, be the date of the frustrating event, and

18 2 5 where a contract of employment is terminated for any reason other than in the circumstances set out in the definition of Good Leaver, be the date on which the person actually ceases to be employed by the employer

18 3 In the event that a shareholder takes legal action against the Company or all of the other shareholders at that time, then that shareholder shall be deemed to be a Leaver and the provisions of this article 18 shall apply save that the Transfer Price shall be the lower of a sum equivalent to (1) that Shareholder's Investment or (2) such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding

## **19 CROSS OPTION ON DEATH**

19 1 On the death of a shareholder ("Deceased Shareholder"), the other shareholders shall have the option to purchase the Deceased Shareholder's Shares from his personal representatives such option to be exercised by notice served within 3 months of the date of issue of the grant of representation of the estate of the Deceased Shareholder and on the exercise of such option his personal representatives shall sell his Shares to the other Shareholders on the terms of this article 19

19 2 On the death of the Deceased Shareholder, his personal representatives shall have the option to sell the Deceased Shareholder's Shares to the other Shareholders such option to be exercised by notice served upon the Company after 3 months and 1 day but within 4 months of the date of issue of the grant of representation of the estate of the Deceased Shareholder and on the exercise of such option the other Shareholders shall purchase his Shares from the Deceased Shareholder's personal representatives on the terms of this article 19

19 3 The sale and purchase of the Deceased Shareholder's Shares shall be effected on the following terms

19 3 1 within 10 Business Days of obtaining the grant of representation, the Deceased Shareholder's personal representatives shall serve notice of this fact on the other Shareholders,

19 3 2 if the notice referred to in article 19 1 or 19 3 1 shall not be given within the time limits referred to in such articles then the option shall lapse provided always that in the event of the Deceased Shareholder's personal representatives failing to comply with their obligations under article 19 3 1 then the time to serve the notice by the other Shareholders in accordance with article 19 3 1 shall be extended by 3 months from the date the said notification shall be served,

19 3 3 the price to be paid for the Deceased Shareholder's Shares shall be at Fair Value together with interest at the base rate of the Bank of England from time to time in force calculated from 30 Business Days after the date of death to the date of payment (inclusive) save in the event that David Grier becomes the Deceased Shareholder in which case the Fair Value for the purposes of this Article 19 shall be the higher of (1) a sum equivalent to £180,000 plus such proportion of the Net Asset Value as is equal to David Grier's percentage shareholding, or (2) a multiple of 3 times Pre-Tax Profit,

19 3 4 in the event that Fair Value exceeds the proceeds of any life assurance policy taken out by the Company or the other Shareholders on the life of the Deceased Shareholder for the purposes of this article 19 then such excess shall be paid by 3 equal annual instalments together with interest on the amount outstanding from time to time, the first such payment to be made 12 months after the date of death of the Deceased Shareholder,

19 3 5 in the event that the proceeds of any life insurance policy taken out by the Company or the other Shareholders on the life of the Deceased Shareholder exceed the Fair Value then such excess funds shall be utilised and distributed in accordance with the terms of the relevant trust documentation, and

19 3 6 the Deceased Shareholder's Shares shall be offered to all persons holding Shares of the same class as the Deceased Shareholder's Shares, in priority to any other class of Shareholder and to the extent that all of the Deceased Shareholder's Shares have not been applied for by such class of Shareholder, the Directors shall consider applications for the Deceased Shareholder's Shares from the holders of all other classes of Share. The Shareholders shall be liable to make payment in respect of the Fair Value for the Deceased Shareholder's Shares in proportion to the number of Deceased Shareholder's Shares they each acquire

19 4 The shareholders undertake to procure that adequate levels of life insurance are taken out in respect of each of the shareholders of the Company for the purposes of this article 19 and that all such life insurance policies are reviewed on an annual basis to ensure that the anticipated proceeds of such policies are sufficient for their intended purpose

## **20 FAIR VALUE**

20 1 The Fair Value shall be such sum as is

20 1 1 agreed between the parties, or, failing agreement,

20 1 2 as determined in accordance with the table below

<b>Date of Transfer</b>	<b>Fair Value</b>
Prior to the 3 <sup>rd</sup> anniversary of the Effective Date	The lower of a sum equivalent to (1) the Shareholder's Investment or (2) such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding
On or after the 3 <sup>rd</sup> anniversary of the Effective Date and prior to the 7 <sup>th</sup> anniversary of the Effective Date	A sum equivalent to such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding
On or after the 7 <sup>th</sup> anniversary of the Effective Date and prior to the 10 <sup>th</sup> anniversary of the Effective Date	A sum equivalent to such proportion of the Net Asset Value as is equal to the Leaver's percentage shareholding
On or after the 10 <sup>th</sup> anniversary of the	The higher of a sum equal to the Leaver's

Effective Date	percentage shareholding as a proportion of either (1) the Net Asset Value, or (2) a multiple of 3 times Pre-Tax Profit
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## 21 DISPUTE RESOLUTION

21 1 If a dispute arises out of or in connection with this agreement or the performance, validity or enforceability of it (a "Dispute") then, except as expressly provided in this agreement, the parties shall follow the dispute resolution procedure set out in this clause

21 1 1 either party shall give to the other written notice of the Dispute, setting out its nature and full particulars (the "Dispute Notice"), together with relevant supporting documentation. On service of the Dispute Notice the relevant parties shall attempt in good faith to resolve the Dispute,

21 1 2 if the relevant parties are for any reason unable to resolve the Dispute within 30 days of the service of the Dispute Notice, the parties will attempt to settle it by mediation in accordance with the CEDR Model Mediation Procedure. Unless otherwise agreed between the parties, the mediator shall be nominated by CEDR Solve. To initiate the mediation, a party must serve notice in writing (the "ADR notice") to the other party requesting a mediation. A copy of the ADR notice should be sent to CEDR Solve. The mediation will start not later than 30 days after the date of the ADR notice. Unless otherwise agreed by the parties, the place of mediation shall be nominated by the mediator. The costs in relation to the appointment and instruction of the mediator shall be borne as directed by such mediator.

21 2 The commencement of a mediation shall not prevent the parties commencing or continuing court proceedings.

## 22 GENERAL MEETINGS

22 1 Regulation 41 of the Model Articles applies with the addition of the following sentence:

"If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, any person or persons entitled to vote upon the business to be transacted, being (or each being) a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum if he is (or they are together) entitled to cast more than one half of the number of votes which might be cast at the meeting upon the business to be transacted, or in other circumstances, the meeting shall be dissolved."

## 23 WRITTEN RESOLUTIONS

23 1 The joint holder of a share whose name comes first in the register of members in respect of the joint holding is authorised to agree to any written resolution on behalf of all the joint holders and to receive any document which is required by CA2006 to be supplied to the joint holders in connection with that resolution.

## **24 CHANGE OF COMPANY NAME**

- 24 1 The Directors may change the name of the Company by a Directors' written resolution in accordance with article 6