

**The Companies Act 1985 to 2006**  
**Private Company Limited by Shares**

FRIDAY



**WRITTEN RESOLUTION**  
**of**  
**CAPITAL AND COUNTY INSURANCE BROKERS LIMITED**

**(Registered in England & Wales under number 5303862)**

**Pursuant to Chapter 2 of part 13 of the Companies Act 2006**

**Passed the 1<sup>st</sup> day of *September* 2008**

We, the undersigned members of the above-named company (the "Company"), being all those members for the time being of the Company entitled to receive notice of and to attend and vote at a General Meeting of the Company, hereby resolve to pass by way of a written resolution the following resolution to take effect as a special resolution of the Company pursuant to Chapter 2 of part 13 of the Act

**SPECIAL RESOLUTION**

That the memorandum and articles of association of the Company in the form attached hereto and for the purposes of identification initialed by a director of the Company be and are hereby approved and adopted in substitution and to the exclusion of all the existing Memorandum and Articles of Association of the Company

**AGREEMENT**


Please read the explanatory notes at the end of this document before signifying your agreement to the contents

Signed... *T. Hargreaves* .....

(Director) For and on behalf of Cullum Capital Ventures Limited as attorney for  
Roger Jordan and Nigel Hargreaves

Signed.. *R. Jordan* .....

Roger Jordan

Signed... 

Nigel Hargreaves

## NOTES

If you agree to the resolutions contained herein please confirm your agreement by signing and dating this document where indicated below and returning it to the Company by using one of the following methods.

- By Hand by delivering the signed copy to the Company at 26-28 Pembroke Road, Sevenoaks, Kent, TN13 1XR FAO Company Secretary
- By Post by returning the signed copy by post to the Company at 26-28 Pembroke Road, Sevenoaks, Kent, TN13 1XR FAO Sam Clark
- By Fax by faxing the signed copy to 01732 466467 marked for the attention of Sam Clark
- By E-mail by attaching a scanned copy of the signed document to an e-mail and sending it to Sam.Clark@ccventures.co.uk Please enter "Written Resolution" in the e-mail subject box

Once you have indicated your agreement to the resolution, you may not revoke your agreement

If not passed by 30<sup>th</sup> September 2008 the resolution will lapse

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**The Companies Acts 1985, 1989 and 2006**  
**COMPANY LIMITED BY SHARES**

FRIDAY

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**MEMORANDUM OF ASSOCIATION**

of

**CAPITAL AND COUNTY INSURANCE BROKERS LIMITED**

**(Adopted by Special Resolution passed on 1 September 2008)**

- 1 The Company's name is CAPITAL AND COUNTY INSURANCE BROKERS LIMITED
- 2 The Company's Registered Office is to be situated in England & Wales
- 3 The Company's objects are

The Company's objects are

- (A) To carry on business as insurance brokers, agents and intermediaries in respect of all classes of insurance, to act as risk advisers and consultants on all matters concerning risk and insurance and to do all such things as are incidental or conducive to the carrying on of such business by the Company
- (B) To carry on any other trade or business which can, in the opinion of the Board of Directors, be advantageously carried on by the Company in connection with or as ancillary to any of the above businesses or the general business of the Company, or further any of its objects
- (C) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind for such consideration and on such terms as may be considered expedient
- (D) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, factories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above
- (E) To borrow and raise money with or without security and, for the purposes of or in connection with the borrowing or raising of money by the Company, to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit by the Company or its Directors and, in particular, by the granting or creating or the permitting to subsist of any mortgages, charges (whether fixed or floating), security rights, liens or encumbrances upon the undertaking of the Company and all or any of its real and personal, moveable and immovable property, (present and future) or by the granting or creating or the permitting to subsist of any mortgage, pledge or charge over all or any of the uncalled capital for the time being of the Company or by the creation and issue, at par or at a premium or discount and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, of bonds, debentures, debenture stock, perpetual, redeemable or repayable or otherwise or of other obligations or securities of the Company of any description

- (F) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance
- (G) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or any obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly
- (H) To receive money on deposit or loan upon such terms as the Company may approve, and to guarantee the obligations and contracts of any person or corporation
- (I) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing clauses) whether with or without the Company receiving any consideration, to guarantee or to grant any indemnity in respect of or to secure (with or without a personal covenant and with or without a mortgage, charge (whether fixed or floating), security right, lien or encumbrance upon all or any part of the undertaking and assets, present and future, and the uncalled capital of the Company) the performance of any obligation, contract or liability or loss or cost or expense or the payment of any debt or sum including the principal amount thereof or any dividend, interest or premium on any stock, debenture, debenture stock, bond, share or other security of any person, firm or company including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company in business
- (J) To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependants or connections of such persons, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid, their dependants or connections, and to support or subscribe to any charitable funds or institutions, the support of which may, in the opinion of the Directors, be calculated directly or indirectly to benefit the Company or its employees, and to institute or maintain any club or other establishment or profit sharing scheme calculated to advance the interests of the Company or its officers or employees
- (K) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments
- (L) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined
- (M) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the

Company may determine

- (N) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired
- (O) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company, and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company
- (P) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of the dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company
- (Q) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on
- (R) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit
- (S) To amalgamate with any other company whose objects are to include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner
- (T) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law
- (U) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise
- (V) Subject to and in accordance with due compliance with the provisions of Sections 155 to 158 (inclusive) of the Companies Act 1985 (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act

(W) To do all such things as are incidental or conducive to the above objects or any of them

And it is hereby declared that in the construction of this clause the word "company" except where used in reference to the Company shall be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Great Britain or elsewhere, and that the objects specified in the different paragraphs of this clause shall, except where otherwise expressed therein, be in no way limited by reference to any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company

4 The liability of the members is limited

5 The Company's share capital is £500,000 divided into 450,000 ordinary shares of £1 each and 50,000 "B" Ordinary shares of £1 each

The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise

**The Companies Acts 1985, 1989 and 2006**  
**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**  
**CAPITAL AND COUNTY INSURANCE BROKERS LIMITED**

**(Adopted by Special Resolution passed on 1 September 2008)**

**PRELIMINARY**

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-F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000) ("Table A") shall apply to the Company unless or to the extent that they are excluded or modified by, or are inconsistent with the following provisions and, with the provisions set out in this document, shall constitute the articles of association of the Company and, for the avoidance of doubt, references in this document to "these articles" shall be construed accordingly

2 References in these articles to numbered regulations shall, unless the context requires otherwise, be deemed to be references to regulations in Table A Regulations 2, 3, 8, 9, 10, 11, 24, 25, 26, 27, 28, 38, 59, 60, 61, 62, 64, 67, 73 to 81 inclusive, 90, 94, 95, 111, 112, 115 and 118 shall not apply References in these articles to numbered articles shall be deemed to be references to numbered provisions in this document

3 In these articles

"address" in relation to electronic communication means any number or address used for the purposes of such communications,

"Associated Company" means any company which is at the relevant time -

- a) a holding company of a specified company; or
- b) a subsidiary or subsidiary undertaking of a specified company; or
- c) a subsidiary or subsidiary undertaking (other than a specified party itself) of any such holding company

the expressions "holding company", "subsidiary" and "subsidiary undertaking" having the same meanings given to them by the Companies Act 1985

"CCV" means Cullum Capital Ventures Limited (Co No 5587424) or any Associated Company of that company

"CCV Director" means any director of the Company from time to time appointed by CCV,

"written" and "in writing" include any method of representing or reproducing words in legible form including, for the avoidance of doubt, electronic communication

4 Where an ordinary resolution of the Company is required for any purpose, a special or extraordinary resolution shall also be effective and where an extraordinary resolution is required for any

purpose, a special resolution shall also be effective

## CAPITAL

5 The authorised share capital at the adoption of these Articles is £500,000 and this shall be sub-divided into separate classes of Ordinary shares of £1 each and "B" Ordinary shares of £1 each. There shall be 450,000 Ordinary £1 shares and 50,000 "B" Ordinary £1 shares having the following rights and privileges

6.1 The holders of the "B" Ordinary shares shall not be entitled to any dividend whatsoever and the holders of the Ordinary shares shall be entitled to a dividend out of the profits available for distribution of such amount as the Company shall determine

6.2 The "B" Ordinary shares shall be redeemable in accordance with the provisions of these Articles

6.3 A holding of "B" Ordinary shares shall not entitle the holder thereof to receive notice of nor attend nor vote at general meetings of the Company

Save as above, or as set out elsewhere in these Articles, the Ordinary and "B" Ordinary shares shall rank *pari passu* in all respects

7 The shares of the Company, whether forming part of the original capital or of any increased capital (other than the "B" Ordinary shares), may be allotted or otherwise disposed of to such persons and for such consideration and upon such terms as the Directors may determine subject, in the case of any shares forming part of any increased capital, to such directions as to the allotment or disposal thereof as may be given by the Company in general meeting at the time of the creation of such shares

8.1 After the initial allotment of shares by the Directors any further Ordinary shares (but not "B" Ordinary shares) proposed to be issued shall first be offered to the shareholders in proportion as nearly as may be to the number of the existing Ordinary shares (but not "B" Ordinary shares) held by them respectively unless the Company shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of Ordinary shares (but not "B" Ordinary 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 Ordinary shares (but not "B" Ordinary 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 Ordinary shares (but not "B" Ordinary shares) offered to them, such further offer shall be made in the same manner and limited by a like period as the original offer. Any Ordinary shares (but not "B" Ordinary 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 such Special Resolution 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 Ordinary shares (but not "B" Ordinary shares) not accepted as aforesaid, such Ordinary shares (but not "B" Ordinary shares) shall not be disposed of on terms which are more favorable to the subscribers thereof than the terms on which they are offered to the shareholders. In accordance with Section 91 of the Act, Section 89(1) and Section 90(1) to (6) of the Act shall be excluded from applying to the Company

8.2 Subject to Article 4.1 the Directors are authorised in accordance with Section 80A of the Act to exercise any power of the Company (and in particular the power contained in Article 7 of these regulations) to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the share capital at the date of the adoption of these Articles and may do so for an indefinite period following the date of the adoption of these Articles. This authority may be revoked,

varied or renewed at any time by an Ordinary Resolution

9 The Company may in accordance with and subject to Part V of the Act and all other provisions (if any) in force for the time being as to the increase, maintenance and reduction of share capital

- 9 1 give financial assistance directly or indirectly for the purpose of acquiring any shares in the Company, or its holding company, or subsidiary company of its holding company, if any,
- 9 2 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder thereof, except that no redeemable shares may be issued at any time where there are no issued shares of the Company which are not redeemable,
- 9 3 purchase its own shares including its own redeemable shares,
- 9 4 make a payment in respect of the redemption or purchase of any of its own fully-paid shares out of the distributable profits of the company or the proceeds of a fresh issue of shares, or, so long as the Company is a private company, out of capital, or, so long as aforesaid, partly out of one and partly out of the other, and as to redemption on such date or dates (to be fixed prior to the issue of such shares) and terms and in such manner as may be determined at any time or times by the directors but so that the amount to be paid on redemption shall be the paid-up amount thereof plus the net amount of any arrears of dividends thereon

Provided always that any shares purchased or redeemed by the Company shall be treated as cancelled

10 The certificate or warrant of any security issued or granted that is defaced, lost, worn-out or destroyed may be renewed on payment of a fee on such terms as to evidence and indemnity, and the payment of all expenses of the Company of investigating evidence, as the directors shall think fit, and on the return to the Company of any certificate or warrant to be renewed which is defaced or worn-out as the case may be

11 If at any time a holder of any of the "B" Ordinary shares

- 11 1 ceases to hold office or employment with the Company (otherwise than by reason of death or disability) and does not continue or take up an office or employment with any holding company, subsidiary company or fellow subsidiary (with a subsidiary company taken to include a sub-subsidiary and a fellow subsidiary to include a subsidiary of a fellow subsidiary, within the meaning of Section 736 Companies Act 1985) of the Company, or
- 11 2 attempts to transfer, charge or otherwise pledge his shares or any interest in them (other than by transmission on the death of the holder) without the prior written consent of the shareholders holding together a majority of the Ordinary shares

the holder shall be required to surrender any and all certificates held by him in relation to "B" Ordinary shares to the company secretary and those shares shall be redeemed by the Company in consideration for a payment of an amount equal to the par value of such holding of shares and if there be insufficient reserves of the company to make such redemption the holder shall be required to transfer all the "B" Ordinary shares held by him at the time of the aforesaid event (a "Mandatory Transfer") in consideration for a payment of an amount equal to the par value of such holding of shares to such other member or members of the company and at such time as the shareholders holding together a majority of the Ordinary shares of the Company shall in their absolute discretion determine

The redemption or purchase price (as the case may be) will be paid immediately by the relevant parties

12 Should the transferring member refuse to surrender his share certificates for redemption or, in the case where there be insufficient reserves of the company to make such a redemption refuse to execute an instrument of transfer completing the Mandatory Transfer, any one director of the company shall, on pain of making a payment to the member whose shares are being redeemed or transferred, have the authority to execute an instrument of redemption or transfer (as the case may be) on behalf of that member and such instrument shall be binding on that member and may, in the case of a Mandatory Transfer, be relied upon for all purposes by the transferee as transferring good title to the shares in question

## **ELECTRONIC COMMUNICATION**

13 Regulation 1 shall be modified by deleting the words "electronic communication means the same as in the Electronic Communications Act 2000" and substituting instead the words "electronic communication means any communication transmitted by way of fax or email" and all references to "electronic communication" in these articles will be construed accordingly

## **SHARE CERTIFICATES**

14 Regulation 6 of Table A shall be modified by adding after "Every certificate shall be sealed with the seal" the words "or executed in such other manner as the directors authorise, having regard to the Act"

## **LIEN**

15 The Company has no lien in respect of its shares (whether fully or partly paid)

## **TRANSFER OF SHARES**

16 Subject to Article 17 below, the directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share, whether or not it is a fully paid share

17 Notwithstanding the foregoing, the Company and the directors shall not decline to register any transfer of shares owned by CCV (nor delay in doing so) where the relevant transfer is executed by or on behalf of a person (natural or legal) to whom such shares have been charged by way of security or by that person's nominee (in either case, whether as transferor or transferee) and a certificate of that person that the shares were so charged shall be sufficient evidence of the facts

## **18. Permitted Transfers**

### **Group Transfers**

18 1 Any shares held by an undertaking (an "Original Undertaking") may be transferred to any other undertaking (a "Transferee Undertaking") PROVIDED ALWAYS that each and any such Transferee Undertaking is a subsidiary or holding company or subsidiary of any such holding company in relation to that Original Undertaking ("a group undertaking"),

18 2 In the event that any Transferee Undertaking ceases to be a group undertaking in relation to the Original Undertaking then such Transferee Undertaking shall forthwith transfer any shares in the Company held by it to the Original Undertaking or to an undertaking which in relation to the Original Undertaking is a group undertaking

### **Family Trusts**

18 3 Any shares (other than any "B" Ordinary Shares) may be transferred by the beneficial

owner of such Shares ("**a Beneficial Owner**") who is an individual to trustees to be held upon family trusts of such Beneficial Owner,

- 18 4 Where any shares have been transferred to trustees pursuant to Article 18 3 the trustees as the case may be may transfer any such shares to a person or persons shown to the reasonable satisfaction of the CCV Director to be the trustees for the time being (on a change of trustee) of the family trusts in question,
- 18 5 In any case where a member proposing to transfer shares under Article 18 3 or Article 10 4 ("**the Proposing Transferor**") holds those shares as a result of an earlier transfer authorised under Article 18 3 or Article 18 4 from another member ("**the Original member**") the Proposing Transferor may only transfer those shares to a person to whom the Original member could have transferred such shares under Article 18 3 or Article 18 4
- 18 6 Where shares are held by trustees on a family trust and any such shares cease to be held upon family trusts (otherwise than in consequence of a transfer authorised under Article 18 4) the trustees shall forthwith transfer such shares to a transferee permitted under Article 18 4 and in default thereof the trustees shall be deemed to have given a Sale Notice (as defined in Article 19 1) in respect of the shares in question provided that the price shall be the issue price (including any premium)
- 18 7 For the purposes of this Article 18
- "**privileged relation**" means the parent or spouse of the Beneficial Owner or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the Beneficial Owner or of any such lineal descendant,
- "**family trust**" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his privileged relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his privileged relations
- 18 8 Any shares and/or any interest therein may be transferred at any time to any person with the written consent of the holders of not less than 80 per cent in nominal value of the issued Ordinary shares for the time being
- 19 Pre-emption Rights on Transfer**
- 19 1 Any member wishing to transfer (other than a transfer permitted by Article 10) all or any held by him and/or any interest therein (a "Retiring Shareholder") shall first give a notice in writing (a "Sale Notice") to the Company specifying (i) the number and denoting numbers (if any) of the shares which the Retiring Shareholder wishes to sell ("the Sale Shares") (ii) the price at which he proposes to transfer the Sale Shares ("the Price") (iii) the name of any third party to whom he proposes to sell or transfer the Sale Shares The Sale Notice shall constitute the Company as the agent of the Retiring Shareholder for the sale of the Sale Shares at the Price A Sale Notice may require that unless all the shares comprised in it are sold none shall be sold

- 19 2 On receipt or deemed receipt of a Sale Notice the Company shall by notice in writing offer the Sale Shares at the Price to all the Ordinary shareholders of the Company (other than the Retiring Shareholder) pro-rata to their existing shareholding of Ordinary shares (not including the shares held by the Retiring Shareholder) ("First Offer") The First Offer shall be made by the Company within 7 days of the date on which the Sale Notice is given ("Sale Notice Date") and shall specify that such offer must be accepted within 14 days or in default thereof will lapse The Company shall by notice in writing offer any remaining Sale Shares which have not been accepted pursuant to the First Offer to those shareholders who accepted the First Offer ("Second Offer") Any such offer shall be made within 7 days of the date on which the First Offer lapses or if earlier the date on which all persons entitled to accept the First Offer have indicated the maximum number of Sale Shares they wish to accept and shall specify that such offer must be accepted within 14 days or in default will lapse
- 19 3 If the Company shall within the said time limits find members willing to purchase all or any of the Sale Shares it shall within 14 days of the expiry of such time limits or such earlier date as it may have found members willing to purchase all the Sale Shares give notice thereof to the Retiring Shareholder whereupon the Retiring Shareholder shall become bound to sell and transfer the Sale Shares to the respective purchasers free from all liens charges encumbrances and third party rights and (unless the notice given under this Article 19 3 provides otherwise) together with all rights attaching thereto at the date of sale A notice under this Article 19 3 shall state the name and address of each of the purchasers and the number of Shares to be purchased by him and shall designate a place and a time (being not less than 3 nor more than 10 days following the date of the notice) for completion of the sale of the shares comprised in such notice If a Sale Notice states that the Retiring Shareholder is not willing to sell part only of his Shares the provisions of this Article 19 3 shall not take effect unless the Company shall have found purchasers for all such Shares Any offer made by the Company in respect of Shares comprised in such a Sale Notice shall state as a condition of the offer that it is not capable of being accepted unless acceptances are received in respect of all the Shares comprised in the relevant Sale Notice
- 19 4 If the Company shall not within the said time limits find purchasers for all of the Sale Shares or if through no default of the Retiring Shareholder the purchase of any of the Sale Shares is not completed within the time period specified in Article 19 3 the Company shall promptly give notice in writing thereof to the Retiring Shareholder who shall be at liberty at any time within 2 months after the date of such notice to transfer such Sale Shares for which purchasers have not been found or in respect of which the sale was not completed as aforesaid to any person he may wish PROVIDED THAT -
- 19 4 1 such sale is completed at the Price or any higher or (subject as provided below) lower price and that otherwise the terms of payment of the purchase price are no more favourable to the purchaser than those offered to the shareholders or other persons hereunder,
- 19 4 2 no Sale Shares shall be sold at a lower price than the Price without the Retiring Shareholder first serving a further Sale Notice upon the Company specifying such lower price as the price at which such Sale Shares are offered and all the provisions of this Article 19 shall mutatis mutandis apply in respect of such further Sale Notice save that the Price shall be such lower price,
- 19 4 3 if the Sale Notice states that the Retiring Shareholder is not willing to transfer part only of the Sale Shares he shall not be entitled to sell part only of such Shares hereunder, and

19 4 4 the Directors may call for such evidence as they shall reasonably request in order to satisfy themselves that the consideration for any sale hereunder is as stated in the transfer without any rebate allowance or deduction to the purchaser and if not so satisfied they may refuse to register a transfer hereunder

19 5 If any shareholder shall fail or refuse to transfer any shares which he shall have become bound to transfer in accordance with the provisions of these Articles the Directors may authorise some person to execute and deliver on his behalf a transfer or transfers of such shares to the purchaser or purchasers and the Company may give a good receipt for the purchase price of such shares and may register the purchaser or purchasers as holders thereof and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled thereto The relevant shareholder shall in such case be bound to deliver up his certificate for the shares to the Company whereupon such shareholder (as the case may be) shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such shareholder but without interest If such certificate shall comprise any shares which the relevant shareholder (as the case may be) has not become bound to transfer as aforesaid the Company shall issue to such shareholder a balance certificate for such shares

19 6 Nothing in this clause or these Articles shall prevent or affect the ability of Bank of Scotland plc or any of its nominees, subsidiaries, affiliates, successors or assigns ("BoS Co") who may hold a charge over all or part of the share capital of the Company to enforce that security, in accordance with the terms of the relevant security documents, such provisions overriding the transfer or pre-emption provisions contained herein and notwithstanding anything contained in these Articles, the Company and the Directors shall not decline to register any transfer of shares (nor delay in doing so) where the relevant transfer is executed by or on behalf of the BoS Co to whom such shares have been charged by way of security or by their nominee (in either case whether as transferor or transferee) and a certificate of that BoS Co that the shares were so charged shall be sufficient evidence of the fact

## **PURCHASE OF OWN SHARES**

20 Regulation 35 shall be modified by deleting the words "otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares" and substituting instead the words "whether out of its distributable profits or out of the proceeds of a fresh issue of shares or otherwise"

## **NOTICE OF GENERAL MEETINGS**

21 Regulation 37 shall be modified by deleting the words "eight weeks" and substituting instead the words "28 days"

22 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least 21 clear days' notice All other extraordinary general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed

- 22 1 in the case of an annual general meeting, by all the members entitled to attend and vote at that meeting, and
- 22 2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or if no such elective resolution is in force, a majority together holding not less than 95 per cent in nominal value of the shares giving that right

## PROCEEDINGS AT GENERAL MEETINGS

23 If and so long as CCV is a shareholder of the Company the quorum for any meeting shall be two of which one must be CCV's representative, appointed pursuant to article 22 of these articles or a proxy appointed by such a representative, and regulation 40 shall be modified accordingly So long as CCV is a shareholder of the Company, no resolutions may be passed at any meeting which involve any matters contained in Schedule 1 of these Articles unless CCV has voted in favour of it

24 A poll may be demanded by the chairman or by any member present in person or by proxy and entitled to vote, and regulation 46 shall be modified accordingly

25 In the case of joint holders of a share, the signature of any one of them is sufficient for the purposes of passing resolutions in writing under regulation 53

26 CCV may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company The person so authorised shall be entitled to exercise the same powers on behalf of CCV as CCV could exercise if it were an individual member Unless the directors otherwise decide, a copy of such authority certified notarially or in some other way approved by the directors shall be delivered to the Company before such representative is entitled to exercise any power on behalf of CCV

## VOTES OF MEMBERS

27 Regulation 57 shall be modified by including after the word "shall" the phrase "unless the directors otherwise decide"

28 On a show of hands or on a poll, votes may be given either personally or by proxy A member may appoint more than one proxy to attend on the same occasion and deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it

29 The appointment of a proxy shall be in writing in any form which is usual or in any form which the directors may approve, and shall be executed by or on behalf of the appointor

30 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notari ally or in some other way approved by the directors may

30 1 in the case of an appointment of a proxy by a form of proxy (which for the avoidance of doubt does not include an appointment contained in an electronic communication) be received at the office or such other place within the United Kingdom as may be specified in the notice convening the meeting and/or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting not less than one hour before the time for holding the meeting or adjourned meeting at which the person named in the form of proxy proposes to vote, or

30 2 in the case of an appointment contained in an electronic communication, if an address has been specified for that purpose

30 2 1 in the notice convening the meeting, or

30 2 2 in any form of proxy or other accompanying document sent out by the Company in relation to the meeting, or

30 2 3 in any invitation to appoint a proxy contained in an electronic communication issued by the Company in relation to the meeting,

be received at such address not less than one hour before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or

30 3 in the case of a poll taken more than 48 hours after it is demanded, be received as aforesaid after the poll has been demanded but not less than one hour before the time appointed for the taking of the poll, or

30 4 if a meeting is adjourned for less than 48 hours or if a poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the adjourned meeting or at the meeting at which the poll was demanded to any director or the secretary, and an appointment of a proxy which is not received or delivered in accordance with this article 30 shall be invalid

## APPOINTMENT AND RETIREMENT OF DIRECTORS

31 The directors shall (except in the case of the first directors) be appointed and shall (in every case) be subject to removal from office by the Company in general meeting or by instrument in writing signed by or on behalf of the holders of a majority of shares for the time being issued and entitling the holders thereof to attend and vote at general meetings of the Company Every appointment or removal of a director in writing pursuant to this article shall take effect as from the time when the instrument is delivered to the Company

32 The directors shall not be subject to retirement by rotation Reference in any regulation to retirement by rotation shall be disregarded

33 A director is not required to hold any qualification shares in the Company

34 A director shall not be required to vacate his office or be ineligible for re-election, and no person shall be ineligible for appointment as a director, by reason only of his attaining or having attained any

particular age Section 293 of the Act shall not apply to the Company

#### **ALTERNATE DIRECTORS**

35 A director may appoint any person willing to act as such, whether or not he is a director of the Company, to be an alternate director and such person need not be approved by resolution of the directors, and regulation 65 shall be modified accordingly

36 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and meetings of committees of directors, and regulation 66 shall be modified accordingly

37 An alternate director ceases to be an alternate for his appointor when his appointor ceases to be a director

#### **POWERS OF DIRECTORS**

38 The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and uncalled capital and, subject to the provisions of the Act, to issue debentures, debenture stock and other securities either outright or as security for any debt, liability or obligation of the Company or of any third party and to enter into any guarantee, contract of indemnity or suretyship in any manner

#### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

39 The office of a director shall be vacated if

39 1 he ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director,

39 2 he becomes bankrupt or makes any arrangement or composition with his creditors generally,

39 3 he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as a director and Regulation 81 of Table A shall be modified accordingly,

39 4 resigns his office by notice in writing to the Company;

39 5 both he and his alternate director (if any) are absent without the permission of the directors from meetings of directors for six consecutive months, and the directors resolve that his office be vacated, or

39 6 he is removed from office under article 38 of these articles

#### **PROCEEDINGS OF DIRECTORS**

40 The quorum necessary for the transaction of business at any meeting of the directors shall be 2 (unless the Company has less than 2 directors at any time in which case the quorum necessary shall be such lesser number) of which at least one person shall be a CCV Director and regulation 89 of Table 'A' shall be modified accordingly For so long as CCV is shareholder of the Company the directors shall not pass a resolution relating to or consent to any matter contained in schedule 1 of these Articles unless all those CCV Directors present at such meeting vote in favour of such resolution or give their consent and regulation 88 of Table A shall be modified accordingly

41 Regulation 88 shall be modified by excluding the third sentence and substituting instead the following sentence "Every director shall receive notice of a meeting whether or not he is absent from the United Kingdom "

42 Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the directors or a committee of the directors shall, for the purposes of these articles, be deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors even if fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

#### **DIRECTORS' APPOINTMENTS AND INTERESTS**

43 Without prejudice to the obligation of a director to disclose his interest in contracts in accordance with the Act, a director may vote at any meeting of the directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest, and, if he does so vote, his vote shall be counted and he shall be counted in the quorum present at a meeting in relation to any such resolution.

#### **NOTICES**

44 Any notice or other document to be served on or by or delivered to or by any person pursuant to these articles (other than a notice calling a meeting of the directors) shall be in writing and shall be served or delivered in accordance with articles 45 to 49 as the case may be.

45 Any notice or other document may only be served on, or delivered to, any member by the Company

45 1 personally,

45 2 by sending it through the post in a prepaid envelope addressed to the member at his registered address (whether such address be in the United Kingdom or otherwise),

45 3 by delivery of it by hand to or leaving it at that address in an envelope addressed to the member,

45 4 except in the case of a share certificate and only if an address has been specified by the member for such purpose, by electronic communication.

46 In the case of joint holders of a share, all notices and other documents shall be given to the person named first in the register in respect of the joint holding and notice so given shall be sufficient notice to all joint holders.

47 Any notice or other document may only be served on, or delivered to, the Company by anyone

47 1 by sending it through the post in a prepaid envelope addressed to the Company or any officer of the Company at the office or such other place in the United Kingdom as may from time to time be specified by the Company,

47 2 by delivery of it by hand to the office or such other place in the United Kingdom as may

from time to time be specified by the Company;

47 3 if an address has been specified by the Company for such purpose (and in the case of an appointment of a proxy such address has been specified in a document or other communication referred to in article 30), by electronic communication

48 Any notice or other document (other than the appointment of a proxy)

48 1 addressed to the recipient in the manner prescribed by these articles shall, if sent by post, be deemed to have been served or delivered

48 1 1 (if prepaid as first class) 24 hours after it was posted, and

48 1 2 (if prepaid as second class) 48 hours after it was posted,

48 2 not sent by post but delivered by hand to or left at an address in accordance with these articles shall be deemed to have been served or delivered on the day it was so delivered or left,

48 3 sent by electronic communication shall be deemed to have been served or delivered 48 hours after it was sent and in proving such service it shall be sufficient to produce a transaction report or log generated by a fax machine which evidences the fax transmission or a confirmation setting out the total number of recipients sent to or each recipient to whom the message was sent as the case may be

49 Regulation 116 shall be modified by deleting the words "within the United Kingdom"

## INDEMNITY AND INSURANCE

50 Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, auditor or other officer of the Company shall be entitled to 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 his office or otherwise in relation to it, including (without prejudice to the generality of the foregoing) any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

51 The directors may exercise all the powers of the Company to purchase and maintain for any director, auditor or other officer (including former directors and other officers), or any person, insurance against any liability for negligence default, breach of duty or breach of trust or any other liability in relation to the affairs of the Company which may be lawfully insured against

## Schedule 1

Matters which require the consent of CCV are any matters where the Company or any other subsidiary company of the Company is to -

- 1 1 1 acquire the whole or any part of any other business or undertaking (other than the purchase of raw materials and stock in the ordinary course of business) or acquire any shares or any option over shares in the capital of any company,
- 1 1 2 make any material change in the nature of its business,
- 1 1 3 declare or pay any dividend or make any other distribution,
- 1 1 4 create, allot, issue or redeem any shares or securities or grant any right to require the allotment, issue or redemption of any such shares or securities,
- 1 1 5 alter its corporate name or its memorandum of association or the articles of association,
- 1 1 6 increase, reduce, subdivide, consolidate, redeem or otherwise vary its share capital or reduce the amount (if any) standing to the credit of the share premium account or capital redemption reserve fund or any other reserve,
- 1 1 7 apply for the admission of any part of its share capital to the Official List of the UK Listing Authority or for the grant of permission by the London Stock Exchange plc to deal in the same on the AIM or on any public exchange or enter into negotiations to effect a sale of the whole or substantially the whole of its undertaking, business and assets,
- 1 1 8 commence any action for its winding-up or dissolution or the making of an administration order or a composition or arrangement with its creditors,
- 1 1 9 change its accounting reference date or its auditors,
- 1 1 10 change the accounting policies or principles normally adopted by it save as may be required from time to time to comply with legal requirements or with Statements of Standard Accounting Practice and Financial Reporting Standards,
- 1 1 11 give any credit (other than trade credit in the ordinary course of business),
- 1 1 12 create any mortgage, charge or other encumbrance over any part of its undertaking or assets,
- 1 1 13 adopt any budgets or amend or take any action inconsistent with the terms of the same,

- 1 1 14 enter into any transaction that is not in the ordinary course of business and on an arm's-length basis including without limitation entering into any partnership or joint venture or becoming a member or part of any unincorporated association,
- 1 1 15 appoint any committee of its board of directors or any local board or delegate any of the powers of the directors to such committee or local board,
- 1 1 16 appoint any director or chairman to its the board of directors,
- 1 1 17 hold any meeting of shareholders or purport to transact any business at any meeting thereof other than a quorate meeting duly convened and held in accordance with the articles of association,
- 1 1 18 sell lease transfer or otherwise dispose of any substantial asset or any part of its business or undertaking,
- 1 1 19 alter the service agreements of any director or senior employee of the Company or increase the remuneration (including for the avoidance of doubt all benefits in kind and pension contributions) of such persons in excess of those stated in the service agreements,
- 1 1 20 determine the Final Target Retained Brokerage (such consent not to be unreasonably withheld or delayed by CCV),
- 1 1 21 establish or vary the terms of any pension scheme provided for the benefit of past or present employees and/or officers,
- 1 1 22 initiate and/or settle any litigation or arbitration proceedings other than where the sum in dispute is less than £10,000,
- 1 1 23 enter into any arrangements in relation to the licensing or disposal of intellectual property rights,
- 1 1 24 incur any capital expenditure where the effect of such expenditure would be to cause its total capital expenditure in any accounting reference period (including total payments under hire purchase or leasing arrangements) to exceed £25,000 or to cause the total capital expenditure in one transaction to exceed £25,000 unless such capital expenditure is included in the agreed budget,
- 1 1 25 sell, lease, transfer or otherwise dispose of in any accounting reference period any capital assets where the effect of such disposal would be to cause the aggregate book or market value (whichever shall be greater) of all disposals of its capital assets in such accounting reference period to exceed £25,000 or to cause the aggregate book or market value, whichever shall be the greater, of any one such disposal to exceed £25,000 or sell, lease, transfer or otherwise dispose of any assets or any part of its business or undertaking (and which shall include transfers between members of the Group),
- 1 1 26 acquire or dispose of any freehold or leasehold property,

- 1 1 27 enter into any hire purchase agreement, credit sale agreement, equipment leasing agreement, factoring agreement or agreement to discount invoices or borrow any amount raised by loan or overdraft,
- 1 1 28 make any payment, lend any money or give any guarantee or indemnity or other commitment (except in the ordinary course of business and on an arm's-length basis),
- 1 1 29 appoint any employee at a total remuneration package (which term shall for the avoidance of doubt include all benefits in kind and pension contributions) in excess of £50,000 or increase the total remuneration of any employee to any amount in excess of such amount