

**The Companies Act 1985**  
**COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION**  
**of**  
**BLUEFIELD LAND LIMITED**

**(PURSUANT TO SECTION 53 COMPANIES ACT 1985)**

Pursuant to Regulation 53 of Table A in the Schedule to the Companies (Tables A-F) Regulations 1985 (as amended) which is incorporated in the Articles of Association of the Company, the undermentioned resolutions have been passed in the case of resolution 1 as an ordinary resolution and in the case of resolution 2 as a special resolution of the Company, as if passed at a general meeting duly convened and held and have been assented to by all the members of the Company entitled to attend and vote at a general meeting of the Company.

**Special Resolutions**

- 1 THAT 40,000 Ordinary Shares of £1.00 each in the Company be and are hereby reclassified as 40,000 A Ordinary Shares of £1.00 all such shares having the rights and being subject to the restrictions set out in the Articles of Association of the Company from time to time.
- 2 THAT the regulations contained in the document attached hereto and initialled by the Chairman of the board of directors of the Company for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

**Shareholders**

**Signature**

**Date**

Gary Goodman



14/07/05



Company No. 5072266

THE COMPANIES ACTS 1985 and 1989

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PRIVATE COMPANY LIMITED BY SHARES

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NEW  
ARTICLES OF ASSOCIATION

(adopted by special resolution passed on 14 July 2005)

of

BLUEFIELD LAND LIMITED

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DOLMANS  
17-21 Windsor Place  
Cardiff  
CF10 3DS  
Tel: 029 2034 5531  
Fax: 029 2039 8206

1. **TABLE A**

- 1.1 The regulations contained in Table A, save in so far as they are expressly excluded or varied by these Articles, and the regulations contained in these Articles shall together constitute the regulations of the Company.
- 1.2 The regulations of Table A numbered 24, 40, 73 to 77 (inclusive), 80, 96, 101 and 118 do not apply to the Company.

2. **INTERPRETATION**

- 2.1 In these articles unless the context otherwise requires each of the following words and expressions shall have the following meanings:

**acting in concert:** shall have the meaning set out in the City Code on Takeovers and Mergers for the time being;

**the Act:** means the Companies Act 1985 (as amended from time to time);

**A Ordinary Shares:** A Ordinary Shares of £1 each in the capital of the Company having the rights set out in these Articles;

**Auditors:** means the auditors to the Company for the time being;

**Board:** means the board of directors of the Company for the time being or, as the context may require, any duly authorised committee;

**business day:** means any day except Saturday, Sunday or any Bank Holiday in England;

**Controlling Interest:** an interest (within the meaning of schedule 13 Part I and section 24 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company;

**connected with:** shall be determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988;

**Family Member:** means the wife or husband (or widow or widower), children and grandchildren (including step and adopted children and grandchildren) of a member of the Company;

**Family Shares:** means, in relation to a member of the Company, any Shares for the time being held by that member or any of his Family Members or trustees of his Family Trust;

**Family Trust:** means, in relation to a member of the Company, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members;

**Financial Year:** means an accounting period of 12 months (save for the first) in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act and the Company's first accounting period for the purposes of these Articles shall commence on 1 November 2005;

**Group:** means the Company and its subsidiary undertakings from time to time and

references to **member of the Group** or to **Group Member** shall be construed accordingly;

**holder:** means, in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share;

**Investors:** means Dauson Holdings Limited and shall include any permitted assignee of the same;

**Investment Agreement:** means the investment agreement dated 14 July 2005 and made between the Company, the Investors and others as may be supplemented, varied or amended from time to time;

**Investor Director:** means the director appointed by the A Ordinary Shareholders pursuant to **Article 18**;

**Investor Group:** means the Investor and any subsidiary and holding company of the Investor and any subsidiary of such holding company of the Investor from time to time;

**Investor Majority:** means the holder(s) of 51% in aggregate of the nominal value of the Investor Shares;

**Investor Shares:** the A Ordinary Shares;

**Ordinary Shares:** means the Ordinary Shares of £1 each in the capital of the Company having the rights set out in these Articles;

**Shares:** means the Ordinary Shares and the A Ordinary Shares;

**Table A:** means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052);

2.2 Words and expressions defined in or having a meaning provided by the Act (but excluding any statutory modification not in force on the date of adoption of these articles) or the Investment Agreement shall, unless the context otherwise requires, have the same meanings when used in these Articles.

2.3 Notwithstanding any other provision of these Articles, in the event of a conflict or inconsistency between these Articles and the Investment Agreement, the Investment Agreement shall prevail.

### 3. **AUTHORISED SHARE CAPITAL**

3.1 The authorised share capital of the Company at the date of adoption of these articles is £1,000,000 divided into 960,000 Ordinary Shares and 40,000 A Ordinary Shares.

### 4. **SHARE RIGHTS**

#### 4.1 **Voting**

The holders of the A Ordinary Shares and Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and any such holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, have one vote each for every A Ordinary Share and Ordinary Share of which he is the holder.

## 4.2 Dividends

- (a) Any profits which the Company determines to distribute in respect of any financial year shall, subject to the approval of members of the Company in general meeting be applied in distributing such profits amongst the holders of the A Ordinary Shares and the Ordinary Shares then in issue *pari passu* according to the number of such Shares held by them respectively as if they constituted one class of share.
- (b) Dividends shall be distributed amongst the Shareholders of the relevant class *pro rata* according to the amounts paid up or credited as paid up on the Shares held by them respectively.

## 4.3 Ratchet

- (a) On the occurrence of a Default Event the holders of the A Ordinary Shares shall be entitled at any time and from time to time to the right by not less than 24 hours notice in writing to the Company (a **Default Ratchet Notice**) to require the sub-division of any or all of its holding of A Ordinary Shares into new A Ordinary Shares (**New A Ordinary Shares**) on the following basis:
  - (i) if the Default Event is that specified in paragraph (i) of **Article 4.3(d)**, such number of New A Ordinary Shares as will represent 4% of the Company's enlarged issued equity capital following such sub-division;
  - (ii) if the Default Event is that specified in paragraph (ii) of **Article 4.3(d)**, such number of New A Ordinary Shares as, when taken with any other New A Ordinary Shares and A Ordinary Shares held by the shareholder, will represent 51% of the Company's enlarged issued equity capital following such sub-division;
  - (iii) if the Default Event is that specified in paragraph (iii) of **Article 4.3(d)**, such number of New A Ordinary Shares as, when taken with any other New A Ordinary Shares and A Ordinary Shares held by the shareholder, will represent 75% of the Company's enlarged issued equity capital following such sub-division.
- (b) The rights contained in **Article 4.3(a)** shall be exercisable by notice in writing addressed to the Company at its registered office. The Company shall within 7 days of the date on which the A Ordinary Shares have been validly sub-divided by a resolution passed at a general meeting or by a written resolution of members, issue to the holder of the New A Ordinary Shares (or its nominee) a definitive share certificate of the New A Ordinary Shares registered in its name and arising as a result of such sub-division.
- (c) If for any reason following the service of a Default Ratchet Notice the Company fails to comply with its obligations under this **Article 4.3**, then for so long as such default continues on any resolution upon which the holders of A Ordinary Shares are entitled to vote the A Ordinary Shares shall together carry at least one vote in excess of 75% of the votes exercisable at any general meeting of the Company at which such resolution is to be proposed and such votes shall be apportioned amongst the A Ordinary Shareholders in the proportion in which they hold A Ordinary Shares.
- (d) For the purposes of this **Article 4.3** a **Default Event** shall be the occurrence of any of the following:

- (i) the aggregate of the first 3 Financial Years' pre-tax profits is less than £1.5m and exceeds £1m;
- (ii) the aggregate of the first 3 Financial Years' pre-tax profits is less than £1m;
- (iii) the aggregate of the first 3 Financial Years' pre-tax profits is less than zero.

The pre-tax profits for the purposes of **Article 4.3(d)** shall be the profits before interest and tax as shown by the audited accounts of the Company in respect of the relevant Financial Year.

## 5. VARIATION OF RIGHTS

5.1 Whenever the share capital of the Company is divided into different classes of share, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) either (i) with the consent in writing of the holders of more than three-fourths of the issued shares of that class, or (ii) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply.

5.2 Without prejudice to the generality of **Article 5.1**, the rights attached to the A Ordinary Shares shall be deemed (without limitation) to be varied by the Company:

- (a) altering its memorandum or articles of association; or
- (b) varying in any way (whether directly or indirectly) the rights attached to any of the shares for the time being in the capital of the Company; or
- (c) entering into a contract to purchase any of its shares; or
- (d) redeeming any of its shares (otherwise than pursuant to these articles); or
- (e) passing a resolution that it be wound up;
- (f) altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital; or
- (g) granting any option or other right to subscribe for shares; or
- (h) disposing of its undertaking or any substantial part thereof; or
- (i) disposing of or acquiring any interest in any share in the capital of any company; or
- (j) calling a meeting to effect or approve any matter which would by virtue of this article be a variation of the class rights of the A Ordinary Shares.

## 6. ALLOTMENT OF SHARES

6.1 Unless otherwise agreed by all the Shareholders, any shares which the Directors propose to issue shall first be offered to the Shareholders in proportion as nearly as may be to the number of the existing shares held by them respectively. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that

period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this article by any resolution of the Shareholders as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefore than the terms on which they were offered to the Shareholders. The foregoing provisions of this **Article 6.1** shall have effect subject to Section 80 of the Act.

6.2 In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

6.3 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 at the date of adoption of these Articles 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 the said Section 80) be renewed, revoked or varied by an ordinary resolution of the Company in general meeting or by elective resolution in accordance with Section 379A of the Act.

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

7.1 No transfer of any share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these Articles and the transferee has, if so required by the terms of the Investment Agreement, first entered into a deed of adherence pursuant to the Investment Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles.

7.2 For the purposes of these articles the following shall be deemed (but without limitation) to be a transfer by a holder of shares in the Company:

- (a) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
- (b) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing.

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

Notwithstanding the provisions of any other article, the transfers set out in this **Article 8** shall be permitted without restriction and the provisions of **Article 9** (Voluntary Transfers) shall have no application.

## 8.1 Permitted transfers by corporate members

Subject to **Article 12** any holder being a body corporate shall be entitled to transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a **Group Company**) but if a Group Company whilst it is a holder of shares in the Company shall cease to be a Group Company in relation to the body first holding the relevant shares it shall, within 15 business days of so ceasing, transfer the shares held by it to such body or any Group Company of such body and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to **Article 12**.

## 8.2 Permitted Transfers by individuals

(a) Subject to **Article 12**, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:

- (i) a Family Member of his; or
- (ii) trustees to be held under a Family Trust in relation to that individual or their Family Members.

(b) Subject to **Article 8.2(c)**, no Shares shall be transferred under **Article 8.2(a)** by any person who previously acquired those Shares by way of transfer under **Article 8.2(a)** save to another individual who is a Family Member of the original holder of such Shares.

(c) Where Shares are held by trustees under a Family Trust:

- (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust;
- (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 8.2(a)** if he had remained the holder of them; and
- (iii) if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Article 8.2(c)(ii)**), the trustees shall be deemed to have given a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 12**.

(d) If:

- (i) any person has acquired Shares as a Family Member of a holder by way of one or more permitted transfers; and
- (ii) that person ceases to be a Family Member of that holder

that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Shares then held by that person pursuant to **Article 12**.

(e) If the personal representatives of a deceased holder are permitted under these Articles to become registered as the holders of any of the deceased holder's Shares and elect

to do so, those Shares may at any time be transferred by those personal representatives under **Article 8.2** to any person to whom the deceased holder could have transferred such Shares under this article if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this **Article 8**.

### **8.3 Permitted Transfers by all Shareholders**

- (a) Any holder may at any time transfer any Shares in accordance with the provisions of the Act to the Company.
- (b) Any holder may at any time transfer all or any of his shares to any other person with the prior written consent of the Board and the Investor Majority.
- (c) Any shares may be transferred pursuant to **Article 10** (Tag Along) **11** (Drag Along) or **12** (Compulsory Transfers).

## **9. TRANSFER OF SHARES - VOLUNTARY TRANSFERS**

### **9.1 Transfer Notice**

Except as otherwise provided in these Articles every Member who desires to transfer any 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 (hereinafter called the **Sale Shares**) in accordance with the provisions of **Article 9.3** (Offer Round) at the Sale Price (as defined below). Save for shares sold pursuant to a deemed Transfer Notice the Transfer Notice may contain a provision (a **Total Transfer Condition**) 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.

### **9.2 Sale Price**

- (a) The sale price (the **Sale Price**) shall be the price agreed by the Vendor and the Directors or if the Vendor and the Directors are unable to agree a price within 28 days of a Transfer Notice being given or deemed to have been given the price certified by the Company's auditors in accordance with **Article 9.2(b)**.
- (b) If the Company's auditors are asked to certify the fair value as aforesaid they shall do so on a going concern basis as between a willing seller and a willing buyer ignoring any reduction or appreciation in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority or majority interest and on the assumption that the Sale Shares are capable of transfer without restriction. In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be conclusive and binding on the Company and upon all of its shareholders for the purposes of these articles.
- (c) The auditors' certificate shall be delivered to the Company as soon as reasonably practicable 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 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.
- (d) The costs of obtaining the certificate shall be borne by the Company unless the

Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

### 9.3 Offer Round

- (a) Within 7 days of the Sale Price being agreed or certified aforesaid, the Sale Shares shall be offered by the Board by a written offer notice (**Offer Notice**) as follows:
- (i) first, to all persons in the category set out in column (1) in the Table below;
  - (ii) secondly, to the extent not accepted by persons in column (1), to all those persons in that category who took up their full entitlement under the offer referred to in paragraph (i) above;
  - (ii) thirdly, to the extent not accepted by persons pursuant to paragraphs (i) or (ii), to all persons in the category set out in column (2) in the Table below;
  - (iii) fourthly, to the extent not accepted by persons in columns (1) and (2), to the Company as set out in column (3) in the Table below:

(1)	(2)	(3)
Members holding shares of the same class as Sale Shares	All other members	Company

but no share shall be treated as offered to the Vendor or any other member who is then bound to give or is deemed to have given a Transfer Notice.

- (b) No purchaser shall be allocated more than the maximum number of Sale Shares which he has indicated a willingness to purchase.
- (c) An allocation of Sale Shares made to a member pursuant to this **Article 9** shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms of the relevant offer notice.
- (d) Where the Transfer Notice contains a Total Transfer Condition, no allocation of shares shall take effect until it is satisfied.
- (e) An offer notice shall specify the Sale Price, invite the relevant person(s) to apply in writing before the expiry of the Offer Notice for the Sale Shares (or the relevant number remaining as the case maybe) and expire 30 days after its service.

### 9.4 Allocation of Shares

- (a) After the expiry of the Offer Notice, the Board shall, in the priorities and in respect of each class of persons set out in the columns in the above table allocate the Sale Shares in accordance with the application received, subject to the other provisions of these articles and Table A, save that:
- (i) if there are applications from any class of members for more than the total number of Sale Shares available for that class of members, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any members more Sale Shares than the maximum number

applied for by him) to the number of Shares of the relevant class then held by the respectively;

- (ii) if it is not possible to allocate Sale Shares without involving fractions, those fractions shall be aggregated amongst the applicants of the relevant class in such manner as the Board thinks fit; and
  - (iii) if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.
- (b) The Board shall, within 7 days after the expiry of the Offer Notice, give notice in writing (a **Sale Notice**) to the Vendor and to each person to whom Sale Shares have been allocated (each a **Purchaser**) specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them, and the time for completion of each sale and purchase.

## 9.5 Completion

Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the company at the time specified in the Sale Notice (being not less than 1 week nor more than 2 months after the expiry date of the Offer Notice, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him by the Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser.

## 9.6 Default by Vendor

If the Vendor shall make default in transferring any Sale Shares when duly required under this **Article 9** 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.

## 9.7 Purchasers not found for Sale Shares

If the Directors shall not have found a purchaser for all of the Sale Shares pursuant to the above provisions then the Vendor shall at any time within six months be at liberty to sell and transfer all of the Sale Shares as have not been so sold by way of a bona fide sale at a price being no less than the Sale Price to any one individual transferee without any deduction, rebate or allowance to the proposed transferors provided that:

- (a) the Board shall be entitled to refuse registration of the proposed transferee if he is believed by the Board to be a competitor or connected with a competitor of any business of the Company or a nominee of such a person; and
- (b) if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this **Article 9**, save with the written consent of all the other members.

## 10. TAG ALONG

- 10.1 Subject to **Article 10.2** if the effect of any transfer of shares by a vendor or vendors (in this Article referred to as Vendors) would, if completed, result in the transferee together with

persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Vendors shall procure the making, by the proposed transferee of such Vendors' shares, of a Tag Along Offer to all of the other holders of Shares of the Company. Every holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers.

10.2 The provisions of **Article 10.1** shall not apply to any transfer of shares pursuant to **Article 8** (other than **Article 8.3(c)**).

10.3 A **Tag Along Offer** means an unconditional offer, open for acceptance for not less than 20 business days, to purchase Shares held by the holders of Shares of the Company (other than the Vendors) at a price per share equal to the highest price paid or payable by any transferee referred to in **Article 10.1** or persons acting in concert with him or connected with him for the Shares of the Vendors within the previous 6 months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Vendors which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the Shares of the Vendors - (exclusive of stamp duty, stamp duty reserve tax and commission).

10.4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any such party) whose decision shall (in the absence of fraud or manifest error) be conclusive and binding on the Company and upon all its members for the purposes of these Articles.

## 11. **DRAG ALONG**

11.1 If the holders of 70% or more in nominal value of the Shares (in this **Article 11** referred to as the **Vendors**) wish to transfer their shares in the Company to any person (the **Purchaser**), then the Vendors shall also have the option to require all of the other holders of Shares to transfer all their Shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the **Drag Along Notice**) to that effect to all such other holders (the **Called Shareholders**) specifying that the Called Shareholders are, or will, in accordance with this **Article 11**, be required to transfer their Shares pursuant to this **Article 11** free from all liens, charges and encumbrances and the price at which such Shares are proposed to be transferred.

11.2 If any Called Shareholder does not when required execute transfer(s) in respect of all the Shares held by them then the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Vendors to be their agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for such Shares deliver such transfer(s) to the Purchaser (or as it may direct) and the directors shall forthwith register the Purchaser (or as it may direct) as the holder thereof. After the Purchaser (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this **Article 11.2** that no share certificate has been produced.

## 12. **COMPULSORY TRANSFERS**

12.1 In this **Article 12**, a **Transfer Event** means, in relation to any member:

- (a) a member who is an individual:
  - (i) becoming bankrupt; or
  - (ii) dying;
- (b) a member making any arrangement or composition with his creditors generally;
- (c) a member which is a body corporate:
  - (i) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
  - (ii) having an administrator appointed in relation to it; or
  - (iii) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
  - (iv) having any equivalent action taken in any jurisdiction;
- (d) a member who is a director or employee of a member of the Group ceasing to hold such office or employment and no longer being a director or employee of any member of the Group;
- (e) a member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles; and
- (f) failure by a member to make a transfer of shares required by **Article 11.2 (Drag Along)**.

12.2 Upon the happening of any Transfer Event, the member in question and any other member who has acquired Shares from him under **Article 8 (Permitted Transfers)** (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them and which in the case of a transferee of shares were the Shares received directly or indirectly from the member who is the immediate subject of the Transfer Event (a **Deemed Transfer Notice**). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

12.3 Notwithstanding any other provision of these articles, any member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of 3 months after the date of the Sale Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the holder of those Shares.

12.4 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with **Article 9** as if they were Sale Shares in respect of which a Transfer Notice had been given save that:

- (a) a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of notification to the Company by the Investor Director that the relevant event is a Transfer Event;

- (b) the Sale Price shall be a price per Sale Share agreed between the Vendor, the Board and the Investor Director or, in default of agreement, within 21 days after the date of the Transfer Event, the Fair Value;
- (c) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable;
- (d) the Vendor may retain any Sale Shares for which Purchasers are not found or, after the expiry of the relevant Offer Notice and with the prior written approval of the Investor Director, sell all or any of those Sale Shares to any person (including any member) as any price per Sale Share which is not less than the Sale Price; and
- (e) the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.

12.5 For the purposes of this **Article 12**, **Fair Value** means as agreed between the Board (with the approval of the Investor Director) and the Vendor or, in the absence of agreement within 21 days of the Transfer Event, by the Auditors in accordance with **Article 9.2** and approved by the Investor Director.

### 13. **COMPLIANCE**

For the purpose of ensuring (i) that a transfer of shares is duly authorised under these articles or that (ii) no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these articles or (iii) whether an offer is required to be or ought to have been made under **Article 12**, the Board may require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the holder's name.

### 14. **GENERAL MEETINGS**

- 14.1 No business shall be transacted at any general meeting unless a quorum of holders is present at the time when the meeting proceeds to business and for its duration. Two persons (one of whom shall be an A Shareholder) being holders present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting. If a meeting is adjourned under regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for that adjourned meeting, the holders then present shall form a quorum, and regulation 41 of Table A shall be modified accordingly.
- 14.2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 46 of Table A shall be modified accordingly.
- 14.3 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote and regulation 50 of Table A shall be modified accordingly.

15. **WRITTEN RESOLUTIONS**

In the case of a corporation which holds a share or shares in the capital of the Company, the signature of any director or the secretary of such corporation shall be sufficient for the purposes of any resolution in writing as is referred to in regulation 53 of Table A, and regulation 53 of Table A shall be modified accordingly.

16. **RETIREMENT OF DIRECTORS**

The Directors shall not be liable to retire by rotation and, accordingly, the second and third sentences of regulation 79 of Table A shall not apply to the Company; in regulation 78 of Table A, the words "Subject as aforesaid" and the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted.

17. **REMOVAL OF DIRECTORS**

The office of any Director, other than an Investor Director, shall be vacated if he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company and he does not remain an employee of any other Group Member and the provisions of regulation 81 of Table A shall be extended accordingly.

18. **INVESTOR DIRECTOR**

18.1 The members holding a majority of the A Ordinary Shares may from time to time appoint any employee or officer of the Investor Group to be a director with the title of investor director (the **Investor Director** which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Investor Director from office.

18.2 There shall not be more than one director bearing the title of Investor Director in office at any time.

18.3 Any appointment or removal of the Investor Director shall be in writing served on the Company signed by the members holding a majority of the A Ordinary Shares and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.

18.4 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the address(es) for service of notice on each Investor under the Investment Agreement. The third sentence of regulation 88 shall not apply.

18.5 Upon written request by a majority of the holders of the A Ordinary Shares the Company shall procure that the Investor Director is forthwith appointed as a director of any other member of the Group to any committee of the Board or the board of any member of the Group.

19. **ALTERNATE DIRECTORS**

19.1 The appointment by any Investor Director of an alternate director shall not be subject to approval by a resolution of the Board and regulation 65 of Table A shall be modified accordingly. In regulation 67 of Table A the words "but, if" and the words following them (to the end of that regulation) shall be deleted.

19.2 An alternate director shall not be entitled (as such) to receive any remuneration from the

Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company from time to time, direct, and the first sentence of regulation 66 of Table A shall be modified accordingly.

- 19.2 A Director, or any such other person as is mentioned in regulation 65 of Table A, as modified by these Articles may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Board (or of any committee of the Board) 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 at (and during) any such meeting.

## **20. PROCEEDINGS OF DIRECTORS**

- 20.1 The quorum for meetings of the Board shall be two directors one of whom must be the Investor Director (if appointed).
- 20.2 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 20.3 Unless the members of the Company otherwise resolve in general meeting, a Director shall have the right to vote on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever provided that such Director shall first have declared his interest in such matter at a meeting of the directors of the Company. Regulation 94 and 98 of Table A shall be modified accordingly.
- 20.4 The chairman of the Board shall not have a casting vote and regulation 88 of Table A shall be modified accordingly.

## **21. THE SEAL**

- 21.1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board. The Board 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 a 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.
- 21.2 The Company may exercise the powers conferred by section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

## **22. INDEMNITY**

- 22.1 Subject to the provisions of the Acts, every Director or other officer of the Company (other than the Auditors) shall be indemnified out of the assets of the Company against all costs, charges, expenses, 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 judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by any court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the

proper execution of the duties of his office or in relation thereto. This **Article 23** shall only have effect in so far as its provisions are not avoided by section 310 of the Companies Act 1985. The Board shall have power to purchase and maintain for any Director or other officer of the Company and the Auditors insurance against any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

23. **BORROWING POWERS**

Subject to the terms of the Investment Agreement, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Acts, 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.

24. **LIEN**

The lien conferred by regulation 8 of Table A shall attach to all Shares, whether or not fully paid up and to all shares registered in the name of any person indebted or under liability to the Company (whether he shall be the sole registered holder of such share(s) or shall be one of two or more joint holders).