



THE COMPANIES ACTS 1985 TO 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

TRAILERTECH SERVICES LIMITED

(Amended by a Special Resolution dated 21st September 2006)

1 PRELIMINARY

1.1 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

1.2 In these Articles:-

"A Ordinary Shares"	means the A Ordinary Shares of £1 each in the capital of the Company;
"Act"	means the Companies Act 1985;
"Adoption Date"	means 5 July 2005;
"Auditors"	means the auditors of the Company from time to time;
"BVCA"	means the British Venture Capital Association
"Bad Leaver"	means an Early Leaver and/or a Gross Misconduct Leaver;
"Board"	means the board of Directors of the Company from time to time;
"Company Disposal"	means the sale or transfer of the whole or substantially the

	whole of the undertaking or assets of the Company
“Controlling Interest”	means an interest (within the meaning of Schedule 13 Part 1 and Section 346 of the Companies Act 1985) in shares conferring in the aggregate more than fifty per cent of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue and conferring the right to vote at all general meetings;
“Debenture”	means the Debenture entered into by the Company on the Adoption Date as defined in the Investment Agreement;
“Default Period”	<p>any period in which, except with the consent of the Fund:</p> <p>(a) the Company is in liquidation or receivership or administration or otherwise insolvent within the meaning of Section 123 of the Insolvency Act 1986 (or the equivalent in any jurisdiction outside England and Wales); or</p> <p>(b) an event of default is outstanding for the purposes of the Debenture referred to in the Investment Agreement and this has not been remedied or any other event has occurred or circumstances subsist which (with the giving of notice, passing of time or otherwise) would be such an event of default; or</p> <p>(c) without limiting the foregoing, any of the special rights or privileges attaching to any A Ordinary Shares in these Articles shall have been breached and (if remediable) not remedied within fourteen days of the breach to the reasonable satisfaction of the Fund.</p>
“Directors’ Emoluments”	means directors’ emoluments of any kind including all salaries, cars, fees, taxable allowances, pension contributions and benefits in kind receivable by Directors of the Company and the directors of all subsidiaries of the Company;
“Directors”	means all of the directors of the Company from time to time;
“Early Leaver”	<p>means any Executive Director of the Company who ceases to be an employee of the Company within two years of the Adoption Date and such cessation is not as a result of:</p> <p>(a) his death; or</p> <p>(b) his incapacity to work caused by his illness.</p>

“Entire Issued Share Capital”	means the entire issued share capital of the Company (from time to time);
“Equity Shares”	means the Ordinary Shares and the A Ordinary Shares;
“Expert”	means a firm of chartered accountants agreed between the holders of the Ordinary Shares and the A Ordinary Shares or failing such agreement within 10 business days, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on application by any holder of Ordinary Shares or A Ordinary Shares and who shall when appointed act as expert and not as arbitrator;
“Executive Director”	shall have the meaning set out in the Investment Agreement;
“Fund”	means Partnership Investment Equity Fund LP (registered number LP9380) and its successors and assigns and/or Partnership Investment Mezzanine Fund LP (registered number LP9381) and its successors and assigns;
“Fund Director”	means any Director of the Company appointed pursuant to Article 4;
“Good Leaver”	means any Executive Director who leaves the employment of the Company and is not a Bad Leaver
“Gross Misconduct Leaver”	means any Executive Director of the Company who is dismissed for gross misconduct (and such dismissal is not wrongful dismissal) at any time after the Adoption Date;
“Investment Agreement”	means an agreement dated the same date as the Adoption Date made between the Fund, the Original Shareholders, the Executive Directors and the Company;
“Loan ”	shall have the same meaning as in the Investment Agreement;
“Listing”	the admission to the official list maintained by the UK Listing Authority or the daily official list of the London Stock Exchange plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) of any Share or the dealing therein on the Alternative Investment Market or OFEX ;
“the Manager”	means YFM Venture Finance Limited (registered in England and Wales with number 04195617) or any party appointed as the successor to YFM Venture Finance Limited as the

	representative of the Fund
"Net Profit"	<p>means the Company's profit calculated on the historical cost basis as shown in the audited profit and loss account of the Company or (in the event of there being subsidiaries of the Company) the audited consolidated profit and loss account of the Company and its subsidiaries for the relevant financial year:</p> <ul style="list-style-type: none"> (a) before charging any exceptional or extraordinary items; (b) before amortisation of goodwill and other intangibles; (c) before making any provision for any dividends or any transfer to reserves; (d) before charging taxation; (e) before charging Directors Emoluments in excess of £92,700 which sum shall be adjusted as shall be agreed between the Company and the Fund on each anniversary of the Adoption Date but, in any event, adjusted in accordance with the Retail Prices Index or any substitution or replacement of it; and (f) after payment of all interest excluding interest on any overdue dividends.
"Opening Period"	means the period from the date of subscription for any A Ordinary Shares up to and including the next accounting reference date of the Company
"Ordinary Shares"	means the ordinary shares of £1 each in the capital of the Company;
"Original Shareholder(s)"	has the meaning set out in the Investment Agreement;
"Sale"	<p>The sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which will result in the purchaser of such Shares (or grantee of such right) and persons connected (in terms of section 839 of the Income and Corporation Taxes Act 1988) with him together having an interest in the aggregate of fifty per cent (50%) or more of the total voting rights conferred by all the issued Shares</p>

“Subscription Price”	means the price paid for each share including the par value and any premium thereon;
“Third Party Purchaser”	means a third party other than an existing shareholder of the Company interested in purchasing the Entire Issued Share Capital.

2. SHARE CAPITAL

2.1 The authorised share capital of the Company at the Adoption Date is £549,733 divided into:-

2.1.1 500,000 Ordinary Shares; and

2.1.2 40,733 A Ordinary Shares.

3. SHARE RIGHTS

3.1 The A Ordinary Shares shall confer upon their holders the following class rights:-

3.1.1 As to Income the profits of the Company available for distribution shall be applied as follows:-

3.1.1.1 **A Ordinary Share Dividend** – First in paying in respect of every financial year of the Company ending after the Adoption Date, to the holders of the A Ordinary Shares in priority to the right of the holders of any other the class of share in the capital of the Company a dividend per share (“the A Ordinary Share Dividend”) of a cash sum (net of associated net tax credit) of £7,000 (or in respect of any period prior to 30 September 2006, £4,500) divided by the number of A Ordinary Shares in issue (‘**the Basic Dividend Per Share**’) plus a sum equal to the greater of the amount which is the difference between the Basic Dividend Per Share and:

(a) the following percentages of the Net Profit of the Company after the Adoption Date divided by the number of shares of the class then in issue;

Financial year ending 31 October 2005	1%
Financial year ending 31 October 2006	2.5%
Financial year ending 31 October 2007	5%
Financial year ending 31 October 2008	7.5%
Each financial year thereafter	10%

- (b) the highest dividend per share paid on any other class of shares in the capital of the Company (including for the avoidance of doubt the Ordinary Shares).

The A Ordinary Share Dividend shall accrue from day to day and be paid out of the profits of the Company available for distribution (without any resolution of the directors or of the Company in general meeting and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) not more than fourteen days after the audited accounts for the relevant year are approved and in any event not later than four months after the end of the relevant year save that the Basic Dividend Per Share shall be paid in two instalments on 30 April and 31 October in each year commencing on 31 October 2005.

The A Ordinary Share Dividend shall be distributed amongst the holders of the A Ordinary Shares pro rata according to the amount paid up thereon. Without prejudice to the rights of the holders of the A Ordinary Shares hereunder any amount not so paid shall be carried forward and become payable (without any resolution of the directors or of the Company in general meeting and notwithstanding anything contained in Regulations 102 to 108 (inclusive) of Table A) on the next date on which the A Ordinary Share Dividend is payable and (to the extent not so paid) on each succeeding date on which the A Ordinary Share Dividend is payable in priority to the A Ordinary Dividend payable on that date.

- 3.1.2 In the event of default by the Company in the due payment of the A Ordinary Share Dividend (or any part thereof) the Company shall pay to the holders of the class of Shares who are entitled to such dividend interest on the amount in respect of which default is made from the date of such default until the actual date of payment of the A Ordinary Share Dividend (or part thereof) as well after as before judgment at the rate of 4% per annum above the base rate of Barclays Bank plc ("Interest"). Such Interest shall be deemed to accrue from day to day computed in respect of the actual number of days elapsed on the basis of a year consisting of 365 days and shall be paid quarterly on 31 March 30 June 30 September and 31 December in each year.
- 3.1.3 In respect of the Opening Period, the holders of the A Ordinary Shares shall be entitled only to such proportion of the A Ordinary Share Dividend as the number of completed weeks as the number of weeks in the Opening Period bears to the total number of weeks in a year.
- 3.1.4 The Company shall procure that the profits of any subsidiary for the time being available for distribution shall be paid to it by way of dividend if and to the extent that but for such payment the Company would not itself otherwise have sufficient profits available to pay in full the A Ordinary Share Dividend.

3.2 As to capital:

3.2.1 On a liquidation or other return of capital, the surplus assets available after payment of the Company's liabilities shall be distributed as follows:-

3.2.1.1 first in paying to the holders of the A Ordinary Shares a sum equal to all unpaid arrears and accruals of the A Ordinary Share Dividend and Interest;

3.2.1.2 second in paying to the holders of A Ordinary Shares the amounts subscribed for such shares;

3.2.1.3 third in paying to the holders of the Ordinary Shares, the amounts paid up or credited as paid up upon such shares; and

3.2.1.4 fourth in distributing the balance amongst the holders of the Equity Shares and as if the same constituted one class in proportion to the amounts paid up or credited as paid up thereon respectively.

3.3 As to Voting:

3.3.1 The holders of the A Ordinary Shares shall be entitled to receive notice of attend and speak and vote at all General Meetings of the Company and, on a poll, a holder of A Ordinary Shares shall be entitled to one vote for each share registered in his name provided that on a poll, the holders of the A Ordinary Shares as a class shall be entitled to such additional number of votes as shall be equivalent to 75% of all the votes capable of being exercised on a poll in the event of the following circumstances subsisting:-

3.3.1.1 in the event that there is a material breach of the Investment Agreement or such a breach is threatened or proposed;

3.3.1.2 in the event that a petition or order is made or a meeting of the members of the Company is called for the purpose of considering a resolution for the winding up of the Company or any subsidiary or if the appointment of a Receiver Manager or Administrator of the assets of the Company or any subsidiary occurs or is threatened or proposed;

3.3.1.3 in the event that the Company fails to pay the A Ordinary Share Dividend (including any Interest payable thereon) if it is legally able to do so;

3.3.1.4 in the event that the Company fails to make any payment in accordance with the terms of the Investment Agreement or any subsequent agreement pursuant to which the Fund invests in the company.

3.3.2 For the purpose of Section 125 of the Act, the following matters shall be treated as a variation of the rights attached to the A Ordinary Shares and, accordingly, shall require either the consent in writing of the holders of three quarters in nominal value of the issued A Ordinary Shares or the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the A Ordinary Shares, namely:-

3.3.2.1 the creation, allotment or issue of any shares by the Company or the grant of any right to require the allotment or issue of any such shares;

3.3.2.2 any amendment to a provision of the Memorandum or Articles of Association of the Company;

3.3.2.3 the creation of any charge by the Company or any subsidiary of the Company;

3.3.2.4 the redemption or purchase of shares in the capital of the Company or any subsidiary or the reduction of the capital of the Company or the cancellation or reduction of share premium account or capital redemption reserve fund;

3.3.2.5 the removal of a Fund Director from office;

3.3.2.6 a proposed Company Disposal or the proposed disposal of the whole or a substantial part of the share capital of any subsidiary company where the business of such subsidiary accounts for more than 30% of the combined business of the Company and the subsidiary and any other subsidiary of the Company;

3.3.2.7 in the event that a voluntary arrangement pursuant to section 1 of the Insolvency Act 1986 is proposed;

3.4 As to Conversion

3.4.1 Any holder of 'A' Ordinary Shares shall have the right at any time by giving the Company notice in writing (a "Conversion Notice") to convert at par any or all of his holding of 'A' Ordinary Shares into Ordinary Shares at the rate of one 'A' Ordinary Share for one Ordinary Share. The conversion shall take effect immediately following service of the Conversion Notice and the holder shall as soon as reasonably practicable thereafter deliver to the Company at its registered office the certificate or certificates in respect of the shares to be converted and the Company shall issue to the person entitled thereto a certificate or certificates for the Ordinary Shares arising on conversion together (if appropriate) with a balancing certificate in respect of any 'A' Ordinary Shares comprised in the certificates surrendered and which remain unconverted.

3.4.2 The Ordinary Shares arising on a conversion hereunder shall rank pari passu in all respects with the Ordinary Shares then in issue and shall entitle the holder thereof to all dividends and

other distributions declared made or paid on the Ordinary Shares after the effective date of conversion but shall not rank for any dividend or other distribution declared made or paid on the Ordinary Shares in respect of any period ending on or before the effective date of conversion but shall rank for the 'A' Ordinary Share Dividend up to and including the effective date of conversion.

- 3.4.3 The 'A' Ordinary Share Dividend on the 'A' Ordinary Shares so converted shall cease to accrue with effect from the day following the effective date of conversion.

4. APPOINTMENT OF FUND DIRECTORS

- 4.1.1 Notwithstanding any other provision of these Articles, the Manager on behalf of the holders of a majority of the A Ordinary Shares for the time being in issue shall be entitled to appoint any one person as a Fund Director of the Company and to remove from office any person so appointed and to appoint another person in his place.

- 4.1.2 In addition, and without prejudice to the rights of the holders of the A Ordinary Shares to appoint a Fund Director, the Manager on behalf of the holders of a majority of the A Ordinary Shares for the time being in issue shall be entitled to appoint one or more persons to attend meetings of the Directors of the Company ("the Observer"). The Observer shall be entitled to reasonable notice of all such meetings and shall be entitled to speak but shall not be entitled to vote thereat.

- 4.1.3 In the event that pursuant to Article 3.3.1 the holders of A Ordinary Shares are entitled to enhanced votes at General Meetings of the Company, a Fund Director shall be entitled to such number of votes in addition to his own vote as shall constitute a majority on the Board.

5. ALLOTMENT OF SHARES

- 5.1 All Ordinary Shares which the Directors propose to issue, shall (subject to Article 3.3.2 and Article 5.6) first be offered to the members in proportion (as nearly as they may be) to the number of Ordinary Shares and A Ordinary Shares in the Company already held by them respectively, unless the Company in general meeting directs otherwise by Special Resolution. The offer shall be made by notice in writing specifying the number of Ordinary Shares offered, and stating a period (of not less than fourteen days) within which the offer, if not accepted, will be deemed to have been declined. After the expiration of that period, those shares so deemed to be declined, shall be offered to the members who have, within the stated period, accepted all the Ordinary Shares offered to them. Such further offer shall be made in like terms, in the same proportions and the same manner, and limited by a like period as the original offer.

- 5.2 Any shares not accepted in respect of such offer (or further offer) as is mentioned in Article 5.1 or which cannot be offered except by dividing shares into fractions, shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of them to such persons, on such

terms and in such manner as they think fit, provided that they shall not be disposed of on terms which are more favourable than the terms on which they were offered to the members.

- 5.3 Any shares released from the provisions of Article 5.1 by special resolution shall (subject to Article 3.3.2) be under the control of the Directors, who may (subject to section 80 of the Act and to Article 5.5 below) allot, grant options over or otherwise dispose of them to such persons, on such terms and in such manner as they think fit.
- 5.4 In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) inclusive of the Act (which impose statutory rights of pre-emption) shall not apply to the Company.
- 5.5 The Directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for, or convert securities into, shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the Adoption Date and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to section 80) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.
- 5.6 Article 5.1 shall not apply to the allotment or issue of any Shares to which the Fund is entitled pursuant to the terms of the Investment Agreement (or any other agreement entered into pursuant to the Investment Agreement) which shall be allotted and issued free of any right of pre-emption.

6. TRANSFER OF SHARES

- 6.1 Subject to the provisions of this Article 6 and Articles 7 and 8 below the Directors shall register the transfer of any share which has been transferred in accordance with this Article 6 and Articles 7 and 8 below. The Directors shall refuse to register any transfer of shares made in contravention of the provisions of this Article 6 and Articles 7 and 8.
- 6.2 For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles the Directors may request the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.
- 6.3 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article.
- 6.4 For the purpose of this Article and Articles 7 and 8 below:-

- 6.4.1 the expressions "**Transfer**", "**Transferor**" and "**Transferee**" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment;
- 6.4.2 a "**Privileged Relation**" in relation to a member means the spouse or widow or widower of the member or the member's adult children;
- 6.4.3 the expression "**Family Trusts**" in relation to any member means a trust which does not permit any of the said property or the income thereof to be applied otherwise than for the benefit of that member and/or a Privileged Relation of that member under which no power or control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or such member or his Privileged Relations;
- 6.4.4 the expression "**Settlor**" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or any intestacy of a deceased member.
- 6.5 Notwithstanding any other provision of these Articles (other than Article 8) any member may at any time transfer (or by will bequeath or otherwise dispose of on death) up to 50% of any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust provided that any transfer of shares to trustees to be held upon a Family Trust may during the lifetime of such member only be made with the consent in writing of the holders of 75% of the A Ordinary Shares.
- 6.6 Where the consent of a holder of A Ordinary Shares is requested to a transfer to a Family Trust, such consent shall be given when the holder is satisfied:-
- 6.6.1 with the terms of the trust instrument and in particular with the powers of the trustees;
- 6.6.2 with the identity of the proposed trustees;
- 6.6.3 that the proposed transfer will not result in infringement of the provisions of Article 7, and
- 6.6.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 6.7 Where any shares are held by trustees upon a Family Trust:-
- 6.7.1.1 on any change of trustee such shares may be transferred to the new trustees of that Family Trust;
- 6.7.1.2 such shares may be transferred at any time to the settlor or to another Family Trust of the settlor or to any Privileged Relation of the settlor; and
- 6.7.1.3 if and whenever any such shares cease to be held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to another Family Trust of the

settlor or to any Privileged Relation of the settlor), or the member who originally held the shares at such time held upon a Family Trust becomes either a Good Leaver or a Bad Leaver a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined in Article 6.8) by the holders thereof and such shares may not otherwise be transferred.

- 6.8 For the purposes of this Article the expression 'relevant shares' means and includes the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.
- 6.9 Save as otherwise provided in these Articles every member who desires to transfer shares ("**the Vendor**") shall give to the Company notice in writing of such desire ("**a Transfer Notice**"). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein ("**the Sale Shares**") in one or more lots at the discretion of the directors to all the holders of Equity Shares other than the Vendor at a price determined in accordance with Article 6.11 ("**the Sale Price**").
- 6.10 Save for shares sold pursuant to a deemed Transfer Notice as set out in Article 7 the Transfer Notice may contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this Article none shall be sold and any such provision shall be binding on the Company.
- 6.11 The Sale Price shall be:-
- 6.11.1 the price agreed by the Vendor and the Directors; or
- 6.11.2 if the Vendor and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or if the Transfer Notice is a deemed Transfer Notice, the price determined by an Expert to be a fair value of the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction ("**the Fair Market Value**") PROVIDED THAT where the Company either (a) has made a loss in the accounting period ending immediately prior to the date of the Transfer Notice or (b) would have made a loss in the accounting period during which the date of the Transfer Notice occurs if the date of the Transfer Notice was deemed to be the last day of that accounting period, then the Fair Market Value shall, notwithstanding the preceding provisions of this Article 6.11, be the lesser of the net asset value of the Company as at the date of the Transfer Notice (disregarding any new funds introduced by investors within the period of twelve months prior to the date of the Transfer Notice) or par.
- 6.12 If an Expert is asked to certify the Fair Market Value his certificate shall be delivered to the Company (which shall use reasonable endeavours to procure that it is provided within 42 days of the Expert being

instructed) and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and save for shares sold pursuant to a deemed Transfer Notice (as set out in Article 7 below) the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor gives notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

- 6.13 Upon the price being fixed as aforesaid and provided the Vendor does not give a valid notice of cancellation the Company shall forthwith offer the Sale Shares to all holders of Equity Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing numbers of Equity Shares held by such members giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such member to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum which he is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the said members have not so stated their willingness to purchase the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them. Such remaining shares shall be offered pro rata as nearly as may be in proportion to the existing numbers of Equity Shares then held by such members which offer shall remain open for a further period of twenty-one days.
- 6.14 If the Company pursuant to the above provisions of this Article finds a member or members of the Company willing to purchase all or any of the Sale Shares the Vendor shall (subject to any notice given under Article 6.10 where it applies) be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor makes default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.
- 6.15 If the Directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article the Vendor shall at any time within six months after the final offer by the Company to its members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price being no less than the Sale Price.
- 6.16 The foregoing provisions of this Article and Articles 7 and 8 below shall not apply to a transfer if the holders of 75% of the A Ordinary Shares so direct in writing and the Directors shall be obliged to register any such transfer.
- 6.17 Irrespective of anything contained in these Articles, any shareholder who is or is managed by a member of the BVCA shall be entitled to transfer their shareholding to a transferee who is or is managed by a BVCA member.

7. **DEEMED TRANSFERS**

7.1 In this Article a “**Relevant Event**” means:

7.1.1 a member or the Settlor of Family Trust holding any class of Shares, or the original holder of Shares transferred to a Privileged Relation, becoming either a Good Leaver or a Bad Leaver;

7.1.2 in relation to a member being an individual such a member being adjudicated bankrupt;

7.1.3 a member making any voluntary arrangement or composition with his creditors;

7.1.4 in relation to a member being a body corporate:

7.1.4.1 a receiver, manager, administrative receiver or administrator being appointed of such member or over all or any part of its undertaking or assets;

7.1.4.2 such member entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or

7.2 Any member who becomes aware of the occurrence of a Relevant Event shall immediately notify the Company and all the other members in writing of that Relevant Event. In this Article the expression “**Relevant Date**” means, in relation to a Relevant Event, the date on which the members (as a whole) actually become aware of such Relevant Event.

7.3 After the happening of a Relevant Event in respect of a member (the “**Relevant Member**”) the Board of Directors of the Company must if required by the holder of the A Ordinary Shares serve written notice (“**Requirement Notice**”) on the Relevant Member within 3 months of the Relevant Date requiring the Relevant Member to serve a Transfer Notice in respect of all his Shares. A Requirement Notice may not be served more than once on a member in respect of the same Relevant Event.

7.4 If the Relevant Member fails to serve a Transfer Notice within 14 days of the date of receipt (or deemed receipt) of the Requirement Notice then he shall be deemed to have done so on the fifteenth day following receipt (or deemed receipt).

7.5 For the purpose of this Article 7.5 the Fair Market Value of the Relevant Member’s Sale Shares shall, unless agreed between the Relevant Member and the other members within fourteen days of service of a requirement notice be calculated in accordance with Article 6.11. Notwithstanding any price per Sale Share specified in such a Transfer Notice (or the failure to give a Transfer Notice), the Sale Price shall be:

7.5.1 in the case of a Gross Misconduct Leaver or an Early Leaver who becomes an Early Leaver within the period of one year from the Adoption Date the lower of the par value of the Sale Shares and their Fair Market Value; and

- 7.5.2 in the case of an Early Leaver who becomes an Early Leaver after the period of one year from the Adoption Date but before the second anniversary of the Adoption Date:
- 7.5.2.1 if the Fair Market Value of the Sale Shares is greater than the Subscription Price of such Sale Shares ("the Increased Value") such Early Leaver shall receive the Subscription Price of such Sale Shares plus 50% of the Increased Value; and
- 7.5.2.2 if the Fair Market Value is determined as less than the Subscription Price paid for the Sale Shares then such an Early Leaver shall be entitled to receive 100% of the Fair Market Value for such Sale Shares.
- 7.5.3 in the case of anyone other than a Bad Leaver, the Fair Market Value of the Relevant Member's Sale Shares.
- 7.6 The Company shall be responsible for referring any valuation to the Expert if he is required pursuant to this Article and shall use all reasonable endeavours to procure that the Expert shall reach their determination as soon as possible after such referral.
- 7.7 References to a 'member' in the definition of Relevant Event include a joint holder of shares. If a Relevant Member holds shares jointly then the provisions of this Article 7 shall extend to all the jointly held shares and to all the joint holders of the relevant shares.
- 7.8 Any Requirement Notice served during the active period of a previous Sale Notice relating to all or any of the same shares shall prevail and upon such service such Transfer Notice shall immediately cease to have effect.

8. COME ALONG RIGHTS

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- 8.1 No sale or transfer of any shares ("the Specified Shares") shall be made which would result if made and registered in a person or persons other than the Fund or permitted transferees thereof obtaining:-
- 8.1.1 a Controlling Interest in the Company unless the proposed transferee or transferees or his or their nominees (together "the Proposed Buyer") has or have offered to purchase the Entire Issued Share Capital at the Specified Price as defined below; or
- 8.1.2 a holding of Shares which confer in the aggregate more than 10% of the total voting rights conferred by all the Equity Shares in the Company in issue at the relevant time and conferring the right to vote unless the Proposed Buyer has first made an offer to all the holders of Equity Shares (of whatever class) (other than the Proposed Buyer if he is already such a holder) to purchase from them for cash at the Specified Price a number of their Equity Shares equal to the proportion that the Specified Shares bear to the total number of Equity Shares held by the Proposed Seller.

8.2 For the purpose of this Article the expression the “Specified Price” shall mean a price per share at least equal to that offered or paid or payable by the Proposed Buyer for the Specified Shares to the holder or holders thereof (together “the Proposed Seller”) plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Proposed Seller which having regard to the substance of the transaction as a whole can reasonably be regarded as in addition to the price paid or payable for the Specified Shares provided that, if any part of the price per share is payable otherwise than by cash, any member may at his option elect to take a price per share of such cash sum as may be reasonably agreed by him having regard to the substance of the transaction as a whole and provided further that in the case of any Shares held by any Original Shareholder or any Fund or permitted transferees thereof the Specified Price must not be less than the amount paid up or credited as paid up (together with any premium paid on subscription) on the same (or if higher, their Sale Price determined under Article 6.11).

8.3 In the event of disagreement as to the calculation of the Specified Price for the purposes of this Article any such disagreement shall be referred to an Expert whose decision shall be final and binding (in the absence of manifest error) and the costs of such Expert shall be borne by the Company.

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8.4 If any offer is made to purchase the Entire Issued Share Capital after the fourth anniversary of the Adoption Date and is approved by the Fund then the holders of the other shares shall subject to Article 8.5 below, if so required by notice in writing from the accepting shareholders (a “Come Along Notice”), and provided the Specified Price is at least equal to the Fair Market Value of their shares as provided in Article 6.11, accept such offer and if they shall fail to do so within ten days of being so required, shall be deemed hereby to accept the same and to authorise the Company to exercise such documents on their behalf to effect the sale of their shares pursuant thereto.

8.5 Except in a Default Period the holders of the Ordinary Shares shall have the right (between them in proportion to their respective holdings of Equity Shares on the date of the relevant Come Along Notice) to purchase the Equity Shares proposed to be sold (by the Fund and any other members willing to accept the offer, together “the accepting shareholders”) pursuant to an offer falling within this Article to which Article 8.4 applies for the same price and on the same terms as the said offer and in priority to the rights of the offeror under such offer **PROVIDED THAT** they between them notify the accepting shareholders of exercise of that right by written notice (a “Matching Notice”) given within ten days of the giving of the Come Along Notice and complete the purchase within 21 days of the giving of the Come Along Notice and **PROVIDED FURTHER THAT** if a Matching Notice is served and the other holders of Equity Shares fail to complete the purchase concerned within the required time period and the sale under Article 8.4 does not proceed on the terms of the original offer the other holders of Equity Shares shall between them (in the proportions aforesaid) indemnify the accepting shareholders against any reasonable costs and expenses incurred by them in negotiating and attempting to implement the sale of their shares pursuant to such offer and/or to the other holders of Equity Shares under this Article 8.5.

9. **LIEN**

9.1 The lien conferred by Regulation 9 of Table A shall attach also to fully paid shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company (whether that person is the full registered holder of those shares or one of two or more joint holders) for all sums presently payable by him or his estate to the Company.

9.2 **Non-Payment of Calls**

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

10. **NOTICES OF GENERAL MEETINGS**

Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of, and other communications relating to, any general meeting which any member is entitled to receive shall be sent to the Directors and to the auditors of the Company.

11. **QUORUM**

11.1 If a quorum is not present within half an hour from the time appointed for the start of a general meeting the meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start, such adjourned general meeting shall be dissolved.

11.2 A Quorum for the purposes of a general meeting shall be [two] members and must include a duly appointed representative of the Fund unless the Fund otherwise agrees in writing.

11.3 Regulation 41 of Table A shall not apply to the Company.

12. **NUMBER OF DIRECTORS**

12.1 Regulation 64 of Table A shall not apply to the Company.

12.2 Subject to the rights for the Fund under Article 4 the maximum number and the minimum number of Directors may be determined from time to time by Ordinary Resolution in general meeting of the Company. Subject to and in default of any such determination, there shall be no maximum number of Directors and the minimum number shall be two.

13. APPOINTMENT OF DIRECTORS

13.1 Subject to Article 4 no person shall be appointed a Director at any general meeting unless either:-

13.1.1 he is recommended by the Directors including the Fund Director; or

13.1.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

13.2 Subject to Article 13.1 above, the Company may by Ordinary Resolution in general meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director. Any person appointed, who is not a member of the Company, shall not be appointed as a Fund Director unless he is appointed under the terms of Article 4.

13.3 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 12 as the maximum number of directors and for the time being in force.

13.4 The Directors may call Board meetings as and when required but a quorum for a Board meeting shall be two directors and must include the Fund Director unless otherwise agreed by the Fund in writing.

14. RETIREMENT OF DIRECTORS

The directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.

15. DIRECTORS' BORROWING POWERS

The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into shares) to section 80 of the Act, to grant any mortgage, charge of standard security over the Company's undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

16. ALTERNATE DIRECTORS

16.1 An alternate director shall not be entitled as such to receive any remuneration from the Company, except that he may be paid by the Company such part (if any) of the remuneration otherwise payable to the director for whom he is the alternate as the Company may from time to time direct, and the first sentence of Regulation 66 of Table A shall be modified accordingly.

- 16.2 A director, or any such other person as is mentioned in Regulation 65 of Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

17. GRATUITIES AND PENSIONS

- 17.1 The directors may exercise the powers of the Company conferred by the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

- 17.2 Regulation 87 of Table A shall not apply to the Company.

18. DIRECTORS' INTERESTS IN TRANSACTIONS

- 18.1 At any meeting of the directors (or of any Committee of the Directors) a Director may vote on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest. If he does vote on any such resolution, his vote shall be counted. Such a Director shall be counted as part of the quorum present at the meeting (and in relation to such a resolution) whether or not the Director votes on the resolution.

- 18.2 Regulations 94 to 97 (inclusive of Table A shall not apply to the Company.

19. COMPANY SEAL

- 19.1 If the Company has a seal it shall be used only with the authority of the Directors or of a Committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or second Director. The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

- 19.2 The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and those powers shall be vested in the directors.

20. INDEMNITY

- 20.1 Every Director, or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted, or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court; and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution of the duties

of his office or in relation thereto. But this Article shall have effect only in so far as its provisions are not avoided by section 310 of the Act.

20.2 The Directors must purchase and maintain for any director, officer or auditor of the Company, insurance against any such liability as is referred to in section 310(1) of the Act.

20.3 Regulation 118 of Table A shall not apply to the Company.

21. DATA PROTECTION

21.1 Each of the shareholders of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "Recipient") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this article shall include any information (but excepting all "sensitive data" as defined in the Data Protection Act 1998 for which it is recognised separate consent would be obtained) which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company's shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient within the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

22. ATTORNEY

If any Shareholder makes default in complying with his obligations under these Articles ("a Defaulting Shareholder"), 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 agent or attorney of the Defaulting Shareholder with full power to execute complete and deliver in the name and on behalf of the Defaulting Shareholder any document or deed and on his behalf to perform any act or do any thing required of the Defaulting Shareholder in order to comply with such obligations (including but not limited to the giving of a receipt and good discharge for any money payable to the Defaulting Shareholder which the Board shall procure is paid forthwith into a separate bank account in the Company's name and which shall be held in trust (but without interest) for the Defaulting Shareholder until all obligations of the Defaulting Shareholder have been complied with following which it shall be paid to him).