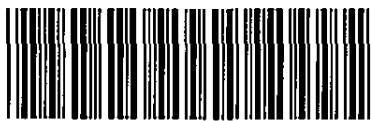


WRITTEN RESOLUTION

of

SKY BLUE SPORTS & LEISURE LIMITED  
(THE "COMPANY")



LD3 15/07/2008 89  
COMPANIES HOUSE

(Circulation Date: June 2008)

We, the undersigned, being all the members of the above named Company as at the date of this resolution entitled to attend and vote at general meetings as at the circulation date of this resolution, hereby unanimously pass resolutions 1 to 3 below as Ordinary Resolutions and resolution 4 below as a Special Resolution of the Company pursuant to Section 288 of the Companies Act 2006 and agree that such resolutions shall be valid and effective for all purposes as if the same had been passed at a general meeting of the Company duly convened and held.

ORDINARY RESOLUTIONS

1. THAT, for the purposes of section 190 Companies Act 2006, the proposed acquisition by the Company of the entire issued share capital of Prozone Group Limited and the transfer of certain loans (the "Transaction") on the terms and conditions set out in the draft share purchase agreement to be entered into between the Company, Arley Group plc, Prozone Group Limited, Prozone Sports Limited and Mr Raymond Ranson (the "Share Purchase Agreement") be and is hereby approved and that the Board of Directors be and is hereby authorised to waive, amend, vary or extend any of the terms of the Transaction (to the extent that such amendments are not material) and to do or procure to be done all such things on behalf of the Company as it may consider necessary or desirable in connection with the Transaction.
2. THAT the Company and the Board of Directors be and is hereby authorised to allot and issue the Consideration Shares (as defined in the Share Purchase Agreement) to Arley Group plc as consideration for the Transaction in accordance with the terms of the Share Purchase Agreement
3. THAT the Company and the Board of Directors be and is hereby authorised to allot and issue 6,797 shares in the capital of the Company to SISU Capital Partners LLP in accordance with the terms of the draft shareholders agreement to be entered into between SISU Capital Partners LLP, Arley Group plc and the Company

SPECIAL RESOLUTION

- 4 THAT the regulations contained in the printed document annexed to these resolutions be approved and adopted as the Articles of Association of the Company in substitution for and to the complete exclusion of all the existing Articles of Association of the Company.

Please read the notes at the end of this document before signifying your agreement to the resolution above.

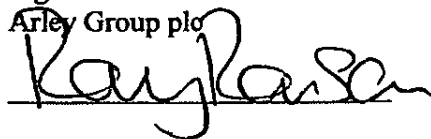
Member

SISU Capital Partners LLP

For and on behalf of SISU Capital Private Equity Fund A, L P, SISU Capital Private Equity Fund B, L.P. and SISU Capital Private Equity Fund D, L P.

Signed for and behalf of

Arley Group plc



Date: 6 June 2008

#### NOTES

- 1 If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company. If you do not agree to the resolution, you do not need to do anything you will not be deemed to agree if you fail to reply.
- 2 Once you have indicated your agreement to the resolution, you may not revoke your agreement
3. Unless, within 28 days of the circulation date of the resolution, sufficient agreement has been received for the resolution to pass, it will lapse. If you agree to the resolution, please ensure that your agreement reaches us before or during this date.

The Companies Acts 1985 and 2006

---

A private company limited by shares

---

Articles of Association

of

Sky Blue Sports & Leisure Limited (the "Company")

(Adopted by Written Resolution passed on 6 June 2008)

(Company Number 6414248)

**INTERPRETATION**

1 No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or Articles of the Company

2 1 In these Articles

**"1985 Act"** means the Companies Act 1985, including any statutory modification or re-enactment thereof for the time being in force

**"2006 Act"** means the Companies Act 2006, including any statutory modification or re-enactment thereof for the time being in force

**"Act"** means the applicable provisions of the 1985 Act and any provisions of the 2006 Act for the time being in force

**"address"** means a number or address used for the purposes of sending or receiving documents or information by electronic means

**"Affiliate"** means with respect to any person, any wholly-owned subsidiary of such person, its parent to which it is a wholly-owned subsidiary, or any wholly-owned subsidiary of such parent and in the case of SISU, any fund it manages, any general partner of such a fund that is constituted as a limited partnership, or any fund manager that manages any of the funds under its management

**"Arley"** means Arley Group plc, a company incorporated in England with company number 04287189, whose registered office is at 45 Hoghton Street, Southport, Merseyside PR9 0PL

**"Arley Director"** means a Director appointed by Arley in accordance with Article 89

**"Articles"** means the Articles of Association of the Company

**"Board of Directors"** means the board of Directors of the Company as constituted from time to time

**"Board Reserved Matter"** means any of the matters set out in Annex 2 to these Articles

**"Business"** means the business of the Company, as described in more detail in the Shareholders Agreement

**"Business Day"** means any day (other than a Saturday, Sunday or public holiday) when banks are open for business during normal working hours in London

**"Change of Control"** means the acquisition by a Third Party Purchaser (as defined in Article 41 1) of any interest in Shares if, upon completion of that acquisition, the Third Party Purchaser together with any person connected with or acting in concert with that Third Party Purchaser would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company

**"clear days"** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

**"Consultancy Agreements"** means the agreements to be entered into between Arley and Prozone Group Limited and Coventry City Football Club (Holdings) Limited respectively on or about the date of the Shareholders Agreement in relation to services to be provided by Arley to Prozone Group Limited and Coventry City Football Club (Holdings) Limited

**"Deed of Accession"** means a deed of accession to the Shareholders Agreement in the form set out in Schedule 2 thereto

**"Deed of Adherence"** means a deed of adherence to the Shareholders Agreement in the form set out in Schedule 3 thereto

**"Director"** means any director of the Company appointed from time to time in accordance with these Articles

**"electronic copy", "electronic form" and "electronic means"** have the meanings given to them in section 1168 of the 2006 Act

**"electronic signature"** means anything in electronic form which the Board requires to be incorporated into or otherwise associated with communication by electronic means for the purpose of establishing the authenticity or integrity of the communication

**"hard copy" and "hard copy form"** have the meanings given to them in section 1168 of the 2006 Act

**"Mr. Ranson"** means Raymond Ranson of Arley House, Devisdale Road, Altrincham, Cheshire WA14 2AT

**"office"** means the registered office of the Company

**"Secretary"** means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary

**"Shareholder"** means, at any time, the member whose name is entered in the register of members as the holder of Shares

**"Shares"** mean the ordinary shares of £1 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles

**"Seal"** means a common or official seal that the Company may be permitted to have under the Act

**"SISU"** means SISU Capital Partners LLP, a company incorporated in England with company number OC308188, whose registered office is at 11-12 Hanover Street, London W1S 1YQ

**"SISU Director"** means a Director appointed by SISU in accordance with Article 88

**"SISU Employed Director"** means any SISU Director employed by SISU on a full time basis and notified to Arley as being a SISU Employed Director for the purposes of these Articles and the Shareholders Agreement, and shall include, as at the date of this Agreement, Mr Onyechinaedu Igwe

**"Shareholder Reserved Matter"** means any of the matters set out in Annex 1 to these Articles

**"Shareholders Agreement"** means the shareholders agreement entered into between Arley, SISU and the Company on or about the date of adoption of these Articles in relation to the ownership, management and operation of the Company

**"United Kingdom"** means Great Britain and Northern Ireland

Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company

- 2 3 References to a document being **executed** include references to its being executed under hand or under seal or by any other method except by means of an electronic signature
- 2 4 References to a document being **signed** or to **signature** include references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, such references are to its bearing an electronic signature
- 2 5 References to **writing** include references to any method of representing or reproducing words, symbols or other information in a legible and non-transitory form including in electronic form where specifically provided in a particular Article or where permitted by the Board in its absolute discretion

## SHARE CAPITAL

- 3 The authorised share capital of the Company as at the date of adoption of these Articles is £1,000,000 divided into 1,000,000 ordinary shares of £1 each
- 4 1 No issue of Shares shall be made to any person who is not a party to the Shareholders Agreement unless that person first enters into a Deed of Adherence
- 4 2 Before issuing any additional Shares or granting any rights to subscribe for or convert any securities into Shares, the Company shall first offer such Shares or rights to Shares, as applicable, to every Shareholder (the "Offer") The Offer shall be made by notice (the "Offer Notice") stating the number or amount of Shares (or rights to Shares) being offered, the price at which they are being offered (the "Offer Price") and any other terms of the Offer The Offer shall remain open for the period (being not less than 14 days) specified in the Offer Notice The Company shall issue the Shares or grant the rights to Shares to those Shareholders who apply for them in proportion to the number of Shares held by them respectively, but so that an applicant shall not be allocated or granted more Shares or rights to Shares than the number for which he has applied
- 4 4 Any Share or right to a Share not taken up by the Shareholders pursuant to Article 4 2 above may, at any time up to three months after the expiry of the Offer, be issued or granted by the Company at such price (being not less than the Offer Price), on such terms (being no less favourable to the Company than the terms of the Offer), in such manner and to such persons as the Board determines
- 4 5 Save (a) in relation to an Offer made pursuant to Article 4 2 where Arley either (i) does not take up its right to acquire Shares or rights to Shares, or (ii) takes up less than its full pro rata right to acquire Shares or rights to Shares, or (b) where Arley has previously sold down its interest in the issued share capital of the Company below 22.03%, or (c) where Arley has not participated in whole or in part in an Additional Equity Contribution (as defined in the Shareholders Agreement) in accordance with the terms of the Shareholders Agreement, the Shareholders agree that Arley's interest in the issued share capital of the Company will not be diluted below 22.03% as a result of the issuance of additional Shares or rights to Shares in accordance with the terms of this Article 4
- 5 Subject to the provisions of the Act and without prejudice to any rights attached to any existing Shares, any Share may be issued with such rights or restrictions as the Company may by ordinary resolution determine
- 6 Subject to the provisions of the Act, Shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as may be provided by the Articles
- 7 The Company may exercise the powers of paying commissions conferred by the Act Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other

- 8 Except as required by law, no person shall be recognised by the Company as holding any Share upon trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety thereof in the registered Shareholder
- 9 1 Subject to the provisions of Article 4 above and the Act, the Directors have general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased share capital) to such persons, at such times and on such terms and conditions as the Directors may decide but no Share may be issued at a discount
- 9 2 The Directors have general and unconditional authority, pursuant to section 80 of the 1985 Act, to exercise all powers of the Company to allot relevant securities for a period expiring on the fifth anniversary of the date of incorporation of the Company unless previously renewed, varied or revoked by the Company in general meeting
- 9 3 The maximum amount of relevant securities which may be allotted pursuant to the authority conferred by Article 9 2 is the amount of the authorised but as yet unissued share capital of the Company at the date of incorporation of the Company
- 9 4 By the authority conferred by Article 9 2, the Directors may before the authority expires make an offer or agreement which would or might require relevant securities of the Company to be allotted after it expires and may allot relevant securities in pursuance of that offer or agreement
- 10 The pre-emption provisions of section 89(1) of the 1985 Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the 1985 Act do not apply to any allotment of the Company's equity securities

#### **SHAREHOLDER RESERVED MATTERS**

- 11 Notwithstanding the foregoing provisions of these Articles or the provisions of the Act, the Shareholders shall procure, as far as they can, that no action is taken or resolution passed by the Company in respect of a Shareholder Reserved Matter without the prior written consent of all Shareholders

#### **VARIATION OF RIGHTS**

- 12 The rights attached to any existing Shares shall not (unless otherwise expressly provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto or by the purchase by the Company of any of its own Shares in accordance with Article 50

#### **RIGHTS ATTACHING TO SHARES**

- 13 The ordinary shares shall carry the rights and be subject to the restrictions set out in these Articles and shall rank *pari passu* in all respects, including as to voting rights and rights to any dividend or distribution

## **SHARE CERTIFICATES**

- 14 Every member, upon becoming the holder of any Shares, shall be entitled without payment to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine. Every certificate shall be sealed with the Seal if the Company has a Seal, or otherwise executed in such manner as may be permitted by the Act, and shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 15 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

## **LIEN**

- 16 The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share shall extend to any amount payable in respect of it.
- 17 The Company may sell in such manner as the Directors determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.
- 18 To give effect to a sale the Directors may authorise some person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 19 The net proceeds of the sale, after payment of costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

## **CALLS ON SHARES AND FORFEITURE**

- 20 Subject to the terms of allotment, the Directors may make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether in respect

of nominal value or premium) and each Shareholder shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made.

- 21 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 22 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 23 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part.
- 24 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 25 Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 26 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
- 27 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 28 Subject to the provisions of the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the Shareholder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share to that person.

29 A person any of whose Shares have been forfeited shall cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal

30 A statutory declaration by a Director or the Secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the Share

#### **TRANSFER OF SHARES**

31 The instrument of transfer of a Share may be in writing in any usual or common form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee

32 The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of a Share, whether or not such Shares are fully paid

33 If the Directors refuse to register a transfer of a Share, they shall give notice to the transferee of the refusal (together with reasons for the same) as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company

34 The registration of transfers of Shares or of transfers of any class of Shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Directors may determine

35 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any Share

36 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when the notice of refusal is given

#### **37 General prohibition against Share transfers**

No Shareholder can do, or agree to do, any of the following without the prior written consent of the other Shareholders unless it is permitted by Articles 38 or 39

- (i) pledge, mortgage, charge or otherwise encumber any of its Shares or any interest in any of its Shares,
- (ii) sell, transfer or otherwise dispose of, or grant any option over, any of its Shares or any interest in its Shares, or
- (iii) enter into any agreement in respect of the votes attached to any of its Shares

**38 Transfers to Affiliates**

Any Shareholder may transfer all of its Shares to an Affiliate with the prior written consent of the other Shareholders, such consent not to be unreasonably withheld, conditioned or delayed. Such Affiliate must enter into a Deed of Adherence and undertake jointly and severally with the transferring Shareholder to abide by the terms of the Shareholders Agreement and must be under an obligation to retransfer its Shares to that Shareholder (or to another Affiliate of that Shareholder which has executed a Deed of Adherence) immediately if it ceases to be an Affiliate of that Shareholder.

**39 Permitted Transfers**

Notwithstanding Article 37, and subject to the provisions of Article 38, any Shareholder may sell any proportion or all of its Shares but only in accordance with this Article 39.

39.1 The Shareholder wishing to sell (the "**Selling Shareholder**") shall first notify the other Shareholders (the "**Remaining Shareholders**") of its intention to sell such Shares (the "**Sale Shares**") and shall offer the Sale Shares to the Remaining Shareholders pro rata to their existing holdings stating a cash price therefor. The Remaining Shareholders shall be entitled to purchase as of right a pro rata amount of all of the Sale Shares based upon their relative shareholdings at that time, provided that if any Remaining Shareholder does not accept the initial offer (the "**Rejecting Remaining Shareholder**"), any accepting Remaining Shareholder shall be entitled to purchase from the Selling Shareholder each Rejecting Remaining Shareholder's entitlement (but not part of such entitlement) to purchase Sale Shares pro rata to that accepting Remaining Shareholder's holding of shares as compared to each other accepting Remaining Shareholder's holding of Shares. Following acceptance of the initial offer by a Remaining Shareholder, completion of the transfer of the relevant Sale Shares shall take place in accordance with Article 39.7,

39.2 The Remaining Shareholders must accept or reject the Sale Shares offered to them by written notice to each other party hereto within 30 days of receiving the offer or such offer shall be deemed rejected by each non-accepting Remaining Shareholder and that Remaining Shareholder shall be deemed to be a Rejecting Remaining Shareholder at that time. Any Remaining Shareholder that accepts the initial offer must also specify whether or not it wishes to acquire a pro rata share of Sale Shares offered to any Rejecting Remaining Shareholder in accordance with Article 39.1 on the terms of such initial offer and if such indication is not given by a Remaining Shareholder, that Remaining Shareholder shall be deemed not to so elect.

- 39 3 If all of the Sale Shares comprised in the initial offer are not accepted for purchase by one or more of the Remaining Shareholders, the Selling Shareholder may only market the Sale Shares which have not been so accepted in accordance with Articles 39 1 and 39 2 to bona fide third parties on an arm's length basis at the Selling Shareholder's cost
- 39 4 If the Selling Shareholder shall receive an offer from a third party for all or less than all of the Sale Shares, which it is entitled to offer to that third party, on terms which are, in any respect, more favourable to the prospective buyer than the terms upon which the Selling Shareholder offered the Sale Shares to the Remaining Shareholders under Article 39 1 (a "**third party offer**"), it shall immediately send written notice to the Remaining Shareholders (a "**Transfer Notice**") offering to sell the Sale Shares which are the subject of the third party offer to the Remaining Shareholders on terms which are no less favourable than those contained in the third party offer. The Transfer Notice must state the full details of the other terms and conditions of such offer and the period, of no less than 30 days from the date of deemed receipt of the Transfer Notice, within which the Remaining Shareholders can accept the offer contained within the Transfer Notice in respect of the relevant Sale Shares (the "**Acceptance Period**")
- 39 5 Once the Remaining Shareholders have received a Transfer Notice they may either
- (i) send a written notice to the Selling Shareholder (an "**Acceptance Notice**") within the Acceptance Period accepting all (but not some only) of the Sale Shares offered to them and referred to in the Transfer Notice,
  - (ii) send a written notice to the Selling Shareholder within the Acceptance Period declining the offer set out in the Transfer Notice, or
  - (iii) if the Remaining Shareholders do not send an Acceptance Notice to the Transfer Notice within the Acceptance Period, the Remaining Shareholders shall be deemed to have declined the offer set out in the Transfer Notice
- 39 6 Following the circulation of the Transfer Notice
- (i) if the offer set out in the Transfer Notice is accepted in respect of all (but not some only) of the Sale Shares by valid Acceptance Notice(s), completion of the transfer of such Sale Shares shall take place in accordance with Article 39 7,
  - (ii) if the offer set out in the Transfer Notice is accepted in respect of only some of the Sale Shares by valid Acceptance Notice(s), the Selling Shareholder may at its option, proceed to completion of the transfer of such Sales Shares in accordance with Article 39 7,
  - (iii) if and to the extent that the offer set out in the Transfer Notice is declined, or deemed declined, the Selling Shareholder may accept the third party offer and sell those Sale Shares not accepted by the Remaining Shareholders to that third party on the terms and conditions of the third party offer, provided that the completion of the transfer of the Shares as a consequence thereof takes place not later than 180 days after the expiry of the Acceptance Period. If the sale of all of the relevant Sale Shares to the

third party shall not have been concluded in such period, then any of the Sale Shares which shall not have been so transferred at the end of such period shall (if the Selling Shareholder wishes to continue its disposal of the same) be reoffered under Article 39 1 by the Selling Shareholder to the Remaining Shareholders on the same or any different terms as the Selling Shareholder shall think fit

39 7 The sale of the Sale Shares in accordance with Article 39 1 or Articles 39 6(i) or (ii) shall be made on the following terms

- (i) completion of the transfer of the Sale Shares shall be completed seven Business Days after the date of expiry of (as the case may require) the period stated in Article 39 2 or of the Acceptance Period (the "**Transfer Date**") and at such reasonable time and place as the Shareholders agree or, failing which, at the registered office of the Company at 11 00 a m on the Transfer Date,
- (ii) the Selling Shareholder must deliver to the Remaining Shareholders purchasing any of the Sale Shares (the "**buyer**") in respect of the Sale Shares which it is selling to them on or before the Transfer Date
  - (A) duly executed share transfer forms,
  - (B) the relevant share certificates, and
  - (C) a power of attorney in such form and in favour of such person as the buyer may nominate to enable the buyer to exercise all rights of ownership in respect of the Shares to be sold to them including voting rights,
- (iii) the buyer must pay to the Selling Shareholder the total consideration due for the Sale Shares purchased by it by telegraphic transfer to the bank account of the Selling Shareholder notified to it for the purpose prior to the Transfer Date, and
- (iv) in accordance with Article 43

39 8 If the Selling Shareholder fails or refuses to comply with its obligations in this Article 39, the Company may authorise a person to execute and deliver the necessary transfer on its behalf and the Selling Shareholder hereby accepts the appointment of such person as its attorney The Company may receive the purchase money in trust for the Selling Shareholder and cause the buyer to be registered as the holder of the Sale Shares being sold to the buyer The receipt by the Company of the purchase money shall be a good discharge to the buyer (who shall not be bound to see to the application of those moneys) After the buyer has been registered as holder of the Sale Shares being sold in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person The Company shall account to the Selling Shareholder for all monies so received and any interest earned thereon upon the Selling Shareholder delivering up the relevant share certificates to the Company

39 9 The Shareholders shall

- (i) keep the Company and the other Shareholder(s) informed, at all times, of the issue and contents of any notice served pursuant to this Article 39 and any election or acceptance relating to those notices, and
  - (ii) waive their pre-emption rights to the transfer of Sale Shares contained in the Articles to the extent necessary to give effect to this Article 39 (if applicable)
- 39 10 If the third party offer is on terms which are no more favourable to the prospective buyer than the terms upon which the Selling Shareholder offered the Sale Shares to the Remaining Shareholders under Article 39 1 then the Selling Shareholder may proceed with the sale of all of the Sale Shares not accepted by or applied for by the Remaining Shareholders in accordance with the third party offer provided that the completion of the transfer of those Sale Shares takes place not later than 180 days after the expiry of the 30 day period specified in Article 39 2. If the sale of all of those Sale Shares shall not have been concluded in such period, then any of the Sale Shares which shall not have been transferred at the end of such period shall (if the Selling Shareholder wishes to continue its disposal of the same) be reoffered under Article 39 1 by the Selling Shareholder to the Remaining Shareholders on the same or any different terms as the Selling Shareholder shall think fit
- 39 11 Any transfer or purported transfer made otherwise than in accordance with the provisions of the Shareholders Agreement or these Articles, shall be void and of no effect whatsoever and the Shareholders shall procure that the Board shall not register the same
- 39 12 Any offer, acceptance or rejection made by a Selling Shareholder or the Remaining Shareholders in accordance with the terms of this Article 39 shall be in writing and shall be irrevocable, save that in respect of any such offers made pursuant to this Article 39 on the expiry of the relevant prescribed period for acceptance such offer shall lapse
- 40 **Compulsory Transfer Events**
- 40 1 Arley shall be deemed to have given SISU notice of such termination (the "Termination Notice") if either
  - (i) all (but not some only) of the Consultancy Agreements are terminated in accordance with their terms, or
  - (ii) there shall be a change of control in relation to Arley whereby a third party other than Mr Ray Ranson would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of Arley
- 40 2 The Termination Notice shall be deemed served
  - (i) if served in accordance with Article 40 1(i) above, on the earlier of the date at which any notice to terminate the Consultancy Agreements is deemed served in accordance with their terms, or the date of termination of the Consultancy Agreements in accordance with their terms,
  - (i) if served in accordance with Article 40 1(ii) above, on the effective date of

the change of control

- 40 3 Service of a Termination Notice to SISU shall constitute a compulsory transfer event in respect of the Shares held by Arley (the "**Termination Shares**") at the deemed date of service of the Termination Notice (the "**Compulsory Transfer Event**")
- 40 4 As soon as practicable (but within at least ten Business Days) after deemed service of the Termination Notice, the Shareholders shall meet in order to use all reasonable endeavours to determine the value of the Termination Shares in accordance with the assumptions set out in Article 40 5 below (the "**Fair Value**") If within fifteen Business Days of the deemed service of the Termination Notice the Shareholders have not been able to agree on the Fair Value, then the Shareholders shall procure that the Company appoints the Independent Valuer to determine the Fair Value
- 40 5 The Fair Value shall be the value of the Termination Shares either agreed upon by the Shareholders or determined by the Independent Valuer in its reasonable opinion, in either case based on the following assumptions
- (i) the Fair Value shall be the proportion of the fair market value of the entire issued share capital of the Company that the Termination Shares bear to the then total issued share capital of the Company (with no premium or discount for the relevant proportions of the shareholdings in the Company),
  - (ii) the sale is between a willing buyer and a willing seller on the open market,
  - (iii) the sale is taking place on the date that the Compulsory Transfer Event occurred,
  - (iv) if the Company is carrying on the Business as a going concern, on the assumption that it shall continue to do so, and
  - (v) the Termination Shares are sold free from all encumbrances
- 40 6 The Independent Valuer shall determine the Fair Value to reflect any other factors which the Independent Valuer reasonably believes should be taken into account
- 40 7 If any difficulty arises in applying any of the assumptions set out in Article 40 5, the Independent Valuer shall resolve the difficulty in such manner as it shall, in its absolute discretion, think fit
- 40 8 The Independent Valuer shall be required to determine the Fair Value of the Termination Shares within 15 Business Days of its appointment and to notify the parties in writing of its determination The fees of the Independent Valuer shall be borne by the Shareholders equally
- 40 9 The Independent Valuer shall act as an expert and not as an arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 40 10 SISU will (a) be obliged, if a Termination Notice is served in accordance with Article 40 1(i) above, or (b) have the option, if a Termination Notice is served in

accordance with Article 40 1(ii) above, within 15 Business Days of receiving notification of the Fair Value, to serve a notice on Arley to purchase all of the Termination Shares (free from any encumbrances) at the Fair Value

**41 Drag Along Rights**

**41 1** If any transfer of Shares is permitted in accordance with Article 39 whereby the Selling Shareholder (the "**Drag Transferring Shareholder**") proposes to sell Shares representing 75% or more of the outstanding issued share capital of the Company to any individual buyer (the "**Third Party Purchaser**"), the Drag Transferring Shareholder shall be entitled to procure that an offer is made by the Third Party Purchaser for the entire issued share capital of the Company (including, for the avoidance of doubt, all the Shares held by the Drag Transferring Shareholder) for the consideration set out in Article 41 3 below (the "**Drag-Along Offer**")

**41 2** The Drag Transferring Shareholder may, by serving a compulsory purchase notice (the "**Drag Notice**") on each other Shareholder (the "**Dragged Shareholders**"), require the Dragged Shareholders to sell all their Shares (the "**Dragged Shares**") to such Third Party Purchaser (and any pre-emption rights set out in Article 39 above shall not apply to any such sale)

**41 3** The Drag-Along Offer will be binding upon the Third Party Purchaser and shall contain only those terms and conditions as are substantially the same in all material respects to those upon which the Drag Transferring Shareholder proposes to transfer its Shares to such Third Party Purchaser. The consideration to be paid for the entire issued share capital of the Company shall be as agreed between the Drag Transferring Shareholder and the Third Party Purchaser

**41 4** The transfer of the Dragged Shares in accordance with this Article 41 shall be made on the following terms

- (i) completion of the transfer of the Dragged Shares shall be completed in accordance with the closing arrangements specified in the Drag Notice and shall be the same as those specified between the Drag Transferring Shareholder and the Third Party Purchaser,
- (ii) the Dragged Shareholders must deliver to the Third Party Purchaser in respect of the Dragged Shares which it is transferring to them on or before the date specified in the Drag Notice
  - (A) duly executed share transfer forms,
  - (B) the relevant share certificates, and
  - (C) a power of attorney in such form and in favour of such person as the Third Party Purchaser may nominate to enable the Third Party Purchaser to exercise all rights of ownership in respect of the Shares to be sold to them including voting rights,
- (iii) the Third Party Purchaser must pay to the Dragged Shareholders the total consideration due for the Dragged Shares purchased by it by telegraphic transfer to the bank account of the respective Dragged Shareholder notified

to it for the purpose prior to the date specified in the Drag Notice, and

(iv) in accordance with Article 43

41 5 If a Dragged Shareholder fails or refuses to comply with its obligations in this Article 41, the Company may authorise a person to execute and deliver the necessary transfer on its behalf and the Selling Shareholder hereby accepts the appointment of such person as its attorney. The Company may receive the purchase money in trust for the Dragged Shareholder and cause the Third Party Purchaser to be registered as the holder of the Dragged Shares being sold to the Third Party Purchaser. The receipt by the Company of the purchase money shall be a good discharge to the Third Party Purchaser (who shall not be bound to see to the application of those moneys). After the Third Party Purchaser has been registered as holder of the Dragged Shares being sold in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person. The Company shall account to the Dragged Shareholders for all monies so received and any interest earned thereon upon the Dragged Shareholders delivering up the relevant share certificates to the Company.

## 42 Tag Along Rights

42 1 Subject to Article 41 and save in the case of a transfer of Shares which is permitted in accordance with the provisions of Article 39, but otherwise notwithstanding any other provision of the Shareholders Agreement or these Articles, no sale or other disposition of any Shares (the "**Committed Shares**") which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration the proposed purchaser (the "**Third Party Purchaser**") has made a bona fide offer (a "**Tag Along Offer**") by notice in writing (a "**Tag Along Notice**") to acquire, in accordance with this Article 42, from all the Shareholders all the Shares which are not Committed Shares (the "**Uncommitted Shares**") for the consideration (the "**Tag Along Consideration**") calculated in accordance with Article 42 3 below.

42 2 Any Tag Along Notice shall

- (i) state the Tag Along Consideration,
- (ii) state the identity of the Third Party Purchaser,
- (iii) invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer, and
- (iv) expire, and the Tag Along Offer shall be deemed to be withdrawn, on the date (being not less than 5 nor more than 20 Business Days after the date of Tag Along Notice) specified therein.

42 3 For the purposes of this Article 42, the Tag Along Consideration shall be the same consideration per Uncommitted Share in the same form and due at the same time(s) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price

paid or consideration given in respect of the Committed Shares

**43 Terms and consequences of transfers of Shares**

The provisions of this Article 43 shall apply to any transfers of Shares pursuant to the Shareholders Agreement

**43 1** Any sale and/or transfer of Shares pursuant to the Shareholders Agreement shall be on terms that those Shares

- (i) are transferred free from all claims, pledges, equities, liens, charges and encumbrances, and
- (ii) are transferred with the benefit of all rights attaching to them as at the date of the relevant Transfer Notice

**43 2** Each party shall do all things and carry out all acts which are reasonably necessary to effect the transfer of the Shares in accordance with the terms of the Shareholders Agreement and these Articles in a timely fashion

**43 3** On ceasing to be a Shareholder, a party must hand over to the Company all material correspondence, schedules, documents and records relating to the Business held by it or any third party which has acquired such matter through that Shareholder and, other than as required by law, shall not keep any copies but the Company shall allow such Shareholder reasonable access to its books and records for the purposes of allowing that Shareholder to complete any tax return or respond to any enquiry of any tax or other regulatory authority

**43 4** Upon a transfer of all the Shares held by a Shareholder

- (i) the transferring Shareholder shall procure that all loans, borrowings and indebtedness in the nature of borrowings outstanding owed by the Company to the transferring Shareholder (together with any accrued interest) are either assigned to a continuing Shareholder for such value as may be agreed between the transferring Shareholder and that continuing Shareholder, or are transferred to the person acquiring the Shares of the transferring Shareholder for value,
- (ii) all loans, borrowings and indebtedness in the nature of borrowings outstanding owed by that transferring Shareholder to the Company shall be repaid, and
- (iii) to the extent permitted by law, the Company shall use all reasonable endeavours (but without involving any financial obligation on its part) to procure the release of any guarantees, indemnities, security or other comfort given by the transferring Shareholder to or in favour of the Company or its Subsidiaries and, pending such release, the Company shall indemnify the transferring Shareholder in respect of them

**43 5** Any assumption of the obligations of a transferring Shareholder by a continuing Shareholder is without prejudice to the right of any Shareholder and/or the Company to claim from the transferring Shareholder in respect of liabilities arising prior to the completion date of the transfer of Shares

- 43 6      The Parties shall procure that no person other than an existing Shareholder acquires (whether by issue or transfer or otherwise) any Shares unless such person enters into a Deed of Adherence or Deed of Accession in a form reasonably acceptable to the Shareholders who are, and who will continue to be, party to the Shareholders Agreement following such acquisition of Shares agreeing to be bound by the Shareholders Agreement as a Shareholder and any other agreements in connection with the Business as a Shareholder

#### **TRANSMISSION OF SHARES**

- 44      If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest, but nothing herein contained shall release the estate of a deceased member from any liability in respect of any Share which had been jointly held by him
- 45      A person becoming entitled to a Share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the Share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the Share to that person. All the Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred
- 46      A person becoming entitled to a Share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the Share, except that he shall not, before being registered as the holder of the Share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of Shares in the Company

#### **ALTERATION OF SHARE CAPITAL**

- 47      The Company may by ordinary resolution—
- (a)      increase its share capital by new Shares of such amount as the resolution prescribes,
  - (b)      consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares,
  - (c)      subject to the provisions of the Act, sub-divide its Shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others, and
  - (d)      cancel Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount

of its share capital by the amount of the Shares so cancelled

- 48 Whenever as a result of a consolidation of Shares any members would become entitled to fractions of a Share, the Directors may, on behalf of those members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 49 Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

#### **PURCHASE OF OWN SHARES**

- 50 Subject to the provisions of the Act, the Company may purchase its own Shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares.

#### **GENERAL MEETINGS**

- 51 All general meetings other than annual general meetings shall be called general meetings.
- 52 Unless stated to the contrary or if circumstances dictate otherwise, all references in these Articles to a general meeting shall include annual general meetings.
- 53 The Directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting for a date not later than 28 days after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any member of the Company may call a general meeting.

#### **NOTICE OF GENERAL MEETINGS**

- 54 An annual general meeting shall be called by at least twenty-one clear days' notice in writing. All other general meetings shall be convened by not less than 14 clear days' notice in writing.

The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all the members, to all persons entitled to a Share in consequence of the death or bankruptcy of a member and to the Directors and auditors.

References in this Article to notice in writing include the use of electronic means and publication on a website in accordance with the Act.

- 55 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 56 No business shall be transacted at any meeting unless a quorum is present Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum, except where the Company is a private company limited by shares or by guarantee and having one member, in which case the quorum shall be one person, being the member or a proxy for the member or a duly authorised representative of a corporation
- 57 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members shall be dissolved, or, in any other case, shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine and if at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, one member present in person or by proxy or (being a corporation) by its duly authorised representative shall be a quorum
- 58 The chairman, if any, of the board of Directors or in his absence some other Director nominated by the Directors shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman
- 59 If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present in person and entitled to vote shall choose a member to be chairman Nothing in these Articles shall restrict or exclude any of the powers or rights of a chairman of a meeting which are given by law Section 328 of the 2006 Act shall not apply to the Company
- 60 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares in the Company
- 61 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to give any such notice
- 62 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is

duly demanded Subject to the provisions of the Act, a poll may be demanded—

- (a) by the chairman, or
- (b) by any member present in person or by proxy or (being a corporation) by its duly authorised representative and entitled to vote on the resolution,

and a demand by a person as proxy for a member shall be the same as a demand by the member

- 63 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution
- 64 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made
- 65 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded
- 66 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have
- 67 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made
- 68 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- 69 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members Where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective

## **VOTES OF MEMBERS**

- 70 1 Subject to any rights or restrictions as to voting attached to any Shares by the terms on which they were issued or by or in accordance with the Articles or otherwise, on a show of hands every member who (being an individual) is present in person or by proxy, shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every Share of which he is the holder
- 70 2 Any corporation which is a member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any general meeting of the Company Where the member authorises more than one representative any one of them is entitled to exercise the same powers on behalf of the member as the member could exercise if it were an individual member of the Company, provided always that where the member has authorised more than one person as its authorised representative and more than one of such representatives purport to exercise a power on behalf of the member, then
- (a) if they purport to exercise the power in the same way, the power is treated as exercised in that way, and
  - (b) if they do not purport to exercise the power in the same way, the power is treated as not exercised and the member shall be deemed to have abstained from exercising its power
- Any Director may require evidence of the authority of any such representative before permitting him to exercise his powers
- 71 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members
- 72 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall, unless the Directors otherwise determine, be deposited at the office, or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy in writing which are not made by electronic means, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable
- 73 No member shall vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid
- 74 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive

- 75 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. Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting or any adjournment of it.
- 76 The appointment of a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by a facsimile transmission of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the Directors may approve. A proxy need not be a member of the company. In this Article, references to in writing include a document in electronic form subject to such terms and conditions as the Board may decide.
- 77 The appointment of a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, may
- (a) in the case of an appointment which is not contained in electronic form, be deposited or received at the office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the company in relation to the meeting) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
  - (b) in the case of an appointment contained in electronic form, where an address has been specified for the purpose of receiving an appointment of proxy by electronic means
    - (i) in the notice convening the meeting, or
    - (ii) in any instrument of proxy sent out by the Company in relation to the meeting, or
    - (iii) in any invitation contained in electronic form to appoint a proxy issued by the Company in relation to the meeting,be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or
  - (c) handed to the chairman of the meeting or adjourned meeting,
- and an appointment of proxy which is not so deposited, delivered or received in a manner so permitted shall be invalid.
- In calculating the periods referred to in this Article, the Board may specify, in any case, that no account shall be taken of any part of a day that is not a working day, being a day that is not a Saturday or Sunday, Christmas Day or Good Friday or any bank holiday in England.
- 78 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the

proxy was contained in electronic form, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll

#### **NUMBER OF DIRECTORS**

- 79 Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum and the minimum number shall be one

#### **ALTERNATE DIRECTORS**

- 80 A Director may appoint any person to be an alternate director and may remove from office an alternate director so appointed by him
- 81 An alternative director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors (even if he is absent from the United Kingdom) of which his appointor is a member, to attend and vote at such meetings at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director
- 82 An alternative director shall cease to be an alternative director if his appointor ceases to be a Director, but if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternative director made by him which was in force immediately prior to his retirement shall continue after his reappointment
- 83 Any appointment or removal of an alternative director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors
- 84 Save as otherwise provided in the Articles, an alternative director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him

#### **POWERS OF DIRECTORS**

- 85 1 Subject to the provisions of the Act, the Articles (including, in particular, Article 85 2 below) and to any directions given by special resolution, the Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law or by the Articles to the general meeting of Shareholders fall within the competence of the Board of Directors. In addition to any approvals required by the Shareholders under applicable law and subject to any other provisions of these Articles, all material decisions of the Company will be approved by a simple majority of the Directors present at any meeting or by a unanimous written consent

- 85 2 Notwithstanding the foregoing provisions of Article 85 1 above, the Shareholders shall procure, as far as they can, that no action is taken or resolution passed by the Company in respect of a Board Reserved Matter without the prior written consent of the Arley Director and at least one SISU Director

#### **DELEGATION OF DIRECTORS' POWERS**

- 86 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers
- 87 The Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any director holding any other executive officer such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 88 SISU may appoint four SISU Directors to the Board of the Company (including one of the SISU Directors as Chairman). Any SISU Director may be removed by SISU at any time and in such event the Shareholders shall procure that the Company promptly removes the SISU Director from his position(s). SISU can appoint another SISU Director in his or her place
- 89 For so long as Arley is interested in at least ten per cent of the issued share capital of the Company, it may appoint one Arley Director to the Board of the Company. The Arley Director may be removed by Arley at any time and in such event the Shareholders shall procure that the Company promptly removes the Arley Director from his position. Arley can appoint another Arley Director in his or her place
- 90 Subject to the provisions of Articles 88 and 89, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director
- 91 The Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting
- 92 Each Director shall hold office for the term for which he or she is appointed (and shall not be required to retire by rotation) and thereafter until his or her successor shall have been appointed or until his earlier death, resignation or removal
- 93 In addition to any power of removal conferred by the Act or these Articles, the Company may, subject to the provisions of Articles 88 and 89 by ordinary resolution remove any Director before the expiration of his period of office and may

(subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place

- 94 No person is incapable of being appointed a Director by reason of his having reached the age of 70 or another age. No special notice is required in connection with the appointment or approval of the appointment of such person. No Director is required to vacate his office at any time because he has reached the age of 70 or another age.

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

- 95 The office of a Director shall be vacated if—

- (a) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director, or
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- (c) he is, or may be, suffering from mental disorder and either -
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs, or
- (d) he resigns his office by notice to the Company provided that such action shall be without prejudice to the terms of and to any rights of the Company under any contract between the Director and the Company, or
- (e) he is removed from office by notice in writing signed by all of his co-Directors and served upon him, or
- (f) he shall for more than six months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated

#### **REMUNERATION OF DIRECTORS**

- 96 The ordinary remuneration of the Directors shall from time to time be determined by ordinary resolution of the Company and shall (unless the resolution provides otherwise) be deemed to accrue from day to day

#### **DIRECTORS' EXPENSES**

- 97 The Directors may repay to any Director all such reasonable expenses as he may

properly incur in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or any class of members of the Company or otherwise in or about the business of the Company. In the event of any Director necessarily performing or rendering any special duties or services to the Company outside his ordinary duties as a Director, the Directors may, if so authorised by ordinary resolution of the Company, pay such Director special remuneration and such special remuneration may be by way of salary, commission, participation in profits or otherwise as may be arranged.

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

- 98 Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of managing director or to any other executive office of the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director (except those of auditor or auditor of a subsidiary company). Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company. A managing director and a Director holding any other executive office shall be subject to the same provisions as to resignation and removal as other Directors of the Company.
- 99 Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office—
- (a) may be a party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
  - (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and
  - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

100 For the purposes of Article 99 -

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified, and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

100 1 This Article 100 1 and Articles 100 2 to 100 7 shall only apply on and from the commencement in force of section 175 of the 2006 Act For the purposes of section 175 of the 2006 Act, the Board may authorise any matter proposed to it in accordance with these Articles which would otherwise involve a breach of duty by a Director under that section, including, without limitation, any matter which relates to a situation in which a Director has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company

100 2 Any such authorisation will be effective only if

- (a) the matter has been proposed in writing for consideration at a meeting of the Board, in accordance with the Board's normal procedure or in such other manners as the Board may from time to time require,
- (b) any requirement as to quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director, and
- (c) the matter was agreed to without the Director in question or any other interested Director voting or would have been agreed to if their votes had not been counted

100 3 The Board may make any such authorisation subject to any limits or conditions (whether at the time of the giving of the authorisation or afterwards) and may at any time vary or terminate such authorisation

100 4 For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties

100 5 A Director shall not, by reason of his office, be liable to account to the Company for any profit, remuneration or other benefit derived as a result of any matter authorised by the Board in accordance with the terms of this Article and no contract, arrangement, transaction or proposal entered into by the Director in relation to such matter shall be avoided on the grounds of any such interest or benefit

100 6 Where a Director's relationship with another person, firm or body corporate (the "Third Party") has been approved by the Board in accordance with the terms of this Article and for so long as such relationship gives rise to a conflict, or possible conflict, of interest, the Director shall not be in breach of his duties under sections 171 to 177 of the 2006 Act in the event that he

- (a) does not disclose to the Board (or to any Director, officer or employee of the Company) any information obtained, otherwise than in his capacity as a Director of the Company as a result of his relationship with the Third Party in circumstances where he owes a duty of confidentiality to the Third Party
- (b) does not use such information in the performance of his duties as a Director of the Company, or
- (c) does not attend meetings of the Board at which any matter relating to the conflict, or possible conflict, of interest is to be discussed (or does not otherwise discuss such matter)

100 7 Subject to the provisions of the Act, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of this Article

#### **DIRECTORS' GRATUITIES AND PENSIONS**

101 The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependant on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund any pay premiums for the purchase or provision of any such benefit

#### **PROCEEDINGS OF DIRECTORS**

102 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, call a meeting of the Directors. Every Director shall be given not less than 48 hours' notice of every meeting of the directors, such notice to be sent to such address as is notified by him to the Company for this purpose or otherwise communicated to him personally. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

103 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternative director shall, if his appointor is not present, be counted in the quorum.

104 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purposes of filling vacancies or of calling a general meeting.

105 The Directors may appoint one of their number to be the chairman of the Board.

and may at any time remove him from that office Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting

- 106 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such Person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote
- 107 A resolution in writing of all the Directors signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held either (a) if it consists of an instrument executed by or on behalf of each such Director in accordance with the provisions of the Act, or (b) it consists of several instruments in the like form (whether in hard copy or electronic copy form) either (i) executed or authenticated by or on behalf of one or more of such Directors in the manner specified in the 2006 Act for a document in that form, or (ii) sent by or on behalf of one or more such Directors by facsimile transmission and deposited or received at the office, in each case, in accordance with the provisions of the Act
- 108 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote
- 109 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors
- 110 Where proposals are under consideration concerning the appointment or the terms of appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote in respect of each resolution except that concerning his own appointment and shall be counted in the quorum in respect of each resolution including that concerning his own appointment, and Articles 99 and 100 shall be construed subject to this provision
- 111 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive

#### **SECRETARY**

- 112 Subject to the provisions of the Act, the Secretary will be appointed by the

Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them

#### **MINUTES**

- 112 The Directors shall cause minutes to be made in books kept for the purpose
- (a) of all appointments of officers and alternate directors made by the Directors, and
  - (b) of all proceedings at meetings of the Company, of the holders of any class of Shares in the Company, of the Directors, and of committees of Directors, including the names of the persons present at each such meeting

#### **THE SEAL**

- 113 The Company need not have a Seal but if the company does have a Seal, the Seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or a second Director

#### **DIVIDENDS**

- 114 Subject to the provisions of the Act and the Shareholders Agreement, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors
- 115 Subject to the provisions of the Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights
- 116 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid, but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly
- 117 A general meeting declaring a dividend may, upon the recommendation of the

Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates (or ignore fractions) and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees on trust for the persons entitled to the dividend

- 118 Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share
- 119 No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share
- 120 Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company

#### **ACCOUNTS**

- 121 No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the Directors or by ordinary resolution of the Company

#### **CAPITALISATION OF PROFITS**

122 The Directors may with the authority of an ordinary resolution of the Company—

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve,
- (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively, or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to that sum, and allot the Shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued Shares to be allotted to members credited as fully paid,
- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of Shares or debentures becoming distributable under this regulation in fractions, and
- (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any Shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members

#### NOTICES

123 Any notice to be given to or by any person pursuant to the Articles (other than a notice calling a meeting of the Directors) shall be in writing or shall be given using electronic means to an address for the time being notified for that purpose to the person giving the notice

In this article, "address", in relation to communication by electronic means, includes any number or address used for the purposes of such communications

124 The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic means to an address for the time being notified to the Company by the member or by sending it by facsimile transmission to such facsimile number as the member shall have given to the Company for the purpose. In the case of joint holders of a Share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders

In this article, "address", in relation to communication by electronic means, includes any number or address used for the purposes of such communications

- 125 A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called
- 126 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title
- 127 Proof that an envelope containing a notice was properly addressed, prepaid and posted or that a notice was properly sent by facsimile transmission shall be conclusive evidence that the notice was given Proof that a notice contained in electronic form was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or after the time at which it was sent by facsimile transmission or in the case of a notice contained in electronic form, at the expiration of 48 hours after the time it was sent
- 128 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, supplied for that purpose by the persons claiming to be so entitled Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred

#### **WINDING UP**

- 119 If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability

#### **BORROWING AND OTHER POWERS**

- 120 The Directors may exercise all the powers of the Company without limit as to amount to borrow and raise money and to accept money on deposit and to grant any security, mortgage, charge or discharge as they may consider fit for any debt or obligation of the Company or which is binding on the Company in any manner or way in which the Company is empowered so to grant and similarly as they may consider fit to enter into any guarantee, contract of indemnity or suretyship in any manner or way in which the Company is empowered so to enter into

#### **INDEMNITY**

- 121 Subject to the provisions of the Act, the Company may indemnify any Director or

other officer of the Company against any liability. Subject to those provisions, but without prejudice to any indemnity (including from the Company) to which the person concerned may otherwise be entitled, every Director or officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a Director or other officer of the Company 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 under the Act in which relief is granted to him by the court. For the purposes of this Article no person appointed or employed by the Company as an auditor is an officer of the Company.

#### **INSURANCE**

- 122 The Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company or any other company which is its holding company or subsidiary. Without prejudice to the generality of Article 100 at a meeting of the Directors where such insurance is under consideration a Director may form part of the quorum and vote notwithstanding any interest he may have in such insurance.

## **Annex 1**

### **Shareholder Reserved Matters**

The Shareholders shall procure, as far as they can, that no action is taken or resolution passed by the Company in respect of the following matters ("**Shareholder Reserved Matters**"), without the prior written consent of all of the Shareholders

- (a) any alterations to the Memorandum and/or Articles of Association of the Company or any of its subsidiaries,
- (b) any change in the share capital of the Company or any of its subsidiaries or the creation, allotment or issue of any shares or of any other security or the grant of any option or rights to subscribe for or to convert any instrument into such shares or securities,
- (c) any reduction of the share capital or variation of the rights attaching to any class of shares or any redemption, purchase or other acquisition by the Company of its shares or other securities,
- (d) any payment, dividend or other distributions out of the capital, profits or reserves of the Company otherwise than in accordance with the Articles,
- (e) otherwise than in the ordinary course of its business, any transfer, assignment or disposition of, or the vesting or procuring the transfer or disposition of, the whole or any substantial part of the property, business, undertaking or other assts of the Company, whether by a single transaction or a series of transactions, whether related or not,
- (f) any sale, hive down or disposition of the whole or a substantial part of the undertaking or assets of the Company,
- (g) the institution of any proceedings or the taking or permitting to be taken of any steps in relation to or in preparation for the winding up, administration or dissolution of, or the appointment of an administrator or administrative receiver in respect of, the Company,
- (h) any merger or amalgamation of the Company with any other company or concern, or
- (i) the entering into of any mortgage or charge or the grant of permission for the creation of or sufferance to subsist any mortgage or charge over the whole or any part of the assets or undertaking of the Company

## **Annex 2**

### **Board Reserved Matters**

The Shareholders shall procure, as far as they can, that no action is taken or resolution passed by the Company in respect of the following matters ("**Board Reserved Matters**") without the prior written consent of the Arley Director and a SISU Employed Director

- (a) the appointment and removal of the Company's auditors or lawyers (or those of any of its subsidiaries),
- (b) the approval of the Company's audited accounts or any change to the Company's accounting reference date or its accounting policies,
- (c) any changes to the bank accounts for the Company or any of its subsidiaries,
- (d) the adoption of and amendment to any business plan for the Company,
- (e) the adoption of and amendment to any annual budget for the Company,
- (f) the appointment, discharge or amendment to the remuneration and conditions of employment of any employee earning £25,000 or more each year,
- (g) the adoption of any bonus or profit sharing scheme, any share option or share incentive scheme or employee share trust or share ownership plan or retirement benefit scheme,
- (h) the entry into of any contract or commitment under which the Company may incur a capital expenditure or costs of £10,000 or more or which may not be fulfilled or completed within one year,
- (i) any material transaction with a Shareholder or any of its Affiliates not in the ordinary course of business or not on arm's length commercial terms,
- (j) the acquisition or disposal of any assets or property of the Company, or
- (k) any increase or amendment to the borrowing levels (or indebtedness in the nature of borrowings) of the Company, including any increase to the Company's overdraft or the incurrence of new indebtedness