

Company number 2174990

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

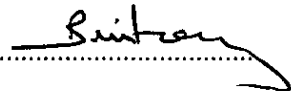
SOFTCAT LIMITED (Company)

On 6 April 2009, the following resolutions were passed as Special Resolutions pursuant to Chapter 2 of Part 13 of the Companies Act 2006:

SPECIAL RESOLUTIONS

- (a) That 607,255 of the Ordinary Shares of £0.01 each comprised in the authorised share capital of the Company, held by Capita Trustees Limited, and which are issued and fully paid up, be converted into, and redesignated as, 'A' Ordinary Shares of £0.01 each having the rights and being subject to the conditions set out in the articles of association of the Company, to be adopted pursuant to resolution (b) below.
- (b) That the draft regulations 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.

Signed.....



WILLIAM KENNY

Director

WEDNESDAY



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PC2

01/07/2009

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COMPANIES HOUSE

Company No. 02174990

THE COMPANIES ACTS 1985 TO 2006

PRIVATE COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of
SOFTCAT LIMITED

(Adopted by special resolution passed on 6 April 2009)

Morgan Cole



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THE COMPANIES ACTS 1985 to 2006

PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

SOFTCAT LIMITED

(Adopted by special resolution passed on 6 April 2009)

1. INTRODUCTION

- 1.1 The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826), and as otherwise amended before the adoption of these Articles (**Table A**) shall apply to the Company, except insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In Regulation 1 of Table A, the words "and in Articles of association adopting the same" shall be inserted after the word "regulations" in the last paragraph of that Regulation. The sentence "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." shall be inserted at the end of that Regulation.
- 1.3 Article headings are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 Words in the singular shall include the plural and vice versa.

- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.
- 1.6 Regulations 29 to 31 (inclusive), 54, 62, 76, 77, 82, 94 to 98 (inclusive) and 118 of Table A shall not apply to the Company.
- 1.7 Regulation 6 of Table A shall be modified so that reference to the company seal is deleted.
- 1.8 Regulation 18 of Table A shall be modified by adding the following words at the end of the first sentence: "and all expenses that may have been incurred by the Company because of such non-payment."
- 1.9 Regulation 78 of Table A shall be modified by deleting the words "...and may also determine the rotation in which any additional Directors are to retire".
- 1.10 Regulation 84 of Table A shall be modified by deleting the third and final sentences.
- 1.11 Regulation 101 of Table A shall be modified by adding the words "...if the Company has one," after the words "the seal" at the beginning of that Regulation. The following sentence shall also be added to that Regulation: "Any instrument expressed to be executed by the Company and signed by two Directors, or by one Director and the Secretary, or by a Director in the presence of a witness who attests the signature by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Companies Acts) have effect as if executed under seal."

2. INTERPRETATION

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

1985 Act: the Companies Act 1985 (as amended), and in force before the adoption of these Articles.

2006 Act: the Companies Act 2006, in force before the adoption of these Articles.

'A' Ordinary Shares: the 'A' ordinary shares of £0.01 each in the capital of the Company.

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

Allocation Notice: has the meaning given in Article 10.9.

Applicant: has the meaning given in Article 10.9.

Auditors: means the auditors of the Company from time to time.

Bad Leaver: a Departing Employee Shareholder who is not a Good Leaver.

Board: the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles.

Business Day: a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of normal banking business.

Called Shareholders: has the meaning given in Article 13.1.

Called Shares: has the meaning given in Article 13.2(a).

Company: Softcat Limited a company registered in England Wales with company number 02174990.

Companies Acts: the 1985 Act and the 2006 Act.

Continuing Shareholders: has the meaning given in Article 10.7.

Controlling Interest: means an interest in shares giving to the holder or holders control of the Company within the meaning of section 840 of ICTA.

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

Director: a director of the Company from time to time.

Drag Along Notice: has the meaning given in Article 13.2

Drag Along Option: has the meaning given in Article 13.1.

Employee Shareholder: a holder of 'A' Ordinary Shares who is, or has been, a director and/or an employee of any Group Company.

Employee Trust: means any trust established or to be established by the Company to hold 'A' Ordinary Shares for the benefit of employees of the Company or any Subsidiary of the Company.

Encumbrance: any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including, without limitation, any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).

Expert Valuers: is as determined in accordance with Article 11.2;

Fair Value: is as determined in accordance with Article 11.3;

First Offer Period: has the meaning given in Article 10.7.

Good Leaver: a Departing Employee Shareholder, who ceases to be an Employee Shareholder at any time by reason of:

- (a) death;

- (b) permanent incapacity; or
- (c) the Board, determining that he is a Good Leaver.

Group: the Company and each and any of its Subsidiaries from time to time, and **Group Company** shall be construed accordingly.

ICTA: the Income and Corporation Taxes Act 1988.

Initial Surplus Shares: has the meaning given in Article 10.7.

Majority Holding: has the meaning given in Article 14.1.

Minimum Transfer Condition: has the meaning given in Article 10.2(d).

'MR' Shares: the 'MR' shares of £0.01 each in the capital of the Company.

New Shareholder: has the meaning given in Article 13.11.

Ordinary Shares: the ordinary shares of £0.01 each in the capital of the Company.

Proposed Buyer: has the meaning given in Article 13.1.

Proposed Offeror: has the meaning given in Article 14.2.

Proposed Sale Date: has the meaning given in Article 14.2.

Proposed Sale Notice: has the meaning given in Article 14.2.

Proposed Sale Shares: has the meaning given in Article 14.2.

Proposed Sellers: has the meaning given in Article 14.1.

Relevant Securities: any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date on which these Articles are adopted, but excluding any shares which the Company is required to issue by reason of a right specifically attached to Shares under these Articles.

Restricted Shares: has the meaning given in Article 12.5.

Sale Shares: the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice.

Second Offer Period: has the meaning given in Article 10.8.

Second Surplus Shares: has the meaning given in Article 10.8.

Seller: the transferor of shares pursuant to a Transfer Notice.

Sellers' Shares: has the meaning given in Article 13.1.

Selling Shareholders: has the meaning given in Article 13.1.

Shares: the 'A' Ordinary Shares, the 'MR' Shares and the Ordinary Shares.

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where the shareholders and the proportion of shares held by each of them

following completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before to the sale.

Shareholder: a holder of shares in the Company.

Subsidiary and Subsidiary Undertaking: shall have the meanings given to them in the 2006 Act.

Tag Along Shares: has the meaning given in Article 14.3.

Termination Date:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee Shareholder dies, the date of his death;
- (d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement with the Company is terminated,

and in any other case, the date on which the employment agreement is terminated.

Transfer Notice: a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any shares. Where such notice is deemed to have been served, it shall be referred to as a **Deemed Transfer Notice**.

Transfer Price: has the meaning given in Article 10.2(c).

3. SHARE CAPITAL

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £120,000, divided into:
 - (a) 607,255 'A' Ordinary Shares;
 - (b) 188,500 'MR' Shares; and
 - (c) 11,204,275 Ordinary Shares.
- 3.2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include shares created and/or issued after the date of adoption of these Articles and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

- 3.3 Except as provided in these Articles, the 'A' Ordinary Shares, the 'MR' Shares and the Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

4. DIVIDENDS

- 4.1 Subject to the Companies Acts and these Articles, the Company may by ordinary resolution declare
- (a) dividends in accordance with the respective rights of the member, but no dividend shall exceed the amount recommended by the Directors; and
 - (b) such dividend be declared either in respect of one class of shares to the exclusion of the other class, or in respect of both classes of shares.
- 4.2 The holders of 'A' Ordinary Shares shall not be entitled to receive any dividends.

5. CAPITAL

- 5.1 On a return of assets on liquidation, capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall:
- (a) in the event that the assets are equal to or less than £13,843,253 (to the extent that the Company is lawfully able to do so) shall be distributed amongst the holders of the 'MR' Shares and the Ordinary Shares only;
 - (b) in the event that the assets are greater than £13,843,253 (to the extent that the Company is lawfully able to do so) shall be distributed in the following order of priority:
 - (i) first, an amount equal to £13,843,253 shall be distributed amongst the holders of the 'MR' Shares and the Ordinary Shares;
 - (ii) second, an amount equal to the excess over £13,843,253 shall be distributed amongst the holders of the 'A' Ordinary Shares, the 'MR' Shares and the Ordinary Shares in proportion to the number of Shares held by each Shareholder as if they constituted one class of shares.

6. VOTING

- 6.1 Subject to any other provisions in these Articles concerning voting rights, Shares in the Company shall carry votes as follows:
- (a) the Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Ordinary Share shall carry one vote per share;

- (b) the 'MR' Shares shall confer on each holder of 'MR' Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each 'MR' Share shall carry one vote per share;
- (c) subject to Article 6.1(d), the 'A' Ordinary Shares shall confer on each holder of such shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each 'A' Ordinary Shares shall carry one vote per share; and
- (d) the 'A' Ordinary Shares shall not confer on each holder a right to vote on any resolution concerning any dividends.

6.2 Where shares confer a right to vote, votes may be exercised:

- (a) on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote); or
- (b) on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote for each such share held).

7. FURTHER ISSUES OF SHARES

7.1 Subject to the remaining provisions of this Article 7, the Directors are generally and unconditionally authorised, for the purpose of section 80 of the 1985 Act to exercise any power of the Company to:

- (a) offer, allot or grant rights to subscribe for; or
- (b) convert securities into; or
- (c) otherwise deal in, or dispose of,

any Shares (or any other Relevant Securities in the Company) to any person, at any time and subject to any terms and conditions as the Directors think proper.

7.2 The authority referred to in Article 7.1:

- (a) shall be limited to a maximum nominal amount of Shares equal to the amount of the authorised but unissued share capital of the Company immediately following the date on which these Articles are adopted;
- (b) shall only apply insofar as the Company in general meeting has not renewed, waived or revoked it; and
- (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require relevant securities to be

allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired).

7.3 In accordance with section 91(1) of the 1985 Act, sections 89(1) and 90(1) to (6) (inclusive) of the 1985 Act shall not apply to an allotment of Relevant Securities made by the Company.

7.4 Subject to section 80 of the 1985 Act, any Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

8. PERMITTED TRANSFER

Any 'A' Ordinary Shares may be transferred without the giving of a Transfer Notice under Article 9 or Article 10 (or being subject to the pre-emption rights under the said Article 10), restriction as to price or otherwise to the trustees of the Employee Trust or by the trustees or nominees for the time being of an Employee Trust, with the prior consent of Board, to any beneficiary of such Employee Trust.

9. TRANSFER OF SHARES

9.1 In Article 8, Article 10, Article 12, Article 13 and Article 14 reference to the transfer of a Share includes the transfer or assignment 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.

9.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

9.3 The holders of the 'A' Ordinary Shares shall not be entitled to transfer any 'A' Ordinary Shares (unless such transfer is made with the prior consent in writing of the Board) other than:

- (a) a transfer pursuant to a Share Sale; or
- (b) in accordance with Article 8, Article 12, Article 13 and Article 14.

9.4 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Shares held by him.

- 9.5 Any transfer of a Share by way of sale that is required to be made under Article 8, Article 10, Article 12 and Article 13 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 9.6 In addition to the provisions of Regulation 24 of Table A, the Directors may refuse to register a transfer if it is a transfer of a share to a bankrupt, a minor or a person of unsound mind and Regulation 24 of Table A shall be modified accordingly.
- 9.7 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles, the Directors may, require any holder, or the legal personal representatives of any deceased holder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with any information and evidence that the Directors request regarding any matter which they deem relevant to that purpose. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:
- (a) the relevant shares shall cease to confer on the holder of them (or any proxy) any rights:
 - (i) to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question.
 - (ii) to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder; and
 - (b) the holder may be required, at any time following receipt of the notice, to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in Article 9.7(a) may be reinstated by the Board subject to the or, if earlier, shall be reinstated on the completion of any transfer referred to in Article 9.7(b).

- 9.8 Where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within 10 Business Days of demand being made, a Deemed Transfer Notice shall be given at the end of that period. If a Transfer Notice is required to be given, or is deemed to have been given, under these Articles, the Transfer Notice shall be treated as having specified that:

- (a) the Transfer Price (as defined in Article 10) for the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the 2006 Act) not voting) and the Seller, or, failing agreement within 10 Business Days after the date on which the Board becomes aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the Fair Value of the Sale Shares;
- (b) whether there is a Minimum Transfer Condition (as defined in Article 10.2(d)); and
- (c) the Seller wishes to transfer all of the Shares held by it.

10. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 10.1 Except where the provisions of Article 8, Article 12, Article 13 and Article 14 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 10.
- 10.2 A Seller shall, before transferring or agreeing to transfer any Shares, give notice a Transfer Notice to the Company specifying:
 - (a) the number of Sale Shares;
 - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
 - (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board) (**Transfer Price**); and
 - (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**).
- 10.3 Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn.
- 10.4 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 10.5 As soon as practicable following the later of:
 - (a) receipt of a Transfer Notice; or
 - (b) where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under Article 11,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Article 10.6 to Article 10.7. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

10.6 The Company shall offer the Sale Shares in the following priority:

- (a) first, to the holders of 'MR' Shares; and
- (b) second, to the holders of Ordinary Shares,

in each case on the basis as set out in Article 10.7.

10.7 The Board shall offer the Sale Shares in the priority referred to in Article 10.6, to all shareholders specified in the offer other than the Seller (**Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 10.7 and Article 10.8 shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If only some of the Sale Shares are allocated in accordance with this Article 10.7, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this Article 10.7.

If, 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 Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with Article 10.8.

10.8 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion that his existing holding of Shares (including Sale Shares) bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (**Second Surplus Shares**) shall be offered to any other person in accordance with Article 10.11.

- 10.9 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 10.7 and Article 10.8, stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

- (a) the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under Article 10.7 and Article 10.8, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**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 not more than 20 Business Days after the date of the Allocation Notice).

- 10.10 On the service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

If the Seller fails to comply with this Article 10.10:

- (a) the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller:

- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it; and
 - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
 - (b) 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 for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, 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 Shares) to the Company.
- 10.11 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 10.12 and within 6 weeks following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Second Surplus Shares in accordance with this Article 10.11 shall continue to be subject to any Minimum Transfer Condition.
- 10.12 The Seller's right to transfer Shares under Article 10.11 does not apply if the Board reasonably considers that:
- (a) the transferee is a person (or a nominee for a person) who the Board determine, in their absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company; or
 - (b) 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
 - (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board to enable it to form the opinion mentioned above.
- 10.13 The restrictions imposed by this Article 10 may be waived in relation to any proposed transfer of Shares with the consent of Shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article.

11. VALUATION

- 11.1 If no Transfer Price is specified in a Transfer Notice, or if a Deemed Transfer Notice is served, then, on service of the Transfer Notice or, in the case of a

Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the service of such a notice, the Board shall either:

- (a) appoint expert valuers in accordance with Article 11.2 (**Expert Valuers**) to certify the Fair Value of the Sale Shares; or
- (b) if the Fair Value has been determined by Expert Valuers within the preceding 12 weeks, specify that the Fair Value of the Sale Shares shall be calculated by dividing that Fair Value by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

11.2 The Expert Valuers will be either:

- (a) the Auditors, or if so specified in the relevant Transfer Notice;
- (b) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party

11.3 The “**Fair Value**” of the Sale Shares shall be determined by the Expert Valuers on the following assumptions and bases:

- (a) having regard to the restrictions and Article 5 attached to the Sale Shares pursuant to these Articles; and
- (b) with a premium or discount being attributable to the percentage of the issued share capital of the Company which they represent.

11.4 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and notify the Board of their determination.

11.5 Subject to any confidentiality provisions, the Expert Valuers may have access to all accounting records or other relevant documents of the Company.

11.6 The Expert Valuers’ determination shall be final and binding on the parties (in the absence of fraud or manifest error).

12. COMPULSORY TRANSFERS

12.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Share at such time as the Directors determine.

- 12.2 If a company that is a Shareholder resolves to appoint a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by it at such time as the Directors determine.
- 12.3 If an Employee Shareholder becomes a Bad Leaver, that Employee Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all the Shares held by that Employee Shareholder on the Termination Date. In such circumstances the Transfer Price shall be the Fair Value of the Sale Shares.
- 12.4 A Bad Leaver's Shares shall be offered in the following order of priority:
- (a) to a person (or persons) as agreed by the Board to take the Departing Employee Shareholder's place, conditionally on that person commencing their employment with the Company;
 - (b) to any of the other existing Employee Shareholders;
 - (c) to other participants (or potential participants) in, or trustees of, the Employee Trust (other than the Bad Leaver);
 - (d) to any other person (or persons) who are approved by the Board; and then
 - (e) subject to the Companies Acts, to the Company.
- 12.5 All voting rights attached to the Bad Leaver's Shares, if any, shall be suspended on the Termination Date (**Restricted Shares**). In addition, the holders of Restricted Shares shall not have the right to receive a notice of, nor to attend, all general meetings of the Company.
- 12.6 All voting rights attached to the Restricted Shares transferred under this Article 12 shall be automatically restored on completion of the transfer.

13. DRAG ALONG

- 13.1 If the holder(s) of 51% or more of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders may require all the other holders of Shares (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).
- 13.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:
- (a) the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 13;

- (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the fair market value of the Called Shares, calculated as a pro rata proportion of the market value of the Shares of the Company as a whole, between a willing seller and a willing third party buyer without any premium or discount by reference to the percentage of the Called Shares being sold or transferred;
 - (d) the amount of the consideration, taking into account Article 13.4, that the Called Shareholders are entitled to receive; and
 - (e) the proposed date of the transfer.
- 13.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 40 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.
- 13.4 The Called Shareholders shall participate in the proceeds of sale of the Called Shares in the amounts which they would be entitled to receive if the total consideration proposed to be paid by the third party purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5.
- 13.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 13.
- 13.6 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise
- 13.7 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 13.8 Within 5 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 5 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 13.4 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to

Article 13.4 in trust for the Called Shareholders without any obligation to pay interest.

- 13.9 To the extent that the Proposed Buyer has not, on the expiration of the 5 Business Days period referred to in Article 13.8, put the Company in funds to pay the consideration due pursuant to Article 13.4, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this Article 13 in respect of their Shares.
- 13.10 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 13.
- 13.11 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or on the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 13 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

14. TAG ALONG

- 14.1 If at any time one or more Shareholders (**Proposed Sellers**) propose to sell, in one or a series of related transactions, 51% or more of the Shares (**Majority Holding**) to any person (not being a Proposed Buyer for the purposes of Article 13.1) other than pursuant to Article 8, the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this Article.
- 14.2 The Proposed Sellers shall give written notice (**Proposed Sale Notice**) to the other holders of the Shares of such intended sale at least 10 Business Days prior to the

date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed offeror (**Proposed Offeror**), the purchase price and other terms and conditions of payment, the proposed date of sale (**Proposed Sale Date**) and the number of Shares proposed to be purchased by the Proposed Offeror (**Proposed Sale Shares**).

- 14.3 Subject to Article 14.4, any other holder of Shares shall be entitled, by written notice given to the Proposed Sellers within 5 Business Days of receipt of the Proposed Sale Notice, to sell all of his Shares (**Tag Along Shares**) to the Proposed Offeror on the same terms and conditions as those set out in the Proposed Sale Notice.
- 14.4 If the holders of 'A' Ordinary Shares exercise their right under Article 14.3 they shall participate in the proceeds of sale of their 'A' Ordinary Shares for an amount that they would be entitled to receive if the total consideration proposed to be paid by the Proposed Offeror were distributed to the holders of the Tag Along Shares and the Majority Holding in accordance with the provisions of Article 5 although if the Tag Along Shares and the Majority Holding do not represent the entire issued share capital of the Company then the sum of £13,843,253 in Article 5 shall be replaced throughout Article 5 (for the purpose of calculating how much of the proceeds of the intended sale which is the subject of the Proposed Sale Notice shall be distributed to the holders of the 'A' Ordinary Shares in accordance with Article 5) with a sum calculated in accordance with the following formula:

$$\frac{A}{B} \times £13,843,253$$

where:

"A" is the total number of 'MR' Shares and Ordinary Shares that form the Tag Along Shares and the Majority Holding; and

"B" is the total number of 'MR' Shares and Ordinary Shares in issue as at the date of the completion of the intended sale which is the subject of the Proposed Sale Notice.

- 14.5 If any other holder of Shares is not given the rights accorded him by the provisions of this Article 14, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.
- 14.6 Sales made in accordance with this Article shall not be subject to Article 10.

15. NUMBER OF DIRECTORS

Unless and until the Company in general meeting determines otherwise, subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be two.

16. PROCEEDINGS AT MEETINGS OF DIRECTORS

- 16.1 Unless otherwise determined by the Company in general meeting by ordinary resolution an alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 of Table A shall be modified accordingly.
- 16.2 A Director, or any such other person as is mentioned in Regulation 65 in Table A, may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 16.3 Any Director who participates in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) that allows all the other Directors present at the meeting (whether in person, alternate or using a communication device) to hear that Director at all times, and that Director to hear all other Directors present at the meeting (by whatever means) at all times, shall be deemed to be present at the meeting and counted in the quorum. A meeting held by these means shall be deemed to take place where the largest number of participants is assembled. In the absence of a majority, the Chairman's location shall be deemed to be the place of the meeting.
- 16.4 A Director may vote at a Board meeting, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors. The provisions of Regulation 86 of Table A shall apply equally to any disclosure to be made under the provisions of this Article 16.

17. LIEN

The lien conferred by Regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not, and to all shares registered in the name of any person indebted or under liability to the Company, whether he is the sole registered holder of the shares or one of several joint holders.

18. PARTLY PAID SHARES

If the subscription price of any share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such share shall be reduced in the same proportion as the unpaid amount bears to the total subscription price.

19. INDEMNITY

- 19.1 Subject to the Companies Acts, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006) in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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 relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs.
- 19.2 The Company may buy and maintain insurance against any liability falling upon its Directors or other officers or auditors which arises out of their respective duties to the Company, or in relation to its affairs.