

Company Number: 4966080

THE COMPANIES ACTS 1985 AND 1989

A PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

-OF-



RENAISSANCE ENLIGHTENED BUILDING LIMITED ("the Company")

I, the undersigned, being as of today's date the only registered holder of shares of the Company entitled to attend and vote at general meetings of the Company do, in accordance with Regulation 53 of Table A to the Companies Act 1985 which is incorporated into the Company's articles of association, hereby RESOLVE as follows:

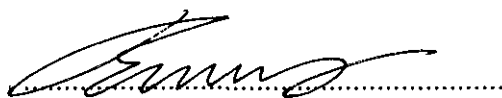
WRITTEN RESOLUTIONS

1. THAT the 10,000 ordinary shares of £1.00 each in the capital of the Company be and are hereby sub-divided into 100,000 ordinary shares of £0.10 each in the capital of the Company and that the Memorandum of Association be altered accordingly.
2. THAT 41,794 of the ordinary shares of £0.10 each in the capital of the Company (including the 10 ordinary shares of £0.10 each currently in issue and registered in the name of Jonathan Evans) be and are hereby converted into 41,794 A ordinary shares of £0.10 each in the capital of the Company with the rights but subject to the restrictions set out in the Articles to be adopted pursuant to Resolution 8 below and that the Memorandum of Association be altered accordingly.
3. THAT 47,474 of the ordinary shares of £0.10 each in the capital of the Company be and are hereby converted into 47,474 B ordinary shares of £0.10 each in the capital of the Company with the rights but subject to the restrictions set out in the Articles to be adopted pursuant to Resolution 8 below and that the Memorandum of Association be altered accordingly.
4. THAT 10,732 of the ordinary shares of £0.10 each in the capital of the Company be and are hereby converted into 10,732 C ordinary shares of £0.10 each in the capital of the Company with the rights but subject to the restrictions set out in the Articles to be adopted pursuant to Resolution 8

below and that the Memorandum of Association be altered accordingly.

5. THAT the authorised share capital of the Company be and is hereby increased from £10,000 to £16,506.10 by the creation of 65,061 new C ordinary shares of £0.10 each in the capital of the Company with the rights but subject to the restrictions set out in the Articles to be adopted pursuant to Resolution 8 below and that the Memorandum of Association be altered accordingly.
6. THAT the directors of the Company be and are hereby generally and unconditionally authorised to allot and dispose of or grant options over the Company's share capital up to the authorised share capital of the Company (as increased and converted by the above Resolutions) at any time or times during the period of five years from the date of this Resolution.
7. That the directors of the Company from time to time of the Company be and are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot the above shares in the capital of the Company pursuant to the authority conferred by Resolution 6 above as if sections 89(1) and 90(1) and (6) of the Companies Act 1985 did not apply to such allotment.
8. THAT the regulations contained in the accompanying document be and they are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

DATED: 31<sup>st</sup> March 2004



J L Evans

Companies Acts 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

Memorandum of Association

OF

RENAISSANCE ENLIGHTENED BUILDING LIMITED

Company Number: 4966080

- 
1. The Company's name is Renaissance Enlightened Building Limited.
  2. The Company's Registered Office is to be situated in England & Wales.
  3. The Company's objects are:
    - (a) To carry on business as a general commercial company and in this connection to carry on any business for profit, directly or indirectly, whether by itself and in its own name or through subsidiary, associated or allied companies or firms in the United Kingdom or elsewhere, in all or any of its branches any business, undertaking, project or enterprise of any character whether private or public and all or any trades, activities and processes connected therewith or ancillary and complementary thereto and as an investment, holding and management company in all its branches, and to acquire by purchase, lease, concession, grant, licence or otherwise such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, debenture stock, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit and generally to hold, manage, develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, to act as trustees of any deeds consisting or securing any debentures, debenture stock or other securities or obligations; to establish, carry on, develop and extend investments and holdings to sell, dispose of or otherwise turn the same to account, and to co-ordinate the policy and administration of any companies of which this Company is a member or which are in any manner controlled by or connected with the Company; to carry on all or any of the businesses of general merchants and traders, cash and credit traders, importers, exporters, designers, manufacturers, agents, representatives, buyers, sellers, distributors, factors, wholesalers, retailers, letters on hire and shippers of and dealers in produce, products, goods, wares and merchandise and electronic, engineering, electric, industrial and agricultural equipment and items and accessories and spare parts of every description, franchise operators; to participate in, undertake, perform and carry on all kinds of commercial, industrial, trading and financial operations and enterprises, consultants, market research specialists, experts and advisers in electronic and engineering equipment of every kind, marketing and sales promotion, management, commercial, social and other undertakings and pension, insurance, finance, technical, economic and financial matters; to create establish and maintain an organisation for the purchase, sale, vending, distribution, advertising or introduction of products, merchandise, goods, wares and commodities of every description; to carry on the business of haulage and transport contractors, removers, general storekeepers and warehousemen, discount and credit traders, mail order specialists, railway, shipping, forwarding agents and printers and publishers; to carry on the business of builders and estate agents and to acquire by purchase, lease, exchange or otherwise for development, investment, letting, or resale land and buildings and other property of any tenure or any interest therein; and to act as merchants generally.

- (b) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously or conveniently carried on in connection with or ancillary to any of the businesses of the Company or which may be expected to increase the value of or make more profitable all or any of its properties, assets, rights or interests.
- (c) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
- (d) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, copyright, know how, licences, secret processes, trade and service marks, designs, protections and concessions and to disclaim, alter, modify, renew, develop, use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
- (e) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or Company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or Company, or to acquire any interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for subsidising or otherwise assisting any such person, firm or Company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (f) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with any of the property and effects of the Company.
- (g) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with or dispose of any investment made.
- (h) To lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit, loan or otherwise upon such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of an obligation by any company, firm or person including any parent, subsidiary or fellow subsidiary company in such manner as the Company may think fit.
- (i) To borrow and raise money in such manner as the Company shall think fit and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding to it.
- (j) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of lading, warrants, debentures, documents of title and other negotiable or transferable instruments.
- (k) To apply for, promote, and obtain any Act of Parliament, Provisional Order, or Licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification which may seem calculated directly or indirectly to promote the Company's interest, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

- (l) To enter into any arrangements with any Government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges or concessions which the Company may think desirable.
- (m) To subscribe for, take, purchase, or otherwise acquire and hold shares or other interests in or securities of any other company having objects altogether or in part similar to those of the Company or carrying on any businesses capable of being carried on so as to directly or indirectly benefit the Company or enhance the value of its property and co-ordinate, finance and manage the businesses and operations of any company in which the Company holds any such interest.
- (n) To act as agents or brokers and as trustees for any person, firm or company, or to undertake and perform sub-contracts.
- (o) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (p) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or the securities of the Company.
- (q) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the company, its directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors or employees of, or who are serving or have served any subsidiary of the Company or of the predecessors in the business of the company or any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such person; to make payments toward insurance; to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such person and of their wives, widows, children and other relatives and dependants; and set up, establish support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- (r) To promote any other company for the purpose of acquiring the whole or any part of the business or property and undertaking any of the liabilities of the company, or undertaking any business or operations which may appear likely to assist or benefit the company or to enhance the value of any property or business of the company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company aforesaid.
- (s) To sell or otherwise dispose of the whole or part of the business or property of the company, either together or in portions, for such consideration as the company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

- (t) To guarantee the payment of any monies or the performance of any contracts, liabilities, duties, obligations or engagements of any company, firm or person, and to become liable or responsible for money, and to undertake obligations of every kind and description, upon such terms as the company may consider desirable and without prejudice to the generality thereof and with or without the company receiving any consideration to guarantee and/or give security (either by way of mortgage or charge on all or any part of the property and undertaking present and future, and the uncalled capital of the company or otherwise) for the performance of the obligations of any company, firm or person and the payment of the principal of the dividends, interest and premiums on any stock, shares, debentures, debenture stock or other securities of any company.
- (u) To create and issue at par, or at a premium or discount, debentures or debenture stock, in either permanent, redeemable, or other repayable form, bonds, and any other obligations or securities of the company, and to grant standard or other securities in favour of lenders or trustees for lenders in order to secure any money borrowed or raised by the company, and to exchange or convert from time to time any such securities.
- (v) To enter into partnership, or into any agreement or joint purchase or joint venture arrangement, or any arrangement for sharing profits and losses, or union of interest, or co-operation with any person, company, corporation or association carrying on, or proposing to carry on any business or transaction which the company may legally carry on or enter into, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company, and in connection therewith to grant and receive guarantees, and to acquire and hold shares, stock or securities of any such company; and to enter into any contract with any person, company, corporation or association to regulate the course of business for the purpose of establishing any tariff or prices, or otherwise and to contribute out of the company's funds to any association or fund calculated directly or indirectly to benefit the company or its interests and to amalgamate with any person or firm, or any company, whose objects are within the objects of the company; and for that purpose to purchase or sell for shares (preference, ordinary, deferred or otherwise) the undertaking of the company or such person, firm or other company, subject to the liabilities of the company or such person, firm, or other company, with or without winding up, or to purchase or sell for shares (preference, ordinary, deferred or otherwise) all the shares or stock of the company or any such other company as aforesaid, or to amalgamate by partnership, or any arrangement of the nature of partnership or in any other manner; and to take by subscription, purchase or otherwise, and hold shares (preference, ordinary or deferred) or stock in, or debentures or other securities of any company, society or undertaking having any object of a like nature with any of those of the company, or such as may be deemed likely to advance in any way the interests of the company.
- (w) To distribute among the Members of the Company in kind any property of the Company of whatever nature whether by way of dividend or upon a return of capital, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (x) To procure the company to be registered or recognised in any part of the world and to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- (y) To do all such things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them, in any part of the world.

The objects set forth in each sub-clause of this Clause shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or the object or objects therein specified or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have as full a power to exercise all or any of the said sub-clauses as if each sub-clause contained the objects of a separate company. The word "company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere and the word "Members" shall, unless the contrary intention appears, be deemed to include the singular as well as the plural thereof.

4. The liability of the Members is limited.
5. The Share Capital of the Company is £10,000 divided into 10,000 ordinary shares of £1 each, with power to divide the shares in the capital for the time being into several classes, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company.\*

\* By Written Resolution dated 31st March 2004:

1. 10,000 ordinary shares of £1.00 each in the capital of the Company were sub-divided into 100,000 ordinary shares of £0.10 each.
2. 41,794 of the ordinary shares of £0.10 each in the capital of the Company (including the 10 ordinary shares of £0.10 each currently in issue and registered in the name of Jonathan Evans) were converted into 41,794 A ordinary shares of £0.10 each.
3. 47,474 of the ordinary shares of £0.10 each in the capital of the Company were converted into 47,474 B ordinary shares of £0.10 each.
4. 10,732 of the ordinary shares of £0.10 each in the capital of the Company were converted into 10,732 C ordinary shares of £0.10 each.
5. the authorised share capital of the Company was increased from £10,000 to £16,506.10 by the creation of 65,061 new C ordinary shares of £0.10 each.

COMPANIES ACT 1985 AND 1989 COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF RENAISSANCE ENLIGHTENED BUILDING LIMITED

(adopted by Special Resolution of the Company passed on 31<sup>st</sup> March 2004)

1. PRELIMINARY

- 1.1. 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 hereby.

2. DEFINITIONS AND INTERPRETATIONS

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

"A Ordinary Share" means an A ordinary share of £0.10 in the capital of the Company

"A Ordinary Shareholder" means a registered holder of any A Ordinary Shares

"Asset Sale" means the completion of any transaction or series of transactions whereby any person or group of persons purchases the whole or substantially the whole of the business and assets of the Group

"Auditors" means the auditors from time to time of the Company

"B Ordinary Share" means a B ordinary share of £0.10 in the capital of the Company

"B Ordinary Shareholder" means a registered holder of any B Ordinary Shares

"Beneficial Owner" means the beneficial owner of any of the Shares



**"Board"** means all the Directors of the Company from time to time including the Investors' Director (if any)

**"C Ordinary Share"** means a C ordinary share of £0.10 in the capital of the Company

**"C Ordinary Shareholder"** means a registered holder of any C Ordinary Shares

**"Cessation Date"** shall have the meaning set out in Article 10.1

**"the Companies Act"** means the Companies Act 1985 (as amended)

**"Compulsory Vendors"** shall have the meaning set out in Article 10.1

**"Connected Person"** shall have the meaning ascribed to it in Section 839 of the Income and Corporation Taxes Act 1988

**"credited as paid up"** means amounts paid up or credited as paid up on the relevant share including any premium

**"Deemed Notice Date"** shall have the meaning set out in Article 10.1

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

**"Equity Shares"** means the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares and any shares derived therefrom whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise for the time being in issue

**"Equity Shareholders"** means the A Ordinary Shareholders, the B Ordinary Shareholders and the C Ordinary Shareholders

**"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

**"FSMA"** means the Financial Services and Markets Act 2000 and every statutory modification or re-enactment thereof for the time being in force

**"Fund"** means any bank, investment trust or investment company (within the meaning of Chapter 21 of the rules governing admission of securities to listing issued by the Financial Services Authority) unit trust, building society, industrial provident or friendly society any other collective investment scheme (as defined by the FSMA 2000) any business investors (as defined by the Financial Services (Glossary and Interpretation) Rules and Regulations 1990) partnership limited partnership, pension fund or insurance company or any person who is an authorised person under the FSMA any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing

**"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

**"Investors"** means the registered holders of any C Ordinary Shares

**"Investors' Director"** means a director appointed by the Investors pursuant to the terms of the Article 18

**"Mandatory Transfer Notice"** shall have the meaning set out in Article 9.1.1

**"Member"** means a holder of any share in the capital of the Company as stated in its Register of Members from time to time

**"Minority Shareholder"** shall have the meaning set out in Article 11.3

**"persons acting in concert"** shall have the meaning ascribed to it in the City Code on Takeovers and Mergers

**"Privileged Relation"** means in relation to a Member a parent or spouse or brother or sister of that Member and all lineal descendants of that Member (including for this purpose any step-child, adopted child or illegitimate child or any such Member or his lineal descendants) or any person who is married to any such lineal descendant

**"Proposing Transferee"** shall have the meaning set out in Article 9.1.2

**"Proposing Transferor"** shall have the meaning set out in Article 9.1.1

**"PR's"** shall have the meaning set out in Article 10.6

**"Purchasers"** shall have the meaning set out in Article 9.1.9

**"Purchasing Group"** shall have the meaning set out in Article 11.1

**"Sale"** means an Asset Sale or a Share Sale

**"Sale Price"** shall have the meaning set out in Article 9.1.2 or as the case may be 9.1.3

**"Sale Shares"** shall have the meaning set out in Article 9.1.1

**"Share"** means a share in the capital of the Company

**"Shareholders Agreement"** means an agreement made on the date of adoption of these Articles between the Company (1), Jonathan Evans and John Skivington (2) and The Third Equity Fund acting by its manager, Albemarle Private Equity Limited (3)

**"Share Sale"** means the completion of any transaction or series of transactions whereby any person or Connected Persons or group of persons acting in concert purchases or otherwise acquires or obtains not less than 90 per cent in nominal value of the Equity Shares

**"Third Party Price"** shall have the meaning set out in Article 11.1

**"Total Transfer Condition"** shall have the meaning set out in Article 9.1.1

**"Transfer Notice"** shall have the meaning set out in Article 9.1.1

**"Trustee in Bankruptcy"** shall have the meaning set out in Article 10.6

2.2. In these Articles where the context admits:

2.2.1. words and phrases which are defined or referred to in or for the purposes of the Companies Act or Table A have the same meanings in these Articles unless the context otherwise requires;

2.2.2. sections 5, 6, 8 and 9 and Schedule 1 to the Interpretation Act 1978 apply in the same way as

they do to statutes;

2.2.3. reference to a statutory provision includes reference to:

- (a) any order, regulation, statutory instrument or other subsidiary legislation at any time under it for the time being in force (whenever made);
- (b) any modification, amendment, consolidated, re-enactment or replacement of it or provision of which it is a modification, amendment consolidation, re-enactment or replacement;

2.2.4. reference to a regulation is to a regulation of Table A and reference to an Article is to a provision of these Articles;

2.2.5. reference to a gender includes the other genders and reference to the singular includes the plural and vice versa;

2.2.6. headings are for ease of reference only and shall not affect the construction or interpretation of these Articles;

2.2.7. the 'consent of the Investors' or the 'approval of the Investors' shall mean the giving of a written consent or direction of the holders of not less than a majority in nominal value of the 'C' Ordinary Shares in issue from time to time, provided that for so long as there is an Investors' Director, any such consent or direction required or permitted to be given under these Articles shall be validly given if given by the Investors' Director (including a minuted approval given by the Investors' Director at a meeting of the Board).

### **3. SHARE CAPITAL**

3.1. The authorised share capital of the Company at the date of adopting of these Articles is £16,506.10 divided into:

3.1.1. 41,794 A Ordinary Shares;

3.1.2. 47,474 B Ordinary Shares; and

3.1.3. 75,793 C Ordinary Shares.

### **4. SHARE RIGHTS**

4.1. Regulation 2 shall not apply to the Company. The rights and restrictions attaching to the C Ordinary Shares, the B Ordinary Shares and the A Ordinary Shares shall be as follows:-

#### **As regards income**

4.1.1. The profits of the Company which are available for lawful distribution shall be applied in paying to the Equity Shareholders (pari passu as if the Equity Shares constituted one class of

share) any dividend that may be determined and recommended by the Board and approved by the Investors' Director on the amounts from time to time credited as paid up on such shares such dividends (if any) to be paid within 30 days after the annual general meeting of the Company.

#### As regards capital

4.1.2. On a return of assets whether in a winding-up or reduction of capital or otherwise (except in the case of the redemption of shares of any class or the purchase by the Company of its own shares), the assets and retained profits of the Company available for distribution among the members shall be applied as follows:-

- (a) firstly in paying to the C Ordinary Shareholders an amount up to £50.14 per ~~C~~ <sup>CB</sup> Ordinary Share;
- (b) secondly in paying to the B Ordinary Shareholders an amount up to £2.00 per B Ordinary Share; and
- (c) finally, in distributing the balance of such assets and retained profits amongst the Equity Shareholders (pari passu) as if the same constituted one class of share) in proportion to the amounts credited as paid up on the Equity Shares held by them respectively.

#### As regards voting

4.1.3. On a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative not being himself a Member entitled to vote, shall have one vote, and on a poll every Member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every Equity Share of which he is a holder. Regulation 54 shall not apply to the Company.

#### As regards consents of the C Ordinary Shareholders

4.1.4. So long as any C Ordinary Shares remain outstanding the Company shall not without the written consent or sanction of the C Ordinary Shareholders given in accordance with the provisions of Article 5:-

- (a) modify or vary the rights attaching to the A Ordinary Shares, the B Ordinary Shares or the C Ordinary Shares;
- (b) reduce, or pass any resolution to reduce all or any of its share capital or any amount

- standing to the credit of its share premium account or capital redemption reserve fund or reduce any uncalled liability in respect of partly paid shares;
- (c) pass any resolution to alter its memorandum or articles of association;
  - (d) make any distribution payment or return of capital to any shareholder (other than in accordance with these Articles); or
  - (e) capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of any reserve) or any sums standing to the credit of its share premium account or capital redemption reserve fund; or
  - (f) make any distribution payment or return of an income nature to any shareholder otherwise than in accordance with these Articles; or
  - (g) breach any of the provisions of these Articles; or
  - (h) vary the authorised or issued share capital of the Company or any subsidiary undertaking (other than a wholly owned subsidiary undertaking); or
  - (i) create or grant any options or other rights to subscribe for or to convert into or issue any shares or other securities in the capital of the Company or any subsidiary undertaking (other than a wholly owned subsidiary undertaking); or
  - (j) permit any subsidiary to issue (other than to the Company or a wholly owned subsidiary of the Company) any shares; or
  - (k) dispose of any shares or permit any subsidiary to dispose of any shares (other than to the Company or a wholly owned subsidiary of the Company); or
  - (l) take any steps to wind up the Company; or
  - (m) make any material changes in the nature of the business of the Company or any subsidiary, or dispose of the whole or a substantial part of the business and undertaking of the Company.

### **Rights on a Sale**

4.1.5. In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale, upon an Investors' Director direction, the selling Shareholders immediately prior to such Sale shall procure that the consideration (whenever received) shall be placed in a designated trustee account and shall be distributed amongst the holders of Shares as follows:

- (a) first in paying to the C Ordinary Shareholders an amount up to £50.00 per C Ordinary Share;
- (b) secondly, in paying to the B Ordinary Shareholders an amount up to £2.00 per B Ordinary Share; and

- (c) finally, in distributing the balance of such consideration amongst the Equity Shareholders (pari passu as if the same constituted one class of share) in proportion to the amounts credited as paid up on the Equity Shares held by them respectively.

## **5. MODIFICATION OF RIGHTS**

- 5.1. The special rights attached to the B Ordinary Shares and the C Ordinary Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) with the written consent of the holders of not less than three-quarters of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply except that:-
- 5.1.1. the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued shares of the class (provided that where all the shares of a class are registered in the name of one holder that holder present in person or by proxy may constitute a meeting);
- 5.1.2. every holder of shares of the class shall be entitled on a poll to one vote for every share held by him;
- 5.1.3. any holder of shares of the class present in person or by proxy may demand a poll; and
- 5.1.4. at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

## **6. ISSUE OF NEW SHARES**

- 6.1. Subject to Articles 6.2 and 6.4 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 Equity Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of Equity Shares (of whatever class). 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. 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 may be seven days) to the other holders of the Equity Shares who have agreed to invest in all the shares offered to them in proportion (as nearly as may be) to the nominal amount of their existing holdings of Equity Shares) of whichever class. If the shares comprised in such further offer are declined or deemed to be declined the further offer shall be

withdrawn.

- 6.2. If any or all of the shares to which Article 6.1 applies are not taken up in accordance with the provisions of Article 6.1 the Directors may offer such shares to a third party (to be approved before being, made by the Investors such approval not to be unreasonably withheld or delayed) and subject to these Articles and the provisions of Section 80 of the Companies 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:
- 6.2.1. no shares shall be issued at a discount;
- 6.2.2. no shares to which Article 6.1 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 6.1 unless the procedure set out in Article 6.1 is repeated in respect of such shares;
- 6.2.3. 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 6.1 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.
- 6.3. The provisions of Articles 6.1 and 6.2 shall mutatis mutandis apply to all equity securities (as defined in Section 94(2) of the Act) of the Company from time to time created.
- 6.4. The provisions of Section 89(1) and 90(1) to (6) of the Act shall not apply to the Company.

## **7. TRANSFER OF SHARES - GENERAL**

- 7.1. The first sentence of Regulation 24 shall not apply to the Company. Without prejudice to the remaining provisions of Regulation 24 the Directors shall not register any transfer of shares in the Company to any person who is a minor, or who for any other reason does not have legal capacity to transfer shares, or otherwise except pursuant to a transfer permitted by the following provisions of these Articles.
- 7.2. Other than as provided for in Article 7.3, the A Ordinary Shares and B Ordinary Shares are only transferable with the prior written consent of the Investors which consent shall not be unreasonably withheld in the event that the proposed transferee is a Privileged Relation or a trustee or trustees to hold on Family Trust.



7.3. For the purposes of:

7.3.1. ensuring that a transfer of Shares is permitted under these Articles; or

7.3.2. ensuring that no circumstances have arisen whereby a shareholder may be bound or required to give or is deemed to have given a Transfer Notice; or

7.3.3. ascertaining when a Transfer Notice should have been or is deemed to have been given hereunder the Directors may from time to time require any member, the PR's of any deceased member, the trustee in bankruptcy of any member, 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. Failing such information or evidence being furnished to the satisfaction of the Directors within seven 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 Transfer Notice be given in respect of the shares concerned. 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 Transfer Notice the Directors may resolve by notice in writing to require that a Transfer Notice be given in respect of the shares concerned. Any such resolution of the Directors shall be binding upon the shareholders concerned who shall be bound to give a Transfer Notice in respect of the shares concerned forthwith upon receipt of the said notice from the Directors.

7.4. A Transfer Notice shall be deemed to be given (if not actually given) at the expiry of seven days after the Directors have required the same to be given pursuant to Article 7.3 and the provisions of these Articles relating to Transfer Notices shall take effect accordingly.

7.5. A Transfer Notice given or deemed to be given pursuant to this Article or Articles 8 or 10 shall not be capable of revocation (except with the written approval of the Board) nor may it specify that unless all relevant shares are sold by the Company pursuant to the Transfer Notice, none shall be so sold. Subject as provided to the contrary in this Article or Articles 8 and/or 10, the provisions of Article 9 shall apply to any Transfer Notice given or deemed to be given under or pursuant to this Article or Articles 8 or 10.

7.6. In any case where a shareholder (or his personal representatives) has or have been required to give or has or have been deemed to have given a Transfer Notice pursuant to the provisions of this Article or Articles 8 or 10 and subsequently becomes the holder of (or is deemed pursuant to Article 10 to be the holder of) further shares in the Company by virtue of the holding of any shares comprised in such Transfer Notice (whether by way of rights or bonus issue conversion

transfer or otherwise howsoever) a majority of the Directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives) as appropriate shall be deemed to have served a Transfer Notice pursuant to this Article or Articles 8 or 10 (as appropriate) in respect of such further shares.

## **8. PERMITTED TRANSFERS OF SHARES**

### **8.1. To Privileged Relations and Trustees**

8.1.1. subject always to the provisions of Article 7.2 any shares may be transferred by a Beneficial Owner who is an individual:-

- (a) to a Privileged Relation of such Beneficial Owner;
- (b) to trustees to be held upon Family Trusts.

8.1.2. where any shares have been transferred to Privileged Relations or trustees pursuant to Article 8.1.1 or allotted to trustees to be held upon Family Trusts for a Manager the Privileged Relation or the trustees as the case may be 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.

8.2. In any case where a Member proposing to transfer shares under this Article 8.1 (the "Proposing Transferor") holds those shares as a result of an earlier transfer authorised under this article 8.1 from another Member (the "Original Member") the Proposing Transferor may only transfer those shares to a person to whom the Original Member could have transferred such shares under this Article 8.3.

8.3. 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 8.3.2) the trustees shall forthwith transfer such shares to a transferee permitted under Article 8.3.2 and in default thereof the trustees shall be deemed to have given a Transfer Notice in respect of the shares in question provided that the price shall be the issue price (including any premium).

8.4. Funds - Any Share (and/or any interest therein) held by or on behalf of a Fund may be transferred:

8.4.1. to (or to a nominee or trustee for) the holders of units in, or any partner in, or members of or Investors in (as the case may be) such Fund and any Share (and/or any interest therein) held by

any nominee or trustee for such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors;

8.4.2. to a nominee or trustee for such Fund and any Share (and/or any interest therein) held by a nominee or trustee for a fund may be transferred to that Fund or to another nominee or trustee for such Fund;

8.4.3. to (or to a nominee or trustee for) another Fund which is managed or advised by the same manager or adviser as the transferor (or as the Fund on behalf of whom any such share or interest is held by the transferor as nominee or trustee) or by a group undertaking of such manager or adviser.

## **9. PRE-EMPTION RIGHTS ON TRANSFER**

9.1. Except in the case of a transfer permitted by Article 8, the right to transfer or otherwise dispose of a Share or any interest in or arising from a Share (or an option, warrant or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the following restrictions and provisions, namely:

9.1.1. Before transferring or disposing of any Share or any interest in or arising from any Share or any rights attaching thereto, the person proposing to transfer or dispose of the same (a "Proposing Transferor") shall give a notice in writing (a "Transfer Notice") to the Company specifying the Shares, interest and/or rights of which the Proposing Transferor wishes to dispose. Notwithstanding that a Transfer Notice specifies that the Proposing Transferor wishes to dispose only of an interest in or arising from, and/or any right(s) attaching to, the Shares referred to therein, the Transfer Notice shall (regardless of any provisions in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Proposing Transferor for the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the "Sale Shares") at the Sale Price in accordance with the provisions of this Article. Except in the case of any Transfer Notice which a Member is bound to give or is deemed to have given pursuant to these Articles (a "Mandatory Transfer Notice"), a Transfer Notice may include a condition (a "Total Transfer Condition") that if all the Sale Shares (of whatever class) are not sold to Members and/or such other persons as are referred to in Articles 9.1.4, then none shall be so sold. If a Total Transfer Condition is included then any offer of Sale Shares shall be made subject to Article 9.1.8. Shares of different classes may not be included in the same Transfer Notice (other than a Mandatory Transfer Notice).

9.1.2. Except in the case of a Mandatory Transfer Notice, if the Proposing Transferor is proposing to transfer all his legal title to, beneficial ownership of and all other interests and rights attaching to the Sale Shares the Transfer Notice may state, in addition to details of the Sale Shares:

- (a) the name or names of a person or persons (such person or persons being hereinafter referred to as the "Proposing Transferee") to whom the Sale Shares (or an interest or right therein or arising therefrom) are proposed to be transferred if the Sale Shares are not acquired by Purchasers (as hereinafter defined); and
- (b) the entire consideration per Share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling a cash price per share which is so expressed and which is reasonably commensurate with the entire consideration:

and in such event, subject to the Directors being satisfied and to that end being provided with such evidence as they may reasonably require) that the price is a bona fide (not inflated for particular reasons) agreed between the Proposing Transferor and the Proposing Transferee at arms' length and in good faith, the said price shall be the Sale Price.

9.1.3. In the case of a Mandatory Transfer Notice (which, for the avoidance of doubt, shall include any Mandatory Transfer Notice which is given pursuant to Article 10 below save that the provisions of this Article 9.1.3 shall not apply to any A Ordinary Shares or B Ordinary Shares (as the case may be) to be transferred thereunder) or a Transfer Notice which does not state the further details referred to in Article 9.1.2.2 or in any case which does not fall within Article 9.1.2:

- (a) if not more than 15 days after the date on which the Transfer Notice was given or was deemed to be given, the Proposing Transferor and the Directors (with the approval of the Investors) have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Proposing Transferor, then such price shall be the Sale Price (subject to the deduction therefrom of any net dividend or other distribution declared or made after such agreement and prior to the said date);
- (b) otherwise, upon the expiry of 15 days after the date on which the Transfer 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 Sale Shares. The sum per Share so determined and reported shall be the Sale 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 Sale Shares shall be the market value thereof as between a willing buyer and a willing seller (but disregarding, if such be the case, 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).

- 9.1.4. Within 14 days after the receipt by the Company of a Transfer Notice or, in a case falling within Article 9.1.3, the agreement or determination of the Sale Price, the Sale Shares shall be offered in writing by the Company to all Members (other than the Proposing Transferor) holding shares of the same class as those comprised in the Transfer Notice and next (if and insofar as not accepted following such offer) be offered in writing by the Company to the other holders for the time being of the Equity Shares (other than the Proposing Transferor and any permitted transferee of the Proposing Transferor under Article 8) *pari passu* as though the same constituted a single class of Shares and next (if and insofar as not accepted following such further offer) to the Company and next (if and insofar as not accepted by the Company) to such person or persons (if any) as the Directors (with the approval of the Investors' Director) think fit.
- 9.1.5. The Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in Article 9.1.4 is made.
- 9.1.6. Any such offer as is required to be made by the Company pursuant to Article 9.1.4 shall state that the offer must be accepted within 14 days or in default will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Shares held by each acceptor (or in the case of any such offer made to persons who are not already Members on such basis as the Directors shall determine) provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this Article shall continue to apply *mutatis mutandis* until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly.
- 9.1.7. If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied.
- 9.1.8. If the Company shall, pursuant to the foregoing Articles, find Members or other persons (hereinafter called "Purchasers") to purchase some or (if Article 9.1.7 shall apply) all of the Sale Shares and shall give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment of the Sale Price, to transfer such Shares to the respective Purchasers. Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him or them and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice.
- 9.1.9. If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser hereunder, the Directors shall authorise some person to execute and deliver on his behalf the

necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Shares. 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) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

9.1.10. If by the foregoing procedure the Company shall not find Purchasers willing to purchase some or (if Article 9.1.7 shall apply) all of the Sale Shares, the Company shall give notice in writing thereof to the Proposing Transferor within seven days after the last date for acceptances pursuant to the preceding provisions of this Article 9. The Proposing Transferor, at any time thereafter up to the expiration of 30 days from the date of such notice, shall, subject as hereinafter provided, be at liberty to transfer those of the Sale Shares not purchased by Purchasers or all the Sale Shares (as the case may be) to the Proposing Transferee or, where the Transfer Notice is a Mandatory Transfer Notice or does not contain details of a Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price. The Directors may require the Proposing Transferor to provide evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate, allowance or indulgent terms whatsoever to the purchaser thereof and, if not so satisfied, may refuse to register the instrument of transfer.

## **10. MANDATORY TRANSFERS**

10.1. If, in the event of the following:

- 10.1.1. an employee or director of the Company or any of its subsidiary undertakings ceases for any reason (including death or bankruptcy) to be an employee or director of the Company or any of its subsidiary undertakings and in any case is not continuing as either a director or employee of the Company or any of its subsidiary undertaking; or
- 10.1.2. if an individual referred to in 10.1.1 above is a party to the Shareholders Agreement and commits a material breach of the Shareholders Agreement which breach (if capable of remedy) is not remedied within 10 business days of receipt of notice so to do; and
- 10.1.3. the relevant individual is a holder of A Ordinary Shares or B Ordinary Shares (whether solely or jointly with any other person); and/or
- 10.1.4. the relevant individual has established a Family Trust which holds A Ordinary Shares or B Ordinary Shares; and/or
- 10.1.5. any A Ordinary Shareholder or B Ordinary Shareholder holds A Ordinary Shares or any B Ordinary Shares, as the case may be, as the nominee of the relevant individual; and/or

10.1.6. A Ordinary Shares or B Ordinary Shares are held by a Privileged Relation or other permitted transferee of the relevant individual; and/or

10.1.7. A Ordinary Shares or B Ordinary Shares are held by a company the majority of the issued share capital of which is beneficially owned by the relevant individual or a Privileged Relation, Family Trust or other permitted transferee of the relevant individual

then one month after (i) the date on which the relevant individual ceases to be a director or employee of the Company or any of its subsidiary undertakings (as the case may be) or (ii) the date on which the Investors' Director shall by written notice determine there has been a material breach of the Shareholders Agreement by the relevant individual in the terms of this Article 10.1 as the case may be (the "Cessation Date") there shall be deemed to have been served a Mandatory Transfer Notice (the "Deemed Notice Date") by any of the holders of A Ordinary Shares or B Ordinary Shares referred to in this Article (or their personal representatives in the case of their death) (the "Compulsory Vendors") in respect of all their shares in the Company (howsoever acquired).

10.2. A decision by a majority of the Board as to whether there has been a material breach of the Shareholders Agreement by the relevant individual in the terms of this Article 10.1 shall be final and binding and those members of the Board shall not be liable to any person by reason thereof.

10.3. If any person is deemed to have given a Transfer Notice under Article 10.1 in respect of any shares other than A Ordinary Shares or B Ordinary Shares as the case may be the Mandatory Transfer Notice shall be deemed to include all such other shares which shall be offered to the other shareholders in accordance with the provisions of Article 9.

10.4. The price for the A Ordinary Shares and/or the B Ordinary Shares (as the case may be) shall be the Market Value of the A Ordinary Shares and/or the B Ordinary Shares (as the case may be) unless the relevant individual resigns or is properly dismissed or removed as an employee, Director at any time following a reasonable determination by the Directors that he has been guilty of material dishonesty in which case the price shall be the lower of the Market Value of the A Ordinary Shares and/or the B Ordinary Shares (as the case may be) and 1p for each such Share.

10.5. For the purposes of Article 10.4 the "Market Value" shall be the price agreed between the Compulsory Vendors and the Investors' Director (or, in the absence of such person, the C Ordinary Shareholders) or, if they fail to agree a price within 21 days of the Deemed Notice

Date (or such longer period as the Compulsory Vendors and the Investors' Director (or, in the absence of such person, the C Ordinary Shareholders) shall agree) the price certified by an Expert to be the market value of the A Ordinary Shares and/or the B Ordinary Shares upon the Cessation Date (calculated on the basis of a sale by a willing seller to a willing buyer by reference to the value of the whole of the issued share capital of the Company and taking no account of the percentage of the capital represented by such Shares disregarding if such be the case, any discount that might attach to the A Ordinary Shares and/or B Ordinary Shares (as the case may be) if they shall constitute a minority interest, any transfer restrictions which apply to such Shares pursuant to these Articles and any discount to reflect the fact that these Shares do not carry a running dividend yield, if such be the case but taking into account the effects on the Company of the employee or Director in question ceasing to be an employee or Director as the case may be). For the purposes of this Article 10.5 an Expert shall be an independent firm of chartered accountants agreed upon as between the Compulsory Vendors and the Investors' Director within 28 days of the Deemed Notice Date or failing such agreement and upon application by either a Compulsory Vendor or the Investors' Director as shall be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not as an arbitrator and the costs of the Expert shall be borne as determined by the Expert.

- 10.6. Without prejudice to Article 10.1 if a majority of the Directors (including the Investors' Director) so resolve they may at any time give notice to the legal personal representatives of a deceased member ("PR's") or the trustee in bankruptcy of a member ("Trustee in Bankruptcy") requiring such person to elect either to be registered himself or to give a Transfer Notice in respect of the shares to which he/they become entitled in consequence of the death or bankruptcy of any member. If such notice is not complied with within 14 days from the date of such notice the Directors may authorised some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the PR's or Trustee in Bankruptcy and the Company may give a good receipt for the purchase price of such shares, register the purchaser or purchasers as the holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto, in any such case the PR's or Trustee in Bankruptcy shall be bound to deliver up the certificates for the shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest.

## 11. MINORITY SHARE SALE



- 11.1. No sale or transfer shall be made or registered if the same would result in a person or persons acting in concert who are not Members at the date of adoption of these Articles (the "Purchasing Group") holding or increasing their shareholding in the Company to 50 per cent or more of the Equity Shares, unless:
- 11.1.1. before the sale is made or the transfer is lodged for registration, the Purchasing Group has made a written offer, which shall have remained open for at least 21 days, to purchase all the Equity Shares in issue immediately before such sale or transfer at a price per share recommended by the Board ("Third Party Price");
- 11.1.2. the proposed sale or transfer is approved by the Investors; and
- 11.1.3. the aggregate consideration is distributed in accordance with Article 4.6 (Rights on a Sale).
- 11.2. In the event of disagreement as to the Third Party Price the matter shall be referred to the Auditors (acting as experts and not as arbitrators) for determination. The costs of the Auditors shall be borne equally by the parties concerned and their decision shall be final and binding.
- 11.3. If transfers under Article 11.1 result in members of the Purchasing Group holding or increasing their shareholding to 66.66 per cent or more of the Equity Shares, the members of the Purchasing Group may by written notice to the Company served within 60 days of the last of such transfers require the Company as agent for the Purchasing Group to serve notices (each a "Compulsory Purchase Notice") on each of the other Shareholders (the "Minority Shareholders") requiring them to sell their Shares to one or more persons identified as members of the Purchasing Group at the Third Party Price (provided that if the Third Party Price is based on consideration paid or agreed to be paid pursuant to a transaction between Connected Persons or between persons acting in concert the consideration payable shall, if higher, be the Market Value certified in accordance with Article 10.5). The Company shall serve the Compulsory Purchase Notices forthwith and for 28 days from the service of the Compulsory Purchase Notices the minority Shareholders shall not be entitled to transfer their Shares to anyone except the Purchasing Group or persons identified by them.
- 11.4. The Purchasing Group shall complete the purchase of all the Shares in respect of which a Compulsory Purchase Notice has been given at the time and, in any event, no later than 21 days after the date of the service of such Compulsory Purchase Notice. The consideration shall be payable in full without any set off.
- 11.5. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice. The Directors shall not register any transfer, and no member of the Purchasing Group shall be entitled to exercise or direct the exercise of any

rights in respect of any Shares to be transferred pursuant to this Article 11, until in each case the member of the Purchasing Group has fulfilled all his obligations pursuant to this Article 11.3.

- 11.6. If on the expiration of 28 days after the service of the Compulsory Purchase Notices a Minority Shareholder shall not have transferred his Shares to any member of the Purchasing Group against payment of the price therefore, the Investors may authorise some person to execute and deliver on their behalf any necessary transfer in favour of the relevant member of the Purchasing Group and the Directors shall receive the consideration in respect of such Shares and shall thereupon (subject to the transfer being duly stamped) cause the name of the member of the Purchasing Group to be entered into the register of members as the holder of the relevant Shares. The Company shall hold the consideration in trust for the Minority Shareholder but shall not be bound to earn or pay interest thereon. The receipt of the Company for the consideration shall be a good receipt for the price of the relevant Shares, but the Purchasing Group shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder against delivery by the Minority Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same. After the name of the member of the Purchasing Group has been entered in the Register of Members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

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

- 12.1. If under regulation 41 of Table A a meeting is adjourned 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.
- 12.2. 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.
- 12.3. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote which he may have.
- 12.4. 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".

12.5. 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.

12.6. 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' Directors) being part of that majority) resolve otherwise".

### **13. ALTERNATE DIRECTORS**

13.1. An alternate director's appointment will determine if he resigns by written notice left at or sent to the registered office of the Company.

13.2. An alternate director will be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.

### **14. DIRECTORS**

14.1. Unless and until otherwise determined by ordinary resolution of the Company the number of the Directors shall be not less than two or more than five.

14.2. No person shall be disqualified from being appointed a Director and 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.

14.3. Regulation 81(e) shall not apply to the Investors' Director.

14.4. Regulation 68 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".

14.5. A Director shall not retire by rotation and 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 73 to 77 (inclusive) and 80 shall not apply to the Company, and Regulations 78 and 79 shall be modified accordingly.

- 14.6. 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 shall be modified accordingly provided that the provisions of this Article 14.6 shall not apply to the Investors' Director.
- 14.7. Subject to the requirements of the Companies Act no Director or alternate director may as a Director vote at any meeting of the Board in respect of any contract or arrangement in which he or any Member by whom he is nominated is interested unless such interest is previously disclosed to the Board. If it is so disclosed his vote will be counted and he will be reckoned in the quorum present at the meeting. Regulations 94 and 98 (inclusive) will not apply to the Company.
- 14.8. The holders of not less than one half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may, at any time and from time to time, remove any Director from office or appoint any person to be a Director. Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post or facsimile transmission to the office or such other place designated by the Directors for the purpose. Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice. The provisions of this Article 14.8 shall not apply to the appointment or removal of an Investors' Director. This Article 14.8 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director.
- 14.9. Regulation 87 shall not apply to the Company.

## **15. BORROWING POWERS**

- 15.1. The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the

property, assets and uncalled capital of the Company, and (subject to Section 80 of the Companies Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation to the Company or any third party not exceeding an aggregate sum of £12.5 million.

## **16. PROCEEDINGS OF DIRECTORS**

- 16.1. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- 16.2. The quorum necessary for the transaction of business at any meeting of the Directors shall be two of which one shall be the Investors' Director and one shall be a Manager and Regulation 89 shall be modified accordingly. If any meeting of the Directors shall be inquorate then it shall be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present shall constitute a quorum.
- 16.3. 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 at all times such Director and such Director to hear at all times 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.

## **17. INDEMNITIES**

- 17.1. Subject to the provisions of the Companies 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 (other than any liability arising out of the Shareholders Agreement) 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 of Section 727 of the Companies Act in which relief is granted to him by the Court. Regulation 118 shall not apply to the Company.

## **18. INVESTORS' DIRECTOR**

- 18.1. For so long as the Investors' shall hold any 'C' Ordinary Shares in the capital of the Company the holders of not less than a majority in nominal value of such 'C' Ordinary Shares in issue from time to time shall have the right at any time and from time to time to appoint one person as a non-executive Director of the Company but so that not more than one person shall hold office under this Article at any one time and the following provisions shall have effect:-
- 18.1.1. any such appointment shall be effected by notice in writing to the Company by the Investors who may in like manner at any time and from time to time remove from office any Investors' Director appointed pursuant to this Article and appoint any person in place of any Investors' Director so removed or dying or otherwise vacating office as Investors' Director;
- 18.1.2. subject to Section 303 of the Companies Act on any resolution to remove an Investors' Director the 'C' Ordinary Shares held by the Investors shall together carry one vote in excess of 50 per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed and if any such Investors' Director is removed pursuant to Section 303 of the Companies Act or otherwise the Investors may reappoint him or any other person as an Investors' Director.