

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION OF

ALLEN GEARING SOLUTIONS LIMITED (the "Company")

CIRCULATION DATE: 1/9/08

LAPSE DATE: 28/9/08



Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company hereby propose that the following resolutions (the "Resolutions") be passed

ORDINARY RESOLUTION

- 1 THAT the issued and unissued share capital of the Company be reclassified as follows
  - 1 1 so that the existing 40 ordinary shares of £1 00 each in the capital of the Company issued to Kevin Johnson shall become 40 A ordinary shares of £1 00 each,
  - 1 2 so that the existing 35 ordinary shares of £1 00 each in the capital of the Company issued to Paul Cartwright shall become 35 B ordinary shares of £1 00 each,
  - 1 3 so that the existing 25 ordinary shares of £1 00 each in the capital of the Company issued to Jason Watkiss shall become 25 C ordinary shares of £1 00 each,
  - 1 4 so that 60 of the existing unissued ordinary shares of £1 00 each in the capital of the Company shall become 60 A ordinary shares of £1 00 each,
  - 1 5 so that 65 of the existing unissued ordinary shares of £1 00 each in the capital of the Company shall become 65 B ordinary shares of £1 00 each,
  - 1 6 so that 75 of the existing unissued ordinary shares of £1 00 each in the capital of the Company shall become 75 C ordinary shares of £1 00 each,

1 7 so that 700 of the existing unissued ordinary shares of £1 00 each in the capital of the Company shall become 700 D ordinary shares of £1 00 each

in each case having the rights attributed to shares of that class as set out in the articles of association of the Company proposed to be adopted pursuant to resolution 3 below

2 **THAT** the authorised share capital of the Company be increased from £1,000 to £15,000 be the creation of

2 1 3,900 A ordinary shares of £1 00 each,

2 2 3,400 B ordinary shares of £1 00 each,

2 3 2,400 C ordinary shares of £1 00 each, and

2 4 4,300 D ordinary shares of £1 00 each

such shares to carry such rights as set out in the amended articles of association of the Company proposed to be adopted pursuant to resolution 3 below

3 **THAT** the articles of association accompanying this resolution and for the purpose of identification marked 'A' be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company

4 **THAT** the memorandum of association of the Company be amended by the insertion of a new clause 5 to record the change made to the share capital of the Company as a result of this written resolution to the effect that the following clause 5 shall be inserted in place of and to the exclusion of the existing clause 5

"The share capital of the Company is £15,000 divided into 4,000 A ordinary shares of £1 00 each, 3,500 B ordinary shares of £1 00 each, 2,400 C ordinary shares of £1 00 each and 5,000 D ordinary shares of £1 00 each "

## AGREEMENT

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

The undersigned, being all the persons entitled to vote on the Resolutions on the circulation date stated above, hereby irrevocably agree to the Resolutions



**Kevin Johnson**

1/9/08

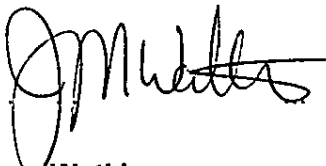
**Dated**



**Paul Cartwright**

1/9/08

**Dated**



**Jason Watkiss**

1/9/08

**Dated**

## NOTES

- 1 You can choose to agree to the all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above before returning it to the Company using one of the following methods

- **By hand:** delivering the signed copy to the Company Secretary at the Company's registered address
- **By post:** returning the signed copy by post to the Company Secretary at the Company's registered address

If you do not agree to the Resolutions, 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 Resolutions, you may not revoke your agreement.
- 3 Unless, prior to 28 days from the date of the Resolutions, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us prior to or on this date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

The Companies Acts 1985 and 1989  
Private Company Limited by Shares

**MEMORANDUM OF ASSOCIATION**  
**OF**  
**ALLEN GEARING SOLUTIONS LIMITED<sup>1</sup>**

- 1 The name of the company is **Allen Gearing Solutions Limited** (hereinafter called the "**Company**")
- 2 The registered office of the Company is to be situated in England and Wales
- 3 The objects for which the Company is established are
  - 3 1 to carry on business as a general commercial company and any trade or business whatsoever and any lawful purpose pursuant to the Companies Act 1985 (hereinafter called the "**Act**") as amended, extended or applied by or under any other enactment or as re-enacted, and without prejudice thereto and in furtherance thereof,
  - 3 2 to carry on any other trade or business whatsoever which can in the opinion of the members or directors of the Company be conveniently or advantageously or profitably carried on in connection with or ancillary to any of the businesses of the Company or calculated directly or indirectly to enhance the value or render more profitable any of the Company's assets,
  - 3 3 to assume the obligations or any of them arising from the formation of the Company and without prejudice to the generality thereof to pay all costs, charges and expenses incurred or sustained in or about the promotion or establishment of the Company or which the directors may consider to be in the nature of preliminary expenses, and to novate or otherwise assume any contracts entered into prior to incorporation of the Company as the directors may think fit,
  - 3 4 to undertake or acquire all or any part of the business, assets and liabilities of or any share in any company, partnership or person carrying on or proposing to carry on all or any of the objects for the time being of the Company, or to amalgamate, enter into partnership, share profits, co-operate, or engage in mutual assistance with any such company, partnership or person or for subsidising or otherwise assisting any such company, partnership or person, and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage, charge and deal with any shares, debentures, debenture stock or securities however received, and to conduct and carry on, liquidate or wind up any such business,

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<sup>1</sup> By a written resolution dated 13 May 2008, the name of the Company was changed from HC 1061 Limited to Allen Gearing Solutions Limited

- 3 5 to apply for, subscribe, take, purchase or otherwise acquire, hold and deal with shares, debentures, bonds, options or other interests in or securities of any other company so as to benefit directly or indirectly the Company or enhance the value of its property, and to co-ordinate, finance, manage, supervise or control the business and operations of any company in which the Company may hold such interest,
- 3 6 to purchase, lease, exchange, hire, hold, develop or to acquire and take options over and deal with the whole or any part of any property whatsoever, including without limitation any shares in the capital of the Company, and any rights or privileges of any kind over or in respect of any property, or any estate or interest in any real or personal property and on such terms as may be considered expedient,
- 3 7 to promote, form, finance or assist any other company or business for the purpose of acquiring the whole or any part of the business, property, undertaking or liabilities of the Company or of any other company or business, property, undertaking or liabilities which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to subscribe for, purchase or otherwise acquire or place or guarantee the placing of or underwrite all or any part of the shares, debentures, bonds or securities of any such company as aforesaid,
- 3 8 to sell, hire out, grant leases or licences, grant assured shorthold tenancies, exchange, dispose of, turn to account, grant options, rights or privileges in respect of, mortgage, charge or otherwise deal with all or any part of the business or property of whatever nature (whether or not as a going concern) of the Company, and to deal as aforesaid with the same or any part thereof either together or in portions for such consideration whether shares, debentures, options, cash or real or personal property of any other nature without limit, as the members or the directors of the Company may think fit,
- 3 9 to erect, build, manufacture, improve, manage, construct, repair, maintain, alter or develop any real or personal property,
- 3 10 to invest and deal with any moneys of the Company not immediately required for the purposes of the business in any manner, and to hold, alter, dispose of or otherwise without limit deal with any investments so made,
- 3 11 to receive money on deposit or loan, and to borrow or raise money or credit as may seem expedient without limit and whether with or without any security or guarantee thereof, and to issue any debentures or debenture stock whether perpetual, irredeemable or otherwise,
- 3 12 to issue or grant any mortgage, charge, standard security, lien or other security upon all or any part of the property or assets whether present or future and including but without limit the uncalled capital of the Company, and also by any such means to secure and guarantee the performance by the Company, any holding, subsidiary or associated company of the Company, or any other person, firm or company of any obligation undertaken by the Company or any of them as the case may be, and to stand security or guarantor for or otherwise support any obligation of any other person, firm or company whether by personal covenant, mortgage, charge, standard security or lien upon the whole or any part of the undertaking, property and assets of the Company whether present or future including but without limit its uncalled capital,
- 3 13 to advance or lend money or give any credit to any person, firm or company as the directors or members may think fit,

- 3 14 to the extent permitted by law and in accordance with the procedure set out in the Act to give financial assistance for the purpose of the acquisition or redemption of any shares, debentures, option rights or other security of the Company or any company which is for the time being the Company's holding company or subsidiary or another subsidiary of any such holding company or for the purpose of reducing or discharging a liability incurred for the purpose of such an acquisition and to give such assistance by means of a gift, loan, guarantee, indemnity, the provision of security or otherwise,
- 3 15 to draw, issue, accept, endorse, discount, negotiate, make or deal with as may seem expedient cheques, bills of exchange or lading, promissory notes, warrants, coupons, debentures, and other negotiable or transferable notes or instruments,
- 3 16 to seek any permission, order, privilege, charter, concession, decree, right, or licence from any government department, national, local or other statutory authority or official body in any part of the world where the Company does or may do business or other official sanctions for enabling the Company to pursue any of its objects for the time being or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and comply with the same, and to oppose or defend any proceedings or application which may seem directly or indirectly to advance or prejudice the Company's interests as the case may be,
- 3 17 to seek in any part of the world and deal with, grant or obtain licences in respect of, manufacture under, operate, test, improve, or experiment on any invention, discovery, copyright, patent, brevet d'invention, licence, secret process, trade mark, service mark, design, registration, protection and concession as may seem expedient or beneficial, and to register, re-register, disclaim, alter, modify, use, and turn to account the same or any of them,
- 3 18 to act as principal, nominee, agent (whether disclosed or undisclosed), broker, trustee, factor, contractor or sub-contractor in any part of the world,
- 3 19 to pay, reward or remunerate anyone supplying goods or services to the Company by cash, goods, services or any securities of the Company,
- 3 20 to give to any charitable, benevolent or public cause or object which may be for the benefit of the Company or any holding, subsidiary or associated company of the Company or any directors or employees thereof, and to provide or pay towards any pension, annuity, gratuity, insurance, superannuation or other allowance or benefit, and generally to provide advantages, facilities and services for any persons who are or have been directors of, employed by, or serving the Company or any holding, subsidiary or associated company of the Company or any predecessor thereof and to the members of the family, dependants, personal representatives or nominated beneficiaries of any such persons, and to set up, establish, maintain, provide, contribute towards and lend in favour of any incentive, profit-sharing, option, or savings related scheme for the benefit of the employees of the Company or any holding, subsidiary or associated company as aforesaid,
- 3 21 to distribute among the members of the Company in specie or otherwise any property of the Company of whatever nature, including but without limit the shares, debentures or other securities of any other company taking over the whole or any part of the undertaking, assets or liabilities of the Company, and to purchase or assist the purchase of or redeem the shares for the time being (including any redeemable shares) or reduce the capital of the Company in any manner permitted under Part V of the Act,

- 3 22 to establish and maintain or process the establishment and maintenance of any pension, superannuation funds or retirement benefit schemes (whether contributory or otherwise) for the benefit of any persons who are or who were at any time in the employment or service of the Company or who are or have been directors or officers of the Company,
- 3 23 to establish and maintain or procure the establishment and maintenance of, any pension superannuation funds or retirement benefit schemes (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances, emoluments and any other relevant benefits to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary or holding company of the Company or which is a subsidiary of any such holding company or is allied to or associated with the Company, or any such subsidiary or any of the predecessors of the Company or any such other company as aforesaid, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons, and to establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well being of, the Company or of any other company as aforesaid, or of any such persons aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any other such company as aforesaid and without prejudice to the generality of the foregoing to act either alone or jointly as trustee or administrator for the furtherance of any of the aforesaid purposes,
- 3 24 to establish, on and subject to such terms as may be considered expedient, a scheme or schemes for or in relation to the purchase of, or subscription for, any fully or partly paid shares in the capital of the Company by, or by trustees for, or otherwise for the benefit of, employees of the Company or of its subsidiary or associated companies,
- 3 25 to carry on any of the objects for the time being of the Company in any part of the world either as principal, agent, contractor, trustee or otherwise and either by or through agents, trustees, brokers, sub-contractors or otherwise and either alone or with any other person, firm or company, and
- 3 26 to do all things specified for the time being in the articles of association of the Company

The objects in each preceding sub-clause shall be regarded as independent objects and shall not be in any way limited or restricted by reference to or inference from the terms of any other sub-clause herein except as may be expressly stated, or by the name, place or date of incorporation of the Company. The Company shall have as full a power to exercise all or any of the objects and powers in each sub-clause herein as if each sub-clause contained the objects of a separate company. Reference to any company herein shall be deemed to include any body whether incorporated or not and wherever in any part of the world set up, established or registered

- 4 The liability of the members is limited



- 5 The share capital of the Company is £15,000 divided into 4,000 A ordinary shares of £1 00 each, 3,500 B ordinary shares of £1 00 each, 2,500 C ordinary shares of £1 00 each and 5,000 D ordinary shares of £1 00 each<sup>2</sup>

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<sup>2</sup> By a written resolution dated 1/9/08, the authorised and issued share capital of the Company was reclassified as 4,000 A ordinary shares of £1 00 each, 3,500 B ordinary shares of £1 00 each, 2,500 C ordinary shares of £1 00 each and 5,000 D ordinary shares of £1 00 each

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**ALLEN GEARING SOLUTIONS LIMITED**

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**ARTICLES OF ASSOCIATION**

Adopted on 01/09/ 2008

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**COMPANIES ACTS 1985 AND 2006**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**ALLEN GEARING SOLUTIONS LIMITED (the "Company")**

**(adopted by Special Resolution of the Company**

**passed on 2008)**

**1 PRELIMINARY**

- 1 1 The regulations constituting Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826), and as otherwise amended prior to the adoption of these Articles (Table A) apply to the Company except in so far as they are excluded or varied by these articles
- 1 2 Words and expressions defined in Regulation 1 of Table A have the same meanings in these articles where the context admits
- 1 3 Regulations 2, 3, 8, 24, 35, 41, 46, 54, 64, 66, 76–79, 84, 94 and 118 of Table A do not apply to the Company
- 1 4 The Company is a private company and no shares or debentures of the Company may be offered to the public

**2 DEFINITIONS AND INTERPRETATION**

- 2 1 In these articles the following words and expressions shall (except where the context otherwise requires) have the following meanings

**"A Ordinary Share"** means an A ordinary share of £1 00 in the capital of the Company,

**"Accounting Period"** means an accounting reference period of the Company being a period commencing 1 September and ending on the following 31 August or such other date as is notified to the Registrar of Companies from time to time,

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

**"B Ordinary Share"** means a B ordinary share of £1 00 in the capital of the Company,

**"Bad Leaver"** shall have the meaning set out in Article 10 4 3,

**"Beneficial Owner"** shall have the meaning set out in Article 7 1 1,

**"Board"** means all the Directors of the Company from time to time,

**"C Ordinary Share"** means a C ordinary share of £1 00 in the capital of the Company,

**"Cessation Date"** shall have the meaning set out in Article 10 1,

**"Commencement Date"** means the date of the adoption of these articles,

**"Companies Acts"** means the Companies Act 1985 and the Companies Act 2006 as amended and in force from time to time,

**"Compulsory Vendors"** shall have the meaning set out in Article 10 1,

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

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

**"Date of Incapacitation"** shall have the meaning set out in Article 8 1,

**"D Share"** means a D ordinary share of £1 00 in the capital of the Company,

**"Deemed Notice Date"** shall have the meaning set out in Article 10 2,

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

**"Family Trust"** means a trust (whether arising under a settlement inter vivos or a testamentary disposition made by any person or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations, and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his Privileged Relations,

**"Founder Directors"** means Kevin Johnson, Jason Watkiss and Paul Cartwright and **"Founder Director"** shall mean any of them,

**"FS Act"** means The Financial Services and Markets Act 2000 and every statutory modification or re-enactment of such Act for the time being in force,

**"Good Leaver"** shall have the meaning set out in Article 10 4 2,

**"Group"** means the Company and its subsidiary undertakings from time to time and references to a "member of the Group" or a "Group member" shall be construed accordingly,

**"Lenders"** means ECF Asset Finance plc and Coface Receivables Finance Limited,

**"Liabilities"** means all sums due by the Company to the Lenders and/or Rolls-Royce Power Engineering plc,

**"Mandatory Transfer Notice"** shall have the meaning set out in Article 9 1 1,

**"Minority Shareholder"** shall have the meaning set out in Article 11 4,

**"Official List"** means the official list of the UK Listing Authority,

**"Ordinary Dividend"** shall have the meaning set out in Article 4 1 1,

**"Ordinary Shares"** means the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares,

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

**"Permitted Transferee"** shall have the meaning set out in Article 8 2 2 and 8 2 3 and 8 2 4,

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

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

**"Proposing Transferee"** shall have the meaning set out in Article 9 1 2,

**"Proposing Transferor"** shall have the meaning set out in Article 9 1 1,

**"PRs"** shall mean the legal personal representatives of a deceased Shareholder,

**"Purchasers"** shall have the meaning set out in Article 9 1 9,

**"Purchasing Group"** shall have the meaning set out in Article 11 1,

**"Recognised Investment Exchange"** shall have the meaning given to it in the FS Act,

**"Sale Price"** shall have the meaning set out in Article 9 1 2 or, as the case may be 9 1 3,

**"Sale Shares"** shall have the meaning set out in Article 9 1 1,

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

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

**"Third Party Price"** shall have the meaning set out in Article 11 2,

**"Total Transfer Condition"** shall have the meaning set out in Article 9 1 1,

**"Transfer Notice"** shall have the meaning set out in Article 9 1 1,

**"Trustee in Bankruptcy"** shall have the meaning set out in Article 10 5,

**"UK Listing Authority"** means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of the FS Act and in the exercise of its functions in respect of the admission to the Official List otherwise than in accordance with Part IV of the FS Act including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated

2 2 In these articles, where the context admits

2 2 1 words and phrases which are defined or referred to in or for the purposes of the Companies Act or Table A have the same meanings in these articles unless the context otherwise requires,

2 2 2 sections 5, 6, 8 and 9 and schedule 1 to the Interpretation Act 1978 apply in the same way as they do to statutes,

2 2 3 reference to a statutory provision includes reference to

2 2 3 1 any order, regulation, statutory instrument or other subsidiary legislation at any time made under it for the time being in force (whenever made),

2 2 3 2 any modification, amendment, consolidation, re-enactment or replacement of it or provision of which it is a modification, amendment consolidation, re-enactment or replacement,

2 2 4 reference to a Regulation is to a regulation of Table A, and reference to an Article is to a provision of these articles,

2 2 5 reference to a gender includes the other genders, and reference to the singular includes the plural and vice versa

### 3. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these articles is £15,000 divided into

3 1 4,000 A Ordinary Shares,

3 2 3,500 B Ordinary Shares,

3 3 2,500 C Ordinary Shares,

3 4 5,000 D Shares

#### **4. SHARE RIGHTS**

Regulation 2 shall not apply to the Company. Save as detailed in these articles the rights of the Shares shall rank *pari passu*. The rights and restrictions attaching to the Shares shall be as follows

##### **4 1 As regards income**

4 1 1 Any profits which the Company has available for lawful distribution and which the Company may determine to distribute (in any event not exceeding the amount recommended by the Directors) in respect of any Accounting Period shall be applied in paying to the Shareholders a non-cumulative dividend on the amounts from time to time credited as paid up on the Shares

4 1 2 Any amount of dividend payable under these Articles shall belong to and be paid to the holders of the relevant Shares *pro rata* according to their holdings of such Shares

##### **4 2 As regards capital**

4 2 1 On a return of assets whether in a winding-up or reduction of capital or otherwise (except in the case of the redemption of shares or the purchase by the Company of its own shares) the assets and retained profits of the Company available for distribution among the Shareholders shall be applied as follows

4 2 1 1 firstly in paying to the Shareholders the amounts credited as paid up on the Shares together with a sum equal to any arrears of declared but unpaid dividend, and

4 2 1 2 secondly in distributing the balance of such assets and retained profits amongst the Shareholders in proportion to the amounts credited as paid up on the Shares held by them respectively

##### **4 3 As regards voting**

4 3 1 Subject to clause 4 3 2, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, shall have one vote, and on a poll every Shareholder who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every Share of which he is a holder. Regulation 54 shall not apply to the Company

4 3 2 The holders of D Shares shall have no right to vote

#### **5. ISSUE OF NEW SHARES**

- 5 1 Subject to the provisions of the Companies Act, the Directors are hereby authorised to exercise all powers of the Company to allot all relevant securities (within the meaning of Section 80 of the Act) up to the amount of the authorised but unissued share capital of the Company at the date of adoption of these Articles. Such authority shall be unconditional and unless renewed shall expire on the date five years from the date of the adoption of these Articles, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot the relevant securities in pursuance of such offer or agreement accordingly. The amount of a relevant security shall in the case of a share in the Company mean its nominal amount and in the case of a right to subscribe for or to convert any security into shares in the Company mean the nominal amount of shares in the Company which would be required to satisfy such right (assuming full exercise thereof).
- 5 2 Subject to Articles 5 3 and 5 5 any Ordinary Shares for the time being unissued and any new Ordinary Shares from time to time created shall before they are issued be offered to the Ordinary Shareholders in proportion (as nearly as may be) to the nominal amount of their existing holdings of Shares (of whatever class). The offer shall be made by notice specifying the number and class of shares offered and the price per share and limiting a time (not being less than 20 days or more than 30 days) within which the offer if not accepted will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that he/they decline(s) to accept the shares offered or any of them, the Directors shall offer the shares declined in like manner (save that the minimum period for acceptance may be seven days) to the other Ordinary Shareholders who have agreed to invest in all the shares offered to them in proportion (as nearly as may be) to the nominal amount of their existing holdings of Shares (of whichever class). If the shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.
- 5 3 If all or any of the shares to which Article 5 2 applies are not taken up in accordance with the provisions of Article 5 2 the Directors may offer such shares to a third party (to be approved by the Ordinary Shareholders) and, subject to these articles and to the provisions of section 80 of the Companies Act, such shares shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that
- 5 3 1 no shares shall be issued at a discount,
- 5 3 2 no shares to which Article 5 2 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such shares made under Article 5 2 unless the procedure set out in Article 5 2 is repeated in respect of such shares,
- 5 3 3 no shares shall be issued at a price less than that at which they were offered to the members of the Company in accordance with Article 5 2, and
- 5 3 4 (if the Directors are proposing to issue such shares wholly or partly for



non-cash consideration) the cash value of such consideration shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its members

5 4 The provisions of Articles 5 2 and 5 3 shall mutatis mutandis apply to all equity securities (as defined in section 94(2) of the Companies Act) of the Company from time to time created

5 5 The provisions of sections 89(1) and 90(1) to (6) of the Companies Act shall not apply to the Company

## **6. TRANSFERS OF SHARES - GENERAL**

6 1 Save in the event of death or permanent incapacity (Article 8) or a transfer in accordance with Article 7 or a transfer in accordance with Article 10 or 11, no Shares may be transferred by any Shareholder for so long as any of the Liabilities remain outstanding

6 2 The first sentence of Regulation 24 shall not apply to the Company Without prejudice to the remaining provisions of Regulation 24 the Directors shall not register any transfer of shares in the Company to any person who is a minor, or who for any other reason does not have legal capacity to transfer shares, or otherwise except pursuant to a transfer permitted by the following provisions of these articles

6 3 For the purposes of

6 3 1 ensuring that a transfer of shares is permitted under these articles, or

6 3 2 ensuring that no circumstances have arisen whereby a shareholder may be bound or required to give or is deemed to have given a Transfer Notice, or

6 3 3 ascertaining when a Transfer Notice should have been or is deemed to have been given under these articles,

the Directors may from time to time require any Shareholder, the PRs of any deceased Shareholder, the trustee in bankruptcy of any Shareholder, the receiver, administrative receiver or liquidator of any corporate member, or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose Failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after request the Directors shall be entitled to refuse to register the transfer in question or (where no transfer is in question) may resolve to require by notice in writing that a Transfer Notice be given in respect of the shares concerned If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a shareholder may be bound or required to give or be deemed to have given a Transfer Notice the Directors may resolve by notice in writing to require that a Transfer Notice be given in respect of the shares concerned Any such resolution of the Directors shall be binding upon the shareholders concerned who shall be bound to give a Transfer Notice in respect of the shares

concerned forthwith upon receipt of the said notice from the Directors

- 6 4 A Transfer Notice shall be deemed to be given (if not actually given) at the expiry of seven days after the Directors have required the same to be given pursuant to Article 6 3 and the provisions of these articles relating to Transfer Notices shall take effect accordingly
- 6 5 A Transfer Notice given or deemed to be given pursuant to these articles shall not be capable of revocation (except as provided in Article 10 1 or otherwise with the written approval of the Board) nor may it specify without the written approval of the Board that unless all relevant shares are sold by the Company pursuant to the Transfer Notice, none shall be so sold Subject as provided to the contrary in these articles, the provisions of Article 9 1 shall apply to any Transfer Notice given or deemed to be given under or pursuant to these articles
- 6 6 In any case where a shareholder (or his PRs) has or have been required to give or has or have been deemed to have given a Transfer Notice pursuant to the provisions of these articles and subsequently become(s) the holder of (or is or are deemed pursuant to Article 10 to be the holder(s) of) further shares in the Company by virtue of the holding of any shares comprised in such Transfer Notice (whether by way of rights or bonus issue conversion transfer or otherwise howsoever) a majority of the Directors may at any time determine in their absolute discretion that the shareholder (or his PRs) shall be deemed to have served a Transfer Notice pursuant to this Article or Articles 9 1 or 10 (as appropriate) in respect of such further shares

## 7. PERMITTED TRANSFERS OF SHARES

### 7 1 Nominees

- 7 1 1 Any Ordinary Shares may be transferred by their beneficial owner (the "**Beneficial Owner**") to a person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only
- 7 1 2 Where any shares have been transferred to a nominee pursuant to Article 7 1 1 any such nominee may transfer any shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only
- 7 1 3 Where a person to whom any shares have been transferred as a nominee pursuant to this Article 7 1 ceases to hold such shares as nominee for the Beneficial Owner only he shall forthwith transfer such shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect thereof provided that the price shall be the issue price (including any premium)

## **7 2 To Privileged Relations and Trustees**

7 2 1 Any Ordinary Shares may be transferred by a Beneficial Owner who is a Founder Director (or allotted at the Founder Director's request or direction)

7 2 1 1 to a Privileged Relation of such Beneficial Owner,

7 2 1 2 to trustees to be held upon Family Trusts

7 2 2 Where any shares have been transferred or allotted to Privileged Relations or trustees pursuant to Article 7 2 1 or allotted to trustees to be held upon Family Trusts for a Founder Director, their Privileged Relation or the trustees as the case may be may transfer any such shares to a person or persons shown to the reasonable satisfaction of the Directors to be

7 2 2 1 the trustees for the time being (on a change of trustee) of the Family Trusts in question and/or,

7 2 2 2 the Beneficial Owner or any Privileged Relation of the Beneficial Owner

In any case where an Ordinary Shareholder proposing to transfer shares under this Article 7 2 (the "**Proposing Transferor**") holds those shares as a result of an earlier transfer authorised under this Article 7 2 from another Ordinary Shareholder or as a result of an allotment requested by a Founder Director, (the "**Original Member**") the Proposing Transferor may only transfer those shares to a person to whom the Original Member could have transferred such shares under this Article 7 2

7 3 Where shares are held by trustees on a Family Trust and any such shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under Article 7 2 2) the trustees shall forthwith transfer such shares to a transferee permitted under Article 7 2 2 and in default of doing so the trustees shall be deemed to have given a Transfer Notice in respect of the shares in question provided that the price shall be the issue price (including any premium)

7 4 Where shares are held by Privileged Relations (whether by allotment or transfer) and such shareholders cease to fall within the definition of Privileged Relations, that shareholder shall immediately upon receipt of notice to do so from their related Founder Director) transfer such shares to a transferee permitted under Article 7 2 2 and in default of doing so the related Founder Director shall authorise some person to complete execute and deliver on the Shareholder's behalf all documents, deeds and other instruments necessary or proper in connection with such transfer for such consideration (if any) as the Founder Director sees fit

## **8 DEATH AND PERMANENT INCAPACITY**

8 1 Immediately upon the date of death or the date of determination of permanent incapacitation of an Ordinary Shareholder (the "**Incapacitated**")

**Shareholder")** (the "**Date of Incapacitation**"), the Ordinary Shares held by that shareholder ("**Incapacitated Shares**") shall automatically and without resolution of the Directors or the shareholders be re-designated to create a new class of non-voting Shares

8 2 The Incapacitated Shareholder shall be deemed to have served a Transfer Notice in respect of all of his shares in the Company (however acquired) immediately prior to the Date of Incapacitation. Such shares shall be transferred as follows

8 2 1 if the Date of Incapacitation is on or before the first anniversary of the date of adoption of these articles, (i) 50% of the Incapacitated Shares shall be offered in accordance with the provisions of Article 9 1 which shall apply mutatis mutandis except to the extent that they are varied by the following provisions of this Article 8 and (ii) 50% shall be retained by the PR's (in the event of death) or transferred by the Incapacitated Shareholder in accordance with the provisions of Article 7 (in the event of permanent incapacity) ("**Permitted Transferee**"),

8 2 2 if the Date of Incapacitation is after the first anniversary of the date of adoption of these articles but on or before the second anniversary of the date of adoption of these articles, (i) 35% of the Incapacitated Shares shall be offered in accordance with the provisions of Article 9 1 which shall apply mutatis mutandis except to the extent that they are varied by the following provisions of this Article 8 and (ii) 65% shall be retained by the PR's (in the event of death) or transferred by the Incapacitated Shareholder in accordance with the provisions of Article 7 (in the event of permanent incapacity) ("**Permitted Transferee**"),

8 2 3 if the Date of Incapacitation is after the second anniversary of the date of adoption of these articles but on or before the third anniversary of the date of adoption of these articles, (i) 20% of the Incapacitated Shares shall be offered in accordance with the provisions of Article 9 1 which shall apply mutatis mutandis except to the extent that they are varied by the following provisions of this Article 8 and (ii) 80% shall be retained by the PR's (in the event of death) or transferred by the Incapacitated Shareholder in accordance with the provisions of Article 7 (in the event of permanent incapacity) ("**Permitted Transferee**"),

8 2 4 if the Date of Incapacitation is after the third anniversary of the date of adoption of these articles, the Incapacitated Shares shall be retained by the PR's (in the event of death) or transferred by the Incapacitated Shareholder in accordance with the provisions of Article 7 (in the event of permanent incapacity) ("**Permitted Transferee**")

8 3 A Permitted Transferee may elect to transfer the Ordinary Shares which are deemed to have been transferred to him or her pursuant to Article 8 2 2, 8 2 3 or 8 2 4 ("**Permitted Shares**") by serving notice in writing to the Board within 28 days of the Date of Incapacitation ("**Permitted Transfer Notice**") The price for the Permitted Shares shall be calculated in accordance with Article

9 1 3 assuming for the purposes of the valuation, that the shares have voting rights

- 8 4 Within 14 days after the receipt by the Company of a Permitted Transfer Notice, the Board may resolve (and, if so, notify the Company forthwith, which, in turn, shall, within seven days after receipt of such notification, notify the Permitted Transferee and all other Ordinary Shareholders) that the Company shall purchase the Permitted Shares pursuant to the provisions of part V of the Companies Act, in which case the chairman of the Directors shall determine a timetable for such purchase to which all parties and Shareholders shall adhere
- 8 5 Subject to Article 8 3 and 8 4, upon receipt of a Permitted Transfer Notice, the Permitted Shares shall be offered in writing by the Company to all Ordinary Shareholders in equal proportions. If by the procedure set out above the Company does not find a purchaser within 3 months of the Date of Incapacitation willing to purchase some or all of the Permitted Shares, the Company shall give notice in writing of that fact to the Permitted Transferee. The Permitted Transferee may, at any time after the date of such notice transfer the Permitted Shares not purchased to any one person or entity provided they are not a customer or competitor of the Company on a bona fide sale at any price not being less than the price calculated in accordance with Article 8 3, unless the Company subsequently advises the Permitted Transferee that it has found a purchaser willing to purchase some or all of the Permitted Shares

## 9. PRE-EMPTION RIGHTS ON TRANSFER

- 9 1 Except in the case of a transfer permitted by Article 7 or transfer in accordance with Article 8 following the death or permanent incapacitation of a Shareholder, the right to transfer or otherwise dispose of a Share or any interest in or arising from a Share (or an option, warrant or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the following restrictions and provisions, namely
- 9 1 1 Before transferring or disposing of any Share or any interest in or arising from any Share or any rights attaching to any Share, the person proposing to transfer or dispose of the same (a "**Proposing Transferor**") shall give a notice in writing (a "**Transfer Notice**") to the Company specifying the Shares, interest and/or rights of which the Proposing Transferor wishes to dispose. Notwithstanding that a Transfer Notice specifies that the Proposing Transferor wishes to dispose only of an interest in or arising from, and/or any right(s) attaching to, such Shares the Transfer Notice shall (regardless of any provisions in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Proposing Transferor for the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to in the Transfer Notice (the "**Sale Shares**") at the Sale Price in accordance with the provisions of this Article. Except in the case of any Transfer Notice which a Shareholder is bound to give or is deemed to have given pursuant to these Articles (a "**Mandatory Transfer Notice**"), a

Transfer Notice may include a condition (a "**Total Transfer Condition**") that if all the Sale Shares (of whatever class) are not sold to Shareholders and/or such other persons as are referred to in Articles 9 1 4 and 9 1 5, then none shall be so sold. If a Total Transfer Condition is included then any offer of Sale Shares shall be made subject to Article 9 1 8. Shares of different classes may not be included in the same Transfer Notice (other than a Mandatory Transfer Notice)

9 1 2 Except in the case of a Mandatory Transfer Notice, the Transfer Notice may state, in addition to details of the Sale Shares

9 1 2 1 the name or names of a person or persons ("**Proposing Transferee**") to whom the Sale Shares (or an interest or right or arising from the Sale Shares) are proposed to be transferred if the Sale Shares are not acquired by Purchasers, and

9 1 2 2 the entire consideration per Share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling a cash price per share which is so expressed and which is reasonably commensurate with the entire consideration),

and in such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the price is a bona fide price (not inflated for particular reasons) agreed between the Proposing Transferor and the Proposing Transferee at arms length and in good faith, such price shall be the Sale Price (subject to the deduction of any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares)

9 1 3 In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in Article 9 1 2 2 or in any case which does not fall within Article 9 1 2

9 1 3 1 if not more than 15 days after the date on which the Transfer Notice was given or was deemed to be given, the Proposing Transferor and the Directors have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Proposing Transferor, then such price shall be the Sale Price (subject to the deduction of any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares),

9 1 3 2 otherwise, upon the expiry of 15 days after the date on which the Transfer Notice was given (or the date on which the Company became aware that the same had been deemed or had become required to be given) the Directors shall request the Auditors to determine and report the sum per Share considered by them to be the fair value of the Sale Shares

The sum per Share so determined and reported shall be the Sale Price (subject to the deduction of any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares) The Auditors shall act at the cost and expense of the Company as experts and not as arbitrators and their determination shall (in the absence of manifest error) be final For the purposes of these articles, the fair value of Sale Shares shall be their market value as between a willing buyer and a willing seller (but disregarding any discount that might attach to such Shares if they constitute a minority interest, any transfer restrictions which apply to such Shares pursuant to these articles and any discount to reflect the fact that such Shares do not carry a running dividend yield, if such be the case)

- 9 1 4 Within 21 days after the receipt by the Company of a Transfer Notice or, in a case falling within Article 9 1 3, the agreement or determination of the Sale Price, the Board may resolve (and, if so, notify the Company forthwith, which, in turn, shall, within seven days after receipt of such notification, notify the Proposing Transferor and all other Shareholders) that the Company shall purchase the Sale Shares pursuant to the provisions of part V of the Companies Act, in which case the chairman of the Directors shall determine a timetable for such purchase to which all parties and Shareholders shall adhere
- 9 1 5 Subject to Articles 9 1 4 and 9 1 6, the Sale Shares shall be offered in writing by the Company to all Shareholders (other than the Proposing Transferor and any Privileged Relation of the Proposing Transferor) holding Ordinary Shares and next (if and insofar as not accepted following such offer) be offered in writing by the Company to the holders for the time being of D Shares (other than the Proposing Transferor and any Privileged Relation of the Proposing Transferor) *pari passu* as though the same constituted a single class of Shares and next (if and insofar as not accepted following such further offer) to such person or persons (if any) as the Directors think fit Each such offer shall be made within 14 days after the last date for acceptances in respect of the preceding offer, as specified in Article 9 1 7
- 9 1 6 The Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Shareholder but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in Article 9 1 5 is made
- 9 1 7 Any such offer as is required to be made by the Company pursuant to Article 9 1 5 shall state that the offer must be accepted within 14 days or in default will lapse Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Shares held by each acceptor (or in the case of any such offer made to persons who are not already Shareholders on such basis as the Directors shall determine) provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has

applied and so that the provisions of this Article shall continue to apply mutatis mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly

- 9 1 8 If a Transfer Notice validly contains a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied
- 9 1 9 If pursuant to the Article 9 1 5 the Company finds Shareholders or other persons ("**Purchasers**") to purchase some or (if Article 9 1 8 shall apply) all of the Sale Shares and gives notice in writing of the same to the Proposing Transferor he shall be bound, upon payment of the Sale Price, to transfer such Shares to the respective Purchasers. Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him or them and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice
- 9 1 10 If a Proposing Transferor fails or refuses to transfer any Sale Shares to a Purchaser, the Directors shall authorise some person to execute and deliver on his behalf the necessary transfer and all other documents deeds and other instruments necessary or proper in connection with such transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to its application) and after the Purchaser has been registered in purported exercise of the powers set out in this Article 9 1 10 the validity of the proceedings shall not be questioned by any person
- 9 1 11 If a Proposing Transferor fails or refuses to sell any Sale Shares to the Company, following a resolution that the Company shall purchase the Sale Shares pursuant to Article 9 1 4, the Directors shall authorise some person to complete execute and deliver on his behalf all documents, deeds and other instruments necessary or proper in connection with such sale. After the sale has been effected in purported exercise of the powers set out in this Article 9 1 11 the validity of the proceedings shall not be questioned by any person
- 9 1 12 If by the procedure set out above the Company does not find Purchasers willing to purchase some or (if Article 9 1 8 shall apply) all of the Sale Shares, the Company shall give notice in writing of that fact to the Proposing Transferor within 7 days after the last date for acceptances pursuant to the provisions of Article 9 1. Subject to the proviso below, the Proposing Transferor, at any time up to the expiration of 30 days after the date of such notice shall be at liberty to transfer those of the Sale Shares not purchased by Purchasers or all the Sale Shares (as the case may be) to the Proposing Transferee or,



where the Transfer Notice is a Mandatory Transfer Notice or does not contain details of a Proposing Transferee, to any one person (who is not a competitor or customer of the Company) on a bona fide sale at any price not being less than the Sale Price. Provided that the Directors may require the Proposing Transferor to provide evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale to the purchaser and for the consideration stated in the transfer without any deduction, rebate, allowance or indulgent terms whatsoever and, if not so satisfied, may refuse to register the instrument of transfer

**10. TRANSFERS BY SHAREHOLDERS ON CEASING TO BE A DIRECTOR OR EMPLOYEE AND TRANSFERS ON BANKRUPTCY**

10 1 If an employee or director of the Company or any of its subsidiary undertakings (the "**Relevant Individual**") ceases for any reason (other than death or permanent incapacity) to be an employee or director of the Company or any of its subsidiary undertakings and is not continuing as either a director or employee of the Company or any of its subsidiary undertakings and

10 1 1 the Relevant Individual is a holder of Shares (whether solely or jointly with any other person), and/or

10 1 2 the Relevant Individual has established a Family Trust which holds Shares, and/or

10 1 3 any Shareholder holds Shares as the nominee of the Relevant Individual, and/or

10 1 4 Shares are held by a Privileged Relation or other permitted transferee of the Relevant Individual, and/or

10 1 5 Shares are held by a company the majority of the issued share capital of which is beneficially owned by the Relevant Individual or a Privileged Relation, Family Trust or other permitted transferee of the Relevant Individual,

then the Board may within four months after the date on which the Relevant Individual ceases to be a director or employee (the "**Cessation Date**") determine in their absolute discretion that there shall be deemed to have been served a Transfer Notice by any of the holders of Shares referred to in this Article (the "**Compulsory Vendors**") in respect of such number of their shares in the Company (however acquired) as the Board may decide. Such shares shall be offered to the Company and the Shareholders (other than the Compulsory Vendors) in accordance with the provisions of Article 9 1 which shall apply mutatis mutandis except to the extent that they are varied by the following provisions of this Article 10. In such event the Board may also determine in their absolute discretion to revoke any Transfer Notice given or deemed to have been given by the Compulsory Vendors prior to the Cessation Date ("**Previous Notice**") provided that at the time of such determination no sale and purchase of shares subject to such Transfer Notice has completed. Upon such determination the Previous Notice shall be

automatically revoked forthwith and the shares subject to it shall be included in the Transfer Notice deemed to have been served pursuant to the foregoing provisions of this Article 10 1

10 2 A Transfer Notice shall be deemed to have been given under this Article 10 on the date of notification by the Board to the Compulsory Vendors of their determination that a Transfer Notice is deemed to have been given (the **"Deemed Notice Date"**)

10 3 The price for the Sale Shares shall be as follows

10 3 1 if the Cessation Date is less than two years after the issue of the Sale Shares, or, if later, if the Relevant Individual is a "Bad Leaver", the price shall, unless otherwise agreed by the Directors, be the Market Value of the Sale Shares as at the Cessation Date, or, if less, the issue price (including any premium) of the Sale Shares,

10 3 2 if the Cessation Date is at least two years after the issue of the Sale Shares and the Relevant Individual is a "Good Leaver", the price shall be the Market Value of the Sale Shares

10 4 For the purposes of Article 10 3

10 4 1 the "Market Value" shall be the price agreed between the Compulsory Vendors and the Board or, if they fail to agree a price within 21 days of the Deemed Notice Date the price certified by the Auditors pursuant to Article 9 1 3 2 acting as experts and not as arbitrators, to be the market value of the Sale Shares upon the Cessation Date, (calculated on the basis of a sale by a willing seller to a willing buyer by reference to the value of the whole of the issued share capital of the Company and taking no account of the percentage of the capital represented by the Sale Shares but disregarding if such be the case, any discount that might attach to the Sale Shares if they constitute a minority interest, any transfer restrictions which apply to the Sale Shares pursuant to these articles and any discount to reflect the fact that the Sale Shares do not carry a running dividend yield, if such be the case but taking into account the effects on the Company of the employee or director in question ceasing to be an employee or director as the case may be) The costs of the Auditors shall be borne as determined by the Auditors,

10 4 2 a "Good Leaver" is a Relevant Individual who is not a Bad Leaver or where he is otherwise categorised as a Good Leaver by the Board,

10 4 3 a "Bad Leaver" is a Relevant Individual who ceases to be an employee and/or director following written confirmation by the Directors that the dismissal is on the grounds of (i) theft, or (ii) a fraudulent act, or (iii) following any other act of gross misconduct (other than a single non-deliberate act which in the reasonable opinion of the Board is not materially detrimental to the Company's interests) and the Relevant Individual has not challenged the grounds for such dismissal in the relevant court or tribunal within 30 days of such dismissal (**"Appeal"**) If the Relevant Individual does lodge an Appeal,

the decision as to whether the Relevant Individual is a Good Leaver or a Bad Leaver shall be suspended until the decision of the court/tribunal has been declared. For the avoidance of doubt, the Relevant Individual shall not be a Bad Leaver in the event that the court/tribunal determines that the grounds for the dismissal were not justified.

- 10.5 Without prejudice to Article 10.1 if a majority of the Directors so resolve they may at any time give notice to the trustee in bankruptcy of a member ("**Trustee in Bankruptcy**") requiring such person to elect either to be registered himself or to give a Transfer Notice in respect of the shares to which he/they become entitled in consequence of the bankruptcy of any Shareholder. If such notice is not complied with within 14 days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the Trustee in Bankruptcy and the Company may give a good receipt for the purchase price of such shares, register the purchaser or purchasers as the holders of them and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled to such shares. In any such case the Trustee in Bankruptcy shall be bound to deliver up the certificates for the shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest.
- 10.6 For the avoidance of doubt where an individual is employed by and/or serves as a director of a company which is a subsidiary undertaking of the Company Article 10 shall apply upon that company ceasing to be within the Group and the individual not continuing to be an employee or director of any member of the Group.

## **11. DRAG ALONG/TAG ALONG RIGHTS**

- 11.1 No sale or transfer shall be made or registered if the same would result in a person or persons acting in concert who are not Shareholders at the date of adoption of these articles (the "**Purchasing Group**") holding or increasing their shareholding in the Company to 50% or more of the Shares, unless before the sale is made or the transfer is lodged for registration, the Purchasing Group has made a written offer ("**Takeover Offer**"), which shall have remained open for at least 21 days, to purchase all the Shares in issue immediately before such sale or transfer at the Third Party Price.
- 11.2 For the purposes of this Article 11 the expression "Third Party Price" shall mean the price per Share which has been offered for each Share whose proposed transfer has led to the offer plus a sum equal to any arrears or accruals of dividend in respect of the same,
- 11.3 In the event of disagreement as to the Third Party Price the matter shall be referred to the Auditors (acting as experts and not as arbitrators) for determination. The costs of the Auditors shall be borne equally by the parties concerned and their decision shall be final and binding.

- 11 4 On receipt of a Takeover Offer, the Shareholders wishing to sell their shares to the Purchasing Group ("**Selling Shareholders**") shall inform the remaining shareholders of the Company, any one of whom shall have the right to match such offer, such offer to be made within 10 business days and on materially identical terms ("**Matching Offer**") On receipt of a Matching Offer the Selling Shareholders (and all other shareholders) shall be required to sell to the shareholder making the Matching Offer on such equal terms Should more than one shareholder (other than the Selling Shareholders) make a Matching Offer then each party (other than the Selling Shareholders) shall have a further seven days to make a final offer The Selling Shareholders (and all other shareholders) shall be required, in accordance with this clause 11, to sell their shares to whichever shareholder has made (in the reasonable opinion of the Auditors) the best offer
- 11 5 If a Matching Offer is not made pursuant to Article 11 4 above, and transfers under Article 11 1 result in members of the Purchasing Group holding or increasing their shareholding to 60% or more of the Shares, the members of the Purchasing Group may by written notice to the Company served within 60 days after the last of such transfers require the Company as agent for the Purchasing Group to serve notices (each a "**Compulsory Purchase Notice**") on each of the other Shareholders (the "**Minority Shareholders**") requiring them to sell their Shares to one or more persons identified as members of the Purchasing Group at the Third Party Price (provided that if the Third Party Price is based on consideration paid or agreed to be paid pursuant to a transaction between Connected Persons or between persons acting in concert the consideration payable shall, if higher, be the Market Value certified in accordance with Article 10 4) The Company shall serve the Compulsory Purchase Notices forthwith and for 28 days from the service of the Compulsory Purchase Notices the Minority Shareholders shall not be entitled to transfer their Shares to anyone except the Purchasing Group or persons identified by them
- 11 6 The Purchasing Group shall complete the purchase of all the Shares in respect of which a Compulsory Purchase Notice has been given at the same time and, in any event, no later than 21 days after the date of the service of such Compulsory Purchase Notices The consideration shall be payable in full without any set off Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice The Directors shall not register any transfer, and no member of the Purchasing Group shall be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred pursuant to this Article 11, until in each case the member of the Purchasing Group has fulfilled all his obligations pursuant to this Article 11 5
- 11 7 If on the expiration of 28 days after the service of the Compulsory Purchase Notices a Minority Shareholder has not transferred his Shares to any member of the Purchasing Group against payment of the price for them, the Directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the relevant member(s) of the Purchasing Group and the Directors shall receive the consideration in respect of such Shares and shall (subject to the transfer being duly stamped) cause the name of the relevant member(s) of the Purchasing Group to be entered into the register of members of the Company as the holder of the relevant

Shares The Company shall hold the consideration in trust for the Minority Shareholder but shall not be bound to earn or pay interest on it The receipt of the Company for the consideration shall be a good receipt for the price of the relevant Shares, but the Purchasing Group shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder against delivery by the Minority Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same After the name of the member of the Purchasing Group has been entered in the register of members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person

## **12. SHARE CERTIFICATES**

Share Certificates may be sealed or otherwise executed by the Company in accordance with the provisions of section 36A of the Companies Act The second sentence of Regulation 6 shall be modified accordingly

## **13. PROCEEDINGS AT GENERAL MEETINGS**

- 13 1 If under Regulation 41 a meeting is adjourned because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the shareholders present shall form a quorum and Regulations 40 and 41 shall be modified accordingly
- 13 2 A poll may be demanded by the Chairman or by any member present in person or by proxy and entitled to vote at the meeting and Regulation 46 shall be modified accordingly
- 13 3 In the case of on equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote which he may have Regulation 50 shall be modified accordingly
- 13 4 Regulation 53 shall be modified by the addition at the end of the following sentence "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly "
- 13 5 Regulation 59 shall be modified by the addition at the end of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of the meeting "
- 13 6 Regulation 62 shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Directors resolve otherwise"

## **14. ALTERNATE DIRECTORS**

- 14 1 An alternate director's appointment will determine if he resigns by written notice left at or sent to the registered office of the Company
- 14 2 An alternate director will be entitled to be reimbursed by the Company such

expenses as might properly be reimbursed to him if he were a Director

## **15. DIRECTORS**

- 15 1 Unless and until otherwise determined by ordinary resolution of the Company the number of the Directors is not subject to any maximum and shall not be less than one
- 15 2 No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age
- 15 3 Regulation 68 shall be modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors "
- 15 4 A Director shall not retire by rotation and a Director appointed to fill a vacancy or as an addition to the board shall not retire from office at the Annual General Meeting next following his appointment Regulations 73 to 77 (inclusive) and 80 shall not apply to the Company, and Regulations 78 and 79 shall be modified accordingly
- 15 5 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as Director, and Regulation 81 shall be modified accordingly,
- 15 6 Subject to the requirements of the Companies Act no Director or alternate director may as a director vote at any meeting of the Board in respect of any contract or arrangement in which he or any Member by whom he is nominated is interested unless such interest is previously disclosed to the Board If it is so disclosed his vote will be counted and he will be reckoned in the quorum present at the meeting Regulations 94 to 98 (inclusive) will not apply to the Company

## **16. BORROWING POWERS**

The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to section 80 of the Companies Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

## **17. PROCEEDINGS OF DIRECTORS**

- 17 1 In the case of an equality of votes, the Chairman shall not have a second or casting vote Regulation 88 shall be modified accordingly
- 17 2 The quorum necessary for the transaction of business at any meeting of the Directors shall be three and Regulation 89 shall be modified accordingly If any meeting of the Directors shall be inquorate then it shall be adjourned for

the consideration of the same business until the same time and place the next following week when those Directors present shall constitute a quorum

- 17 3 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by his alternate or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum

## **18. FOUNDER DIRECTORS**

- 18 1 As long as a Founder Director holds shares in the Company, he shall have the right to be a director of the Company or appoint a nominee director in his place
- 18 2 In the event that any resolution is proposed to be passed by the Directors or the Shareholders by which any Founder Director is to be removed from office, the shares held by the Founder Director concerned shall together carry one vote in excess of fifty per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed and if any such Founder Director is removed pursuant to section 303 of the Companies Act or otherwise the Founder Director may reappoint himself as a director

## **19. INDEMNITIES**

Subject to the provisions of the Companies Act but without prejudice to any indemnity to which he may otherwise be entitled every Director alternate director secretary and other officer or employee for the time being of the Company shall be indemnified out of the assets of the Company against any liability sustained or incurred by him in defending any proceedings whether civil or criminal relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Companies Act in which relief is granted to him by the Court Regulation 118 shall not apply to the Company