

Company number 08273718

THE COMPANIES ACT 2006

SATURDAY



PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

HMG HOLDCO LIMITED ("Company")

On 22 November 2012 the following resolutions were duly passed as written resolutions of the Company pursuant to section 288 of the Companies Act 2006 ("**2006 Act**")

ORDINARY RESOLUTION

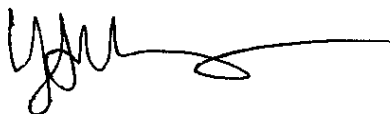
- 1 THAT, subject to the offer by the Company to acquire the entire issued and to be issued ordinary share capital of The Hollins Murray Group Limited becoming unconditional in all respects, in accordance with section 551 of the 2006 Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £437,609 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary from the date this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act

SPECIAL RESOLUTIONS

- 2 THAT, subject to the passing of resolution 1, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution 1 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £437,609 The power granted by this resolution will expire on the fifth anniversary from the date this resolution is passed (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired
- 3 THAT, subject to the offer by the Company to acquire the entire issued and to be issued ordinary share capital of The Hollins Murray Group Limited becoming unconditional in all respects, the Company be authorised to grant to Nicholas Peter Casson an option to require the Company to purchase all of the Option Shares as defined in and on the terms of the contract attached to this resolution ("**Put Option**") and that the terms of the Put Option are hereby approved
- 4 THAT, the draft regulations produced to the meeting and, for the purposes of identification, attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

Director

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Company Number. 08273718

Millbank
Edge LLP

COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

HMG HOLDCO LIMITED

TABLE OF CONTENTS

1	INTERPRETATION	1
2	UNANIMOUS DECISIONS	3
3	CALLING A DIRECTORS' MEETING	3
4	QUORUM FOR DIRECTORS' MEETINGS	3
5	CASTING VOTE	3
6	TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY	4
7	DIRECTORS' CONFLICTS OF INTEREST	4
8	RECORDS OF DECISIONS TO BE KEPT	5
9	NUMBER OF DIRECTORS	5
10	APPOINTMENT OF DIRECTORS	5
11	APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS	5
12	RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS	6
13	TERMINATION OF ALTERNATE DIRECTORSHIP	7
14	SECRETARY	7
15	ISSUE OF SHARES	7
16	TRANSFER OF SHARES – GENERAL	7
17	VOLUNTARY TRANSFERS	8
18	DRAG ALONG OPTION	11
19	TAG ALONG	12
20	POWER OF SALE OF SHARES OF UNTRACED SHAREHOLDERS	12
21	APPLICATION OF PROCEEDS OF SALE OF SHARES OF UNTRACED SHAREHOLDERS	13
22	POLL VOTES	13
23	PROXIES	13
24	MEANS OF COMMUNICATION TO BE USED	14
25	INDEMNITY	14
26	INSURANCE	15
27	CHANGE OF NAME	15
SCHEDULE 1 – WORKED EXAMPLE ILLUSTRATING THE CALCULATION OF MARKET VALUE		16

Company Number: 08273718

SATURDAY



THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

HMG HOLDCO LIMITED

(Adopted by special resolution passed on 22 November 2012)

AGREED TERMS

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires

"Act" means the Companies Act 2006,

"acting in concert" has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed on the date of adoption of these Articles,

"appointor" has the meaning given in article 11.1,

"Articles" means the company's articles of association for the time being in force,

"Auditors" means the auditors for the time being of the Company,

"Board" means the board of directors of the Company, as from time to time constituted,

"business day" means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,

"Change of Control" means the acquisition whether by purchase, transfer, renunciation or otherwise by any Third Party Buyer of any interest in any shares, if upon completion of that acquisition, the Third Party Buyer, together with persons acting in concert or connected with him, would hold more than 36% of the voting rights at a general meeting of the Company attached to the shares for the time being,

"Conflict" has the meaning given in article 7.1,

"connected with" has the meaning ascribed to it in section 1122 of the Corporation Tax Act 2010,

"eligible director" means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),

"Market Value" shall be the price per share calculated by the Valuers in accordance with article 17.5,

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles,

"Third Party Buyer" means any person (not an existing shareholder or a person connected with such shareholder),

"Transfer Notice" has the meaning given in article 17 1, and

"Valuers" means the Auditors unless the Auditors give notice to the Company that they decline an instruction to calculate Market Value or to report on the dispute envisaged in article 19 3 when the Valuers shall be a firm of chartered accountants agreed between the Seller (as defined in article 17) and the Board in respect of the calculation of Market Value or as selected by the Board in respect of a dispute envisaged in article 19 3 or in either case, in default of such agreement within 10 business days after the first name being proposed by the Seller or the Board (as may be relevant), as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 7 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 1 8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 26(5), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company
- 1 9 Article 7 of the Model Articles shall be amended by
- (a) the insertion of the words "for the time being" at the end of article 7 2(a), and
 - (b) the insertion in article 7 2 of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"

- 1 11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 1 12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1 13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1 14 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

Directors

2. UNANIMOUS DECISIONS

- 2 1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter
- 2 2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing
- 2 3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

3. CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice

4. QUORUM FOR DIRECTORS' MEETINGS

- 4 1 Subject to article 4 2, the quorum for the transaction of business at a meeting of directors is any three eligible directors
- 4 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director
- 4 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision
- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors

5. CASTING VOTE

- 5 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote
- 5 2 Article 5 1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting)

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 6 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,
 - (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested,
 - (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,
 - (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
 - (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested, and
 - (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

7. DIRECTORS' CONFLICTS OF INTEREST

- 7 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **"Interested Director"**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**"Conflict"**)
- 7 2 Any authorisation under this article 7 will be effective only if
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director, and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted
- 7 3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters

7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation

7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

8 RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

9. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than three

10. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 11 1 Any director ("**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to
- (a) exercise that director's powers, and
 - (b) carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor
- 11 2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors
- 11 3 The notice must
- (a) identify the proposed alternate, and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 12 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor
- 12 2 Except as the Articles specify otherwise, alternate directors
- (a) are deemed for all purposes to be directors,
 - (b) are liable for their own acts and omissions,
 - (c) are subject to the same restrictions as their appointors, and
 - (d) are not deemed to be agents of or for their appointors
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member
- 12 3 A person who is an alternate director but not a director
- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
 - (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and
 - (c) shall not be counted as more than one director for the purposes of articles 12 3(a) and 12 3(b)
- 12 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present
- 12 5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the

company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

13 TERMINATION OF ALTERNATE DIRECTORSHIP

13 1 An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- (c) on the death of the alternate's appointor, or
- (d) when the alternate's appointor's appointment as a director terminates

14. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

Shares

15 ISSUE OF SHARES

Save to the extent authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company

16. TRANSFER OF SHARES – GENERAL

16 1 The directors shall not register the transfer of any share or any interest in any share unless the transfer

- (a) is permitted with the prior written consent of the directors, or
- (b) is made in accordance within article 17, article 18, article 19 or article 20

16 2

- (a) For the purpose of ensuring that a transfer of shares is in accordance within these Articles or that no circumstances have arisen whereby a shareholder may be bound to give a Transfer Notice the Board may from time to time require any shareholder or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as they reasonably deem relevant for such purpose,
- (b) failing such information or evidence being furnished to their reasonable satisfaction within a reasonable time after request under article 16 2(a) the Board may in their absolute discretion refuse to register the transfer in question or require by notice in writing to the shareholder concerned that a Transfer Notice be given in respect of the shares concerned,
- (c) if such information or evidence requested under article 16 2(a) discloses to the reasonable satisfaction of the Board that circumstances have arisen whereby a

shareholder may be bound to give a Transfer Notice the Board may by notice in writing to the shareholder(s) concerned require that a Transfer Notice be given in respect of the shares concerned

- 16 3 An obligation to transfer a share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance

17. VOLUNTARY TRANSFERS

- 17 1 Except as permitted with the prior written consent of the directors under article 16 or as contemplated in article 18 or 19, any shareholder who wishes to transfer any share (a "**Seller**") shall before transferring or agreeing to transfer such Share or any interest in it, serve notice in writing (a "**Transfer Notice**") on the company of his wish to make that transfer

- 17 2 In the Transfer Notice the Seller shall specify

- (a) the number and class of shares ("**Sale Shares**") which he wishes to transfer,
- (b) the identity of the person (if any) to whom the Seller wishes to transfer the Sale Shares,
- (c) the price per share at which the Seller wishes to transfer the Sale Shares (the "**Proposed Sale Price**"), and
- (d) any other terms relating to the transfer of the Sale Shares

- 17 3 Each Transfer Notice shall

- (a) constitute the company as the agent of the Seller for the sale of the Sale Shares on the terms of this article 17, and
- (b) save as provided in article 17 8, be irrevocable

- 17 4 The Sale Shares shall be offered for purchase in accordance with this article 17 at a price per Sale Share ("**Sale Price**") agreed between the Seller and the Board or, in default of such agreement, by the end of the 15th business day after the date of service of the Transfer Notice

- (a) if the Board so elect within that 15 business day period after the date of service of the Transfer Notice, the Sale Price shall be Market Value, and
- (b) otherwise the Sale Price shall be the Proposed Sale Price, in which case for the purpose of these Articles the Sale Price shall be deemed to have been agreed at the end of that 15th business day

- 17 5 If instructed to calculate Market Value the Valuers shall

- (a) act as expert and not as arbitrator and their written calculation shall be final and binding on the shareholders and Company, and
- (b) proceed on the basis of using the following formula

$$\text{price per share} = (\text{NAV} - 2) + (\text{Weighted Average Dividend} \times 5)$$

Where

"NAV" means the net assets of the Group as shown in the latest audited consolidated balance sheet of the Group, divided by the total number of equity shares of the company in issue,

"Financial Period" means the accounting reference period of the Group,

"Group" means for the period expiring on the day immediately prior to the Reorganisation Date HMG and its Subsidiaries and for the period commencing on the Reorganisation Date the company and its Subsidiaries,

"HMG" means The Hollins Murray Group Limited (to be known as HMG Investments Limited following the Reorganisation Date), registered in England with number 2471971,

"Reorganisation Date" means the date HMG becomes a wholly-owned Subsidiary of the company,

"Special Dividend" means any dividend not paid periodically in a Financial Period and which the directors of the company consider is being paid following a one-off or an unusual event,

"Subsidiary" means subsidiary undertaking as defined in section 1162 of the Act and "Subsidiaries" shall be interpreted accordingly,

"Weighted Average Dividend" means $(A + B + C) \div 6$ where

A = 1 x the aggregate dividends paid to shareholders in the first of the last three Financial Periods,

B = 2 x the aggregate dividends paid to shareholders in the second of the last three Financial Periods,

C = 3 x the aggregate dividends paid to shareholders in the last Financial Period,

calculated to two decimal places and pro rated where any Financial Period is more or less than twelve months but excluding for these purposes any Special Dividends

The worked examples set out in schedule 1 demonstrate for illustration purposes the calculation of Market Value

- 17 6 The company will use its reasonable endeavours to procure that the Valuers deliver their written calculation of the Market Value to the directors and to the Seller within 10 business days of being requested to do so
- 17 7 The Valuers' fees for reporting on the calculation of the Market Value shall be borne by the company
- 17 8 If the Market Value calculated by the Valuers under article 17 4 is less than the Proposed Sale Price, the Seller may revoke any Transfer Notice by written notice given to the directors within the period of 5 business days after the date the directors serve on the Seller the Valuers' calculation of the Market Value
- 17 9 The Board shall at least 10 business days after and no more than 20 business days after the Sale Price has been agreed or determined give a written notice ("**Buyback Notice**") to the company
- 17 10 A Buyback Notice shall
- (a) specify the Sale Price, and

- (b) invite the company to respond in writing, before the expiry of the Buyback Notice, to purchase such number of the Sale Shares as the company may elect, and shall expire 35 business days after its service
- 17 11 If, at the expiry date of the Buyback Notice, the company has agreed to purchase all or part only of the Sale Shares, the Board shall, within 5 business days of the expiry of the Buyback Notice, give notice in writing to the Seller specifying the number of Sale Shares agreed to be purchased by the company and the time when completion of the sale and purchase of the Sale Shares shall take place
- 17 12 Completion of the sale and purchase of the Sale Shares pursuant to article 17 11 shall take place at the registered office of the company when the Seller shall, upon payment to him by the company of the Sale Price for the number of Sale Shares the company has agreed to purchase, transfer the number of Sale Shares the company has agreed to purchase and deliver the relative share certificate(s) to the Company
- 17 13 If, at the expiry date of the Buyback Notice, the company has declined to purchase all of the Sale Shares the Board shall at least 10 business days after and no more than 20 business days after the expiry date of the Buyback Notice give a written notice ("**Offer Notice**") to all the shareholders (other than the Seller)
- 17 14 An Offer Notice shall
- (a) specify the number of Sale Shares which are being offered for purchase,
 - (b) specify the Sale Price,
 - (c) contain the other details included in the Transfer Notice, and
 - (d) invite the relevant offerees to respond in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their application,
- and shall expire 35 business days after its service
- 17 15 After the expiry date of the Offer Notice, the Board shall allocate the Sale Shares in accordance with the applications received save that
- (a) if there are applications from any shareholders for more than the number of Sale Shares available to them, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any shareholder more Sale Shares than the maximum number applied for by him) which their existing holding of shares bears to the total number of shares held by those shareholders who have applied for Sale Shares, and
 - (b) if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the applicants in such manner as the Board shall think fit
- 17 16 The Board shall, within 5 business days of the expiry date of the Offer Notice, give notice in writing (an "**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been allocated (each a "**Buyer**") specifying the name and address of each Buyer, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them
- 17 17 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the company at the time specified in the Allocation Notice when the Seller shall, upon payment to him by a Buyer of the Sale Price in respect of the Sale Shares allocated to that Buyer, transfer those Sale Shares and deliver the relative share certificate(s) to that Buyer

- 17 18 The Seller may, during the period of 30 business days commencing 20 business days after the expiry date of the Offer Notice, sell all or any of those Sale Shares for which an Allocation Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice or, if none was so named, to any transferee, in either case at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that the Seller may not transfer such share and the Board shall not register any transfer to a transferee who is not at that date a shareholder unless such transferee is first approved in writing by the Board
- 17 19 If a Seller fails for any reason (including death) to transfer any Sale Shares when required pursuant to this article 17, the Board may authorise any director of the company (who shall be deemed to be irrevocably appointed as the attorney of the Seller for the purpose) to execute each necessary transfer of such Sale Shares and deliver it on the Seller's behalf
- 17 20 The company may hold the purchase money for such Sale Shares pursuant to article 17 19 and (subject, if necessary, to the transfer being duly stamped) register itself as the holder of such Sales Shares or receive the purchase money for such Sale Shares from the Buyer and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Buyer as the holder of such Sale Shares
- 17 21 The company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held
- 17 22 The company's receipt for such purchase money shall be a good discharge to the Buyer who shall not be bound to see to the application of it, and after the name of the Buyer has been entered in the register of members in purported exercise of the power conferred by article 17 19 the validity of the proceedings shall not be questioned by any person

18 DRAG ALONG OPTION

- 18 1 If shareholders for the time being holding over 72% in nominal value of the shares (together the **"Selling Shareholders"**) wish to transfer all their shares (**"Majority Shares"**) to any party (a **"Majority Buyer"**), the Selling Shareholders shall have the option (**"Drag Along Option"**) to require any or all of the other holders of shares to transfer all their shares with full title guarantee to the Majority Buyer or as the Majority Buyer shall direct in accordance with this article 18
- 18 2 The Selling Shareholders may exercise the Drag Along Option at any time before the registration of the transfer of the shares held by the Selling Shareholders by giving notice to that effect (**"Drag Along Notice"**) to all other shareholders (**"Called Shareholders"**) A copy of the Drag Along Notice shall, for information only, also be given to the company at its registered office (but so that any failure or delay in giving such copy shall in no way prejudice the operation of this article 18) A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (**"Called Shares"**) pursuant to article 18 1 to the Majority Buyer, the price at which the Called Shares are to be transferred (being the **"Drag Sale Price"**), the proposed date of transfer (if known), and the identity of the Majority Buyer
- 18 3 A Drag Along Notice may be revoked at any time prior to completion of the sale of the Called Shares and any such revocation notice shall be served in the manner prescribed for a Drag Along Notice in article 18 2
- 18 4 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Majority Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise
- 18 5 Each Called Shareholder shall on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his attorney to execute any stock transfer and covenant for full title guarantee in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as

may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this article 18

- 18 6 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale and transfer of shares by the Selling Shareholders, the Called Shareholders or any other shareholder to the Majority Buyer named in a Drag Along Notice

19. TAG ALONG

- 19 1 Subject to article 18, but otherwise notwithstanding any other provision in these Articles, no sale or other disposition of any shares ("**Specified Shares**") shall have any effect if it would result in a Change of Control unless before the transfer is lodged for registration the Third Party Buyer has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in article 19 3) all the shares held by shareholders who are not acting in concert or otherwise connected with the Third Party Buyer ("**Uncommitted Shares**")

- 19 2 An offer made under article 19 1 shall be in writing and shall be open for acceptance for at least 5 business days, and shall be deemed to be rejected by any shareholder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 15 business days of the date of the offer

- 19 3 For the purposes of article 19 the expression "**specified price**" means

- (a) the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the Third Party Buyer or its nominees for the shares being sold resulting in a Change of Control, plus
- (b) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified 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 payable for the Specified Shares

If the specified price or its cash equivalent cannot be agreed within 15 business days of the proposed sale or transfer referred to in article 19 1 between the Third Party Buyer and the holders of any Uncommitted Shares such matter shall be referred to the Valuers by any shareholder for determination and, pending such determination, the sale or transfer referred to in article 19 1 shall have no effect

- 19 4 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale or transfer to a Third Party Buyer provided that the provisions of this article 19 have been complied with

20. POWER OF SALE OF SHARES OF UNTRACED SHAREHOLDERS

- 20 1 The company shall be entitled to buy or sell at Market Value any share of a shareholder, or any share to which a person is entitled by transmission, if and provided that

- (a) during the period of 12 years before the date of publication of the advertisements referred to in article 20 1(b) below (or, if published on different dates, the earlier or earliest of such dates) no cheque, order or warrant in respect of such share sent by the company through the post in a pre-paid envelope addressed to the shareholder or to the person entitled by transmission to the share, at his address on the register of members of the company or other last known address given by the shareholder or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the company has received no communications in respect of such share from such shareholder or person, provided that during such period of 12 years the company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it,

- (b) on or after expiry of the said period of 12 years the company has given notice of its intention to sell such share by advertisements in two newspapers of which one shall be a national newspaper published in the United Kingdom and other shall be a newspaper circulating in the area of the address on the register of members of the company or other last known address of the shareholder or the person entitled by transmission to the share,
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other, and
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different days, the later or latest of the dates) and prior to the exercise of the power of sale the company has not received any communication in respect of such share from the member or person entitled by transmission

20 2 To give effect to any purchase or sale of shares under this article, the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the register of members of the company even if no share certificate has been lodged for such shares and may issue a new certificate to the transferee. An instrument of transfer and/or any contract for purchase of shares by the company executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The buyer shall not be bound to see to the application of the purchase monies, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale

20 3 If during the period of 12 years referred to in article 20 1, or during any period ending on the date when all the requirements of articles 20 1(a) to 20 1(d) have been satisfied, any additional shares have been issued in respect of those held at the beginning of, or previously so issued during, any such period and all the requirements of articles 20 1(b) to 20 1(d) have been satisfied in regard to such additional shares, the company shall also be entitled to purchase or sell the additional shares

21. APPLICATION OF PROCEEDS OF SALE OF SHARES OF UNTRACED SHAREHOLDERS

The company shall account to the shareholder or other person entitled to the share for the net proceeds of a sale under article 20 by carrying all monies relating to such sale to a separate account. The company shall be deemed to be a debtor to, and not a trustee for, such member or other person in respect of such monies. Monies carried to such separate account may either be employed in the business of the company or invested in such investments as the Board may think fit. No interest shall be payable to such member or other person in respect of such monies and the company does not have to account for any money earned on them

Decision making by shareholders

22. POLL VOTES

- 22 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 22 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

23. PROXIES

- 23 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles 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 accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

- 23 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

Administrative arrangements

24. MEANS OF COMMUNICATION TO BE USED

- 24 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article, no account shall be taken of any part of a day that is not a business day

- 24 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

25. INDEMNITY

- 25 1 Subject to article 25 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and
 - (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the

court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

- (b) the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25 1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

25 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

25 3 In this article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

26. INSURANCE

26 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

26 2 In this article

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

27. CHANGE OF NAME

The directors may change the name of the Company

Example 1

Therefore

Example 2

Therefore

16