

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CARDEN TELECOMS LIMITED

CRN: 11130105

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ARTICLES OF ASSOCIATION

INTRODUCTION

1 INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

A Director: any director appointed to the Company by holders of the A Shares;

A Share: an ordinary share of £1 in the capital of the Company designated as an A Share;

Act: the Companies Act 2006;

appointor: has the meaning given in article 12.1;

Articles: the Company's articles of association for the time being in force;

B Share: an ordinary share of £1 in the capital of the Company designated as a B Share;

Bad Leaver: a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where they are not a Good Leaver;

Business Day: 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;

Compulsory Employee Transfer: a deemed transfer arising under the provisions of paragraph 3.2 of the Schedule;

Conflict: has the meaning given in article 9.1;

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;

Departing Employee Shareholder: an Employee Shareholder who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any other Group Company;

Eligible Director: 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);

Eligible A Director: an A Director who would be entitled to vote on the matter at a meeting of directors (but excluding any A Director whose vote is not to be counted in respect of the particular matter);

Employee Shareholder: a holder of B Shares who is, or has been, a director and/or an employee of any Group Company;

Encumbrance: any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security, interest, title, retention or any other security agreement or arrangement;

Equity Shares: the A Shares and B Shares;

Fair Value: has the meaning given in paragraph 4.1 of the Schedule;

Good Leaver: an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity through ill-health;
- (c) retirement at normal retirement age;
- (d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company; or
- (e) dismissal by the Company (or other Group Company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful;

Independent Expert: the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert or its terms of appointment within 15 Business Days of the accountants declining the instruction an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);

Interested Director: has the meaning given in article 9.1;

Member of the Same Group: as regards the Company means (i) a company which is from time to time the holding company of the Company; (ii) another subsidiary

of any such holding company; (iii) a subsidiary company of the Company; (iv) any other company owned or controlled by the owners of a majority of the shares in the holding company of the Company;

Model Articles: 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;

Relevant Shares: in relation to an Employee Shareholder means all Shares held by:

- (a) the Employee Shareholder in question; and
- (b) any person to whom that Employee Shareholder has been permitted to transfer any B Shares,

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice;

Restricted Shares: has the meaning given in paragraph 3.4 of the Schedule;

Sale Shares: has the meaning given in paragraph 2.2.1 of the Schedule;

Seller: has the meaning given in paragraph 2.2 of the Schedule;

Subsidiary: in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Act and any other company which is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company. Unless the context requires otherwise, the application of the definition of Subsidiary to any company at any time shall apply to the company as it is at that time;

Transfer Notice: has the meaning given in paragraph 2.2 of the Schedule;

Transfer Price: has the meaning given in paragraphs 2.3 and 4.1 of the Schedule.

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 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 but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.

- 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 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.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

2 ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles 6(2), 7(1), 8, 9(1), 11 to 14 (inclusive), 16, 17(1), 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2.3 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".
- 2.4 Articles 31(1)(a) to (d) (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".

DIRECTORS

3 DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be a majority decision taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless:
- 3.3.1 more votes are cast for it than against it; and
 - 3.3.2 an Eligible A Director has voted in favour of it.
- 3.4 If at any time at or before any meeting of the directors or of any committee of the directors any A Director participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.5 A committee of the directors must include at least one A Director. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4 UNANIMOUS DECISIONS OF DIRECTORS

- 4.1 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.
- 4.2 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.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

5 NUMBER OF DIRECTORS

- 5.1 The number of directors shall not be less than one and if there is a holder of A Shares able to appoint an A Director must comprise at least one A Director in addition to any other directors. No shareholding qualification for directors shall be required.

6 CALLING A DIRECTORS' MEETING

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one A Director) to each director or by authorising the Company secretary (if any) to give such notice.

- 6.2 Notice of any directors' meeting must be accompanied by:

6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and

6.2.2 copies of any papers to be discussed at the meeting.

- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7 QUORUM FOR DIRECTORS' MEETINGS

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one at least shall be an Eligible A Director (or his alternate). No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 15 Business Days at the same time and place. For the purpose of this article, where there is only one director in office, the one director present in person or by a duly authorised representative shall constitute a meeting.

8 CHAIRING OF DIRECTORS' MEETINGS

- 8.1 The post of chairman of the directors will be held by an A Director. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

9 DIRECTORS' INTERESTS

- 9.1 For the purposes of section 175 of the Act, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or situation proposed to them by any director which would, if not so authorised, involve a director (the Interested Director) breaching his duty under section 175 of the Act to avoid conflicts of interest (a Conflict).
- 9.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.
- 9.3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 9.3.2 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;
 - 9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;
 - 9.3.5 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, provided that each Interested Director shall procure that similar provisions relating to confidentiality apply in the third party to protect the confidential information of the Company, and, to the extent that this is not the case, shall resign as a director of the Company or cease his involvement in the third party causing the Conflict; and

- 9.3.6 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.
- 9.4 Where the shareholders authorise a Conflict:
- 9.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
- 9.4.2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.
- 9.5 The shareholders 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.
- 9.6 Any A Director shall be entitled from time to time to disclose to the holders of the A Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.
- 9.7 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 shareholders in accordance with these Articles (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 9.9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his

interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9.8.

- 9.10 Subject, where applicable, to any terms and conditions imposed by the shareholders in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 9.10.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 9.10.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.10.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.10.4 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;
 - 9.10.5 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
 - 9.10.6 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 contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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.

10 RECORDS OF DECISIONS TO BE KEPT

- 10.1 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.

11 APPOINTMENT AND REMOVAL OF DIRECTORS

- 11.1 The holder of a majority of the A Shares for the time being shall be entitled to appoint two persons to be A Directors of the Company. Any appointment or removal of a director pursuant to this article shall be in writing, signed by or on behalf of the holder of a majority of the A Shares and delivered to the registered office of the Company.
- 11.2 Any A Director may at any time be removed from office by the holder of a majority of the A Shares.
- 11.3 Any director other than an A Director, who is an employee of the Company and who ceases to be an employee shall be removed from office automatically from the date his employment ceases unless the Board resolves to retain him.
- 11.4 If any A Director shall die or be removed from or vacate office for any cause, the holder of a majority of the A Shares may (and shall, if failure to do so would leave the Company with less than the minimum number of directors) appoint in his place another person to be an A Director. If the holder of the A Shares has died the power to appoint may be exercised by the executors of the will of the deceased Shareholder immediately without awaiting probate.
- 11.5 The holders of the majority in nominal amount of the aggregate of the voting Equity Shares may at any time appoint any person or persons to be a director or directors, either as an additional director or to fill a vacancy, and may remove from office any director other than an A Director.
- 11.6 Any appointment or removal of a director pursuant to article 11.5 shall be in writing and signed by or on behalf of each of the holders comprising the majority and served on the Company at its registered office or delivered to a duly constituted meeting of the directors of the Company. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 11.7 The right to appoint and to remove A Directors under this article shall be a class right attaching to the A Shares.

11.8 If no A Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation.

11.9 No Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

12 ALTERNATE DIRECTORS

12.1 Any director (other than an alternate director) (in this article, the **appointor**) may appoint any person (whether or not a director), except for an existing director representing the other class of shares, to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor. In these Articles, where the context so permits, the term "A Director" shall include an alternate director appointed by an A Director. A person may be appointed an alternate director by more than one director provided that each of his appointors represents the same class of shares but not otherwise.

12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

12.3 The notice must:

12.3.1 identify the proposed alternate; and

12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.

12.5 Except as the Articles specify otherwise, alternate directors:

12.5.1 are deemed for all purposes to be directors;

12.5.2 are liable for their own acts and omissions;

12.5.3 are subject to the same restrictions as their appointors; and

12.5.4 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.

12.6 A person who is an alternate director but not a director:

12.6.1 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); and

12.6.2 may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, and does not himself participate).

12.7 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).

12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.

12.9 An alternate director's appointment as an alternate terminates:

12.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

12.9.2 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; or

12.9.3 when the alternate director's appointor ceases to be a director for whatever reason.

SHARES

13 SHARE CAPITAL

13.1 The share capital of the Company shall comprise A Shares and B Shares.

- 13.2 Except as otherwise provided in these Articles, the Equity Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 13.3 The A Shares shall be entitled to such dividends as are declared to the A Shares by the Directors from time to time. The B Shares shall be entitled to such dividends as are declared to the B Shares by the Directors from time to time. The Directors may declare a dividend to one or more class of shares to the exclusion of the other class or classes of shares.
- 13.4 On the transfer of any share as permitted by these Articles a share transferred shall remain of the same class as before the transfer.
- 13.5 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

14 UNISSUED SHARES

- 14.1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) every shareholder for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee.
- 14.2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 14.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where the consent to that allotment of the holders of the A Shares has been obtained.

15 DIVIDENDS

- 15.1 The directors may declare an interim dividend, or recommend a final dividend to any one or more of the classes of Equity Shares to the exclusion of one or more other classes of the Equity Shares and shall not be bound to declare a dividend on

all classes of Equity Shares at the same time or in respect of the same accounting period.

16 LIEN

- 16.1 The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on all shares registered in the name of any person (whether solely or jointly with others) for all moneys owing to the Company from him or his estate either alone or jointly with any other person, whether as a member or not and whether such moneys are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this article. The Company's lien on a share shall extend to any dividends or other monies payable on it.

17 TRANSFERS OF SHARES: GENERAL

- 17.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or Encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 17.2 The provisions of the Schedule and this clause 17 shall govern all transfers of Shares.
- 17.3 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to article 17.6, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 17.4 If a shareholder transfers (or purports to transfer) a Share or any interest in or rights over a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 17.5 On completion of the sale of any Shares, the shareholder selling the Shares shall:
- 17.5.1 transfer the Shares free from all Encumbrances by way of a duly completed share transfer form to the buyer together with the relevant share certificate and such other documents as the buyer may reasonably require to show good title to the shares or enable it to be registered as the holder of the shares;

- 17.5.2 deliver the resignations of any directors appointed by it to take effect at completion and acknowledging that those directors have no claims against the Company;
 - 17.5.3 warrant that it has no right to require the Company to issue it with any share capital or other securities and that it has not granted any charge, lien or other encumbrance of any sort which affects any unissued shares or other securities of the Company;
 - 17.5.4 warrant that it is selling the shares with full title guarantee;
 - 17.5.5 undertake to do all it can, at its own cost, to give the buyer the full legal and beneficial title to the shares.
- 17.6 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the shareholders and/or the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 17.6, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 17.7 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- 17.7.1 any holder (or the legal representatives of a deceased holder); or
 - 17.7.2 any person named as a transferee in a transfer lodged for registration; or
 - 17.7.3 such other person as the Directors may reasonably believe to have information relevant to that purpose;
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 17.8 If any such information or evidence referred to in article 17.7 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or if as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then:

17.8.1 the relevant Shares shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- (b) to receive dividends or other distributions otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares issued in respect of those Shares; and

17.8.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in article 17.8.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 17.8.2 on completion of such transfer.

17.9 If a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him. Any Transfer Notice served or deemed to be given under these Articles shall be treated as including any Shares acquired after the date the relevant Transfer Notice is served or deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.

17.10 Any Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

DECISION MAKING BY SHAREHOLDERS

18 QUORUM FOR GENERAL MEETINGS

18.1 Where the Company has only one shareholder for the time being, one qualifying person (as defined in section 318 of the Act) present at the meeting shall be a quorum. In any other case, the quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom at least one shall be a holder of A Shares or a duly authorised representative of such holder.

- 18.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

19 CHAIRING GENERAL MEETINGS

- 19.1 The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

20 VOTING

- 20.1 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder except that:

20.1.1 the B Shares shall not confer any right to vote upon a resolution for the removal from office of a director appointed by holders of the A Shares; and

20.1.2 in the case of any resolution proposed, any holder of A Shares voting against such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat the resolution.

21 POLL VOTES

- 21.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 21.2 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.

22 PROXIES

- 22.1 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 general meeting (or adjourned meeting) to which they relate".

- 22.2 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" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

23 MEANS OF COMMUNICATION TO BE USED

- 23.1 Subject to article 23.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- 23.1.1 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;
- 23.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 23.1.3 if properly addressed and sent or supplied by electronic means, 12 hours after the document or information was sent or supplied; and
- 23.1.4 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 working day.

- 23.2 Any notice, document or other information served on, or delivered to, an intended recipient under these articles may be served or delivered in electronic form provided that it is also sent by post.

- 23.3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act.

24 INDEMNITY AND INSURANCE

- 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 24.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, 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 affairs; and
- 24.1.2 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 24.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 24.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 24.3 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.
- 24.4 In this article:
- 24.4.1 a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- 24.4.2 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 or any pension fund or employees' share scheme of the Company.

SCHEDULE ONE

Part One

1 PERMITTED TRANSFERS OF SHARES

- 1.1 A holder of A Shares may transfer their shares without restriction.
- 1.2 A holder of B Shares may transfer their shares to:
 - 1.2.1 the holder of all A Shares;
 - 1.2.2 to any other person with the consent of the holders of a majority of the A Shares.

Part Two

2 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 2.1 Except where, and to the extent that, the provisions of Part One, Part Three, Part Five or Part Six apply, any transfer of Shares by a shareholder shall be subject to the pre-emption rights in this Part 2.
- 2.2 A holder of B Shares who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
 - 2.2.1 subject to article 17.9 in relation to after acquired Shares, the number of Shares he wishes to transfer (**Sale Shares**);
 - 2.2.2 the name of the proposed transferee, if any;
 - 2.2.3 the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
 - 2.2.4 subject to article 17.9, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 2.3 Unless otherwise agreed by the Seller, in the case of a voluntary offer of shares under paragraph 2.2, the Transfer Price shall be the Proposed Sale Price. In the case of a Deemed Transfer Notice the Transfer Price shall be the Fair Value.
- 2.4 Any Shareholder may request that the Transfer Price of the Sale Shares comprised within a voluntary Transfer Notice should be the Fair Value. Where such Fair Value

is less than the Proposed Sale Price the Seller may, within 20 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice cannot be withdrawn.

2.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

2.6 As soon as practicable following the later of:

2.6.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served; and

2.6.2 the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with paragraph 2.4) offer the Sale Shares for sale in the manner set out in the remaining provisions of this Part 2 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

2.7 The Company shall offer the Sale Shares for sale in the following order of priority:

2.7.1 first, to the Company for purchase of its own shares (**First Offer Party**);

2.7.2 second, to the shareholders other than the Seller (**Second Offer Party**);
and

2.7.3 third, to a person or persons approved by the shareholders holding the issued voting shares not held by the Seller (**Third Offer Party**) provided that when approving such person or persons the shareholders shall specify the number of the Sale Shares that shall be offered,

in each case on the basis set out in paragraph 2.8 to paragraph 2.18 (inclusive).

2.8 The Directors shall offer the Sale Shares in the order of priority referred to in paragraph 2.7 to the First Offer Party, inviting it to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares it wishes to buy.

2.9 If:

2.9.1 at the end of the First Offer Period, the First Offer Party applied for all of the Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Party;

- 2.9.2 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Party in accordance with its application. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with paragraph 2.10.
- 2.10 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares or such amount of them as has been decided under paragraph 2.7.2 (if any) to the Second Offer Party, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 2.11 If:
- 2.11.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Party who has applied for Initial Surplus Shares in the proportion which his application bears to the total number of applications from every Second Offer Party. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Second Offer Party of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;
- 2.11.2 not all Initial Surplus Shares are allocated following allocations in accordance with paragraph 2.11.1, but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in paragraph 2.11.1. The procedure set out in this paragraph 2.11.2 shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
- 2.11.3 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Second Offer Party in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with paragraph 2.12.

- 2.12 At the end of the Second Offer Period, the Directors shall offer the Second Surplus Shares (if any) to the Third Offer Party, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Third Offer Period**) for the maximum number of Second Surplus Shares they wish to buy. The provisions of paragraph 2.11 shall apply as though all references to “Second” were to “Third” and to “Initial” were to “Second” save that any Third Surplus Shares shall be dealt with in accordance with paragraph 2.17.
- 2.13 Where the Transfer Notice contains a Minimum Transfer Condition:
- 2.13.1 any allocation made under paragraph 2.7 to paragraph 2.12 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- 2.13.2 if the total number of Sale Shares applied for under paragraph 2.7 to paragraph 2.12 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 2.14 Where either:
- 2.14.1 the Transfer Notice does not contain a Minimum Transfer Condition; or
- 2.14.2 allocations have been made in respect of all the Sale Shares,
- the Directors shall, when no further offers or allocations are required to be made under paragraph 2.7 to paragraph 2.12 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 40 Business Days, after the date of the Allocation Notice).
- 2.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 2.16 If the Seller fails to comply with paragraph 2.15:

- 2.16.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller):
- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (c) (subject to the transfer being duly stamped where required) enter the Applicants in the register of shareholders as the holders of the Shares purchased by them; and
- 2.16.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares) to the Company.
- 2.17 Where an Allocation Notice does not relate to all the Sale Shares or the Transfer Notice lapses pursuant to paragraph 2.13 then, subject to paragraph 2.18, the Seller may retain the Sale Shares or, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this paragraph 2.17 shall continue to be subject to any Minimum Transfer Condition.
- 2.18 The Seller's right to transfer Shares under paragraph 2.17 does not apply if the Directors reasonably consider that:
- 2.18.1 the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor (or a Member of the Same Group as or is connected to or associated with a competitor) of the business of any Group Company;
 - 2.18.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

- 2.18.3 the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable the Directors to form the opinion referred to in paragraph 2.18.2.

Part Three

3 COMPULSORY TRANSFERS

3.1 If a shareholder who is an individual:

- 3.1.1 dies;
- 3.1.2 becomes of unsound mind or a patient under any statute relating to mental health; or
- 3.1.3 is made subject to a bankruptcy order (or equivalent procedure in any jurisdiction outside England and Wales),

that shareholder shall be deemed to have given a Transfer Notice (**Deemed Transfer Notice**) in respect of all Shares held by it on such date as the Directors may determine.

3.2 If an Employee Shareholder becomes a Departing Employee Shareholder a Transfer Notice shall, unless the Directors otherwise direct in writing, be deemed to have been served on the date that their employment terminates, or such other date as is specified by the Directors, in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse.

3.3 If a holder of B Shares charges its Equity Shares and any charge holder enforces or seeks to enforce its security over such Equity Shares, the shareholder shall be deemed to have given a Transfer notice in respect of such Equity Shares on such date as the Directors may determine.

3.4 If a holder of B Shares seeks to grant any rights over or interest in any Equity Shares, the shareholder shall be deemed to have given a Transfer Notice in respect of such Equity Shares on such date as the Directors may determine.

3.5 Forthwith upon a Transfer Notice being deemed to be served under paragraph 3.1.2 or paragraph 3.1.3 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:

- 3.5.1 in each case, to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 3.5.2 in each case, to participate in any future issue of Shares issued in respect of those Shares.
- 3.6 The Directors may reinstate the rights referred to in paragraph 3.5 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to paragraph 3.1.

Part Four

4 VALUATION

- 4.1 The Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is:
 - 4.1.1 a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the Fair Value of such Sale Shares; and
 - 4.1.2 a Good Leaver, be the Fair Value of such Sale Shares.
- 4.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
 - 4.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 4.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 4.2.3 that the Sale Shares are capable of being transferred without restriction;
 - 4.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 4.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.

- 4.3 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 4.4 The parties are entitled to make written submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision. All submissions shall be delivered to the Independent Expert and the Company within 15 Business Days of the appointment of the Independent Expert.
- 4.5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 4.6 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 4.7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
 - 4.7.1 the Seller withdraws the relevant Transfer Notice in accordance with paragraph 2.4; or
 - 4.7.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

Part 5

5 DRAG ALONG

- 5.1 If the holders of the A Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Equity Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Part 5.
- 5.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a Drag Along Notice), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 5.2.1 that the Called Shareholders are required to transfer all their Equity Shares (**Called Shares**) pursuant to this Part 5;
 - 5.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - 5.2.3 the consideration payable for the Called Shares calculated in accordance with paragraph 5.4;
 - 5.2.4 the proposed date of completion of transfer of the Called Shares.
- 5.3 A Drag Along Notice may be revoked and shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Selling Shareholders' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 90 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 5.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same price per share as the consideration (in cash or otherwise) to be paid by the Proposed Buyer to the Selling Shareholders.
- 5.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Part 5.

- 5.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Selling Shareholders' Shares unless:
- 5.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree; or
 - 5.6.2 that date is less than 25 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 25 Business Days after the date of service of the Drag Along Notice.
- 5.7 Within 25 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 25 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to paragraph 5.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to paragraph 5.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to paragraph 5.4 in trust for the Called Shareholders without any obligation to pay interest.
- 5.8 To the extent that the Proposed Buyer has not, on the expiration of the 25 Business Day period, put the Company in funds to pay the amounts due pursuant to paragraph 5.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this Part 5 in respect of their Equity Shares.
- 5.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share

certificate shall not impede the registration of any transfer of Shares under this Part 5.

- 5.10 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Equity Shares, whether or not pursuant to a Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Equity Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Part 5 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Equity Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.
- 5.11 A transfer of Sellers' Shares and Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Part 2.
- 5.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

Part 6

6 MANDATORY OFFER ON CHANGE OF CONTROL

- 6.1 If the holder of the A Shares proposes to sell more than one-half of its A Shares, the remaining provisions of this Part 6 shall apply.
- 6.2 The Seller and, to the extent that it is able, the Company shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the Offer) to each shareholder on the date of the Offer to buy all of the B Shares held by such shareholders on the date of the Offer for a consideration in cash per A Share (the Offer Price) which is equal to the highest price per A Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any A Shares in connection with the Proposed Transfer or any transaction in the 12 calendar months preceding the date of completion of the Proposed Transfer.
- 6.3 The Offer shall be made by notice in writing (an Offer Notice) addressed to each shareholder on the date of the Offer at least 20 Business Days (the Offer Period)

before the date fixed for completion of the Proposed Transfer (the Sale Date). To the extent not described in any accompanying documents, the Offer Notice shall specify:

- 6.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- 6.3.2 the Offer Price and any other terms and conditions of the Offer;
- 6.3.3 the Sale Date; and
- 6.3.4 the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

6.4 The completion of the Proposed Transfer shall be conditional in all respects on:

- 6.4.1 the making of an Offer in accordance with this paragraph 6; and
- 6.4.2 the completion of the transfer of any Equity Shares by any shareholder (each an **Accepting Shareholder**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this paragraph 6.4.

6.5 The Proposed Transfer is, but the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this Part 6 shall not be, subject to the pre-emption provisions of Part 2.

Part 7

7 MANDATORY TRANSFER

7.1 The holders of the A Shares shall be entitled to serve a notice on any other shareholder (**Notified Shareholder**) requiring the Notified Shareholder to offer for sale all shares held by him in the Company (**Sale Shares**). The Notified Shareholder shall serve a notice stating that he offers his shares for sale (**Transfer Notice**) in respect of the Sale Shares within 10 Business Days of receipt of the notice and in default shall be deemed to have served such Transfer Notice on the expiration of the 10 Business Days.

7.2 The provisions of Part 2 of this Schedule shall apply as follows:

- 7.2.1 paragraphs 2.5 to 2.16 inclusive shall apply;

- 7.2.2 where Allocation Notices do not apply to all Sale Shares, the Notified Shareholder shall be entitled to retain any Sale Shares for which there is no Allocation Notice.
- 7.3 The price payable for the Sale Shares under this Part 7 shall be either:
 - 7.3.1 such price as is agreed between the directors and the Notified Shareholder; or
 - 7.3.2 failing agreement within 10 Business Days of the date of the Transfer Notice (whether served or deemed served) the Fair Value.
- 7.4 Under paragraph 4.7 the costs of any valuation shall be paid by the purchaser of the Sale Shares from the Notified Shareholder (pro rata to the number of Sale Shares purchased).