

Company No 02728769

THE COMPANIES ACTS 1985 AND 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS
of
ZEDCRAFT LIMITED

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as set out below

Special Resolution

- 1) 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, including the relevant provisions of the memorandum of association that would otherwise be treated as provisions of the articles of association under section 28 of the Companies Act

Circulation date

2010

We the undersigned, being the persons entitled on the circulation date set out above to vote on the resolutions set out above, hereby irrevocably agree to the said resolutions

Signature

S Victoros

Name

ISALOME VICTOROS

Date of signature

19th JUNE 2010

Notes

- 1 If you agree with the resolutions above, please sign and date this document where indicated above and return it to the Company using one of the following methods
 - **By Hand** to the Company at Salisbury House 81 High Street Potters Bar Hertfordshire EN6 5AS marked "For the attention of the Company Secretary",
OR

WEDNESDAY



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23/06/2010

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COMPANIES HOUSE

- **By Fax** faxing the signed copy to [FAX NUMBER] marked "For the attention of []", OR
- **By Post** to the Company at Salisbury House 81 High Street Potters Bar Hertordshire EN6 5AS marked "For the attention of []"

If you do not agree to the resolutions above, you do not need to do anything you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement
- 3 Unless, by the date which is 28 days following the circulation date set out above, sufficient agreement has been received for the resolutions to pass, they will lapse For your agreement to the resolutions to be valid, it must be received by the Company on or before that date
- 4 In the case of joint holders of shares, only one need sign The vote of the senior holder who tenders a vote will alone be counted by the Company and, for this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of joint holdings
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

Company No 2728769

THE COMPANIES ACTS 1985 AND 2006

PRIVATE COMPANY LIMITED SHARES

WRITTEN RESOLUTIONS

of

ZEDCRAFT LIMITED

(Passed *19TH JUNE* 2010)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following special resolution was agreed to and was duly passed on *19TH JUNE* 2010

Special Resolution

- 1) 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, including the relevant provisions of the memorandum of association that would otherwise be treated as provisions of the articles of association under section 28 of the Companies Act

X S Victor
Director

Company no: 2728769

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

OF

ZEDCRAFT LIMITED

19TH June.

(Adopted by written special resolution passed on [] 2010)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires

Act means the Companies Act 2006,

Appointor: has the meaning given in article 11(1),

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

Board means the board of directors of the Company from time to time,

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

Conflict has the meaning given in article 7.1,

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

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

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles
- 1 8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the company
- 1 9 Article 7 of the Model Articles shall be amended by
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a), and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"
- 1 11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"

- 1 12 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1 13 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1 14 Articles 31(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

2 UNANIMOUS DECISIONS

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

3. CALLING A DIRECTORS' MEETING

- 3 1 Any director may call a directors' meeting by giving not less than 21 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice
- 3 2 Notice of a directors' meeting shall be given to each director in writing

4. QUORUM FOR DIRECTORS' MEETINGS

- 4 1 Subject to article 4 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors
- 4 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office

other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director

4 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors

5 CASTING VOTE

5 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote

5 2 Article 5 1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting)

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body

corporate in which the company is otherwise (directly or indirectly) interested, and

- (f) shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such 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

7 DIRECTORS' CONFLICTS OF INTEREST

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

7.2 Any authorisation under this article 7 will be effective only if

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,

- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

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

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

76 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to

- (a) disclose such information to the directors or to any director or other officer or employee of the company, or
- (b) use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence

77 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in

each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

8 RECORDS OF DECISIONS TO BE KEPT

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

9 NUMBER OF DIRECTORS

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

10 APPOINTMENT OF DIRECTORS

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

11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

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

11.3 The notice must

- (a) identify the proposed alternate, and

- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

12 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

12.2 Except as the Articles specify otherwise, alternate directors

- (a) are deemed for all purposes to be directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their appointors, and
- (d) are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a shareholder

12.3 A person who is an alternate director but not a director

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and
- (c) shall not be counted as more than one director for the purposes of articles 12.3(a) and (b)

12.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

13 TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates

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

DECISION MAKING BY SHAREHOLDERS

14 POLL VOTES

- 14 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 14 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

15 PROXIES

- 15 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"
- 15 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

16 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

- 16 1 Without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution

16.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

16.3 The Company may issue shares in the following classes which shares shall have the following rights

(a) Ordinary Shares of £1 each which shall not entitle the holders to attend and vote at a general meeting (save in respect of any general meeting in which a resolution to liquidate the Company is proposed in which case a simple majority of the holders of Ordinary Shares shall be required for such a resolution to be passed) and which will entitle the holders to vote on any resolution dealing with the rights attaching to the Ordinary Shares. The ordinary shares are participatory shares which will carry all of the participation rights in the profits of the Company and upon a liquidation or winding up but subject to the rights of the Preference Shares

(b) Preference Shares of £1 each shall attract a preference dividend of £50,000 to be adjusted annually in accordance with any annual change in the Retail Price Index of the United Kingdom. The Preference Shares shall be redeemable only with the consent of the holders of not less than 75% of the Voting Shares. The Preference Shares shall not entitle the holder to attend and vote at a general meeting (save in respect of any general meeting in which a resolution to liquidate the Company is proposed in which case a simple majority of the holders of the Preference Shares shall be required for such a resolution to be passed) and will entitle the holders to vote on any resolution dealing with the rights attaching to the Preference Shares. The Preference Shares shall rank in priority to the Voting Shares and the Ordinary Shares (to the extent of their value only) upon a liquidation or winding up

(c) Voting Shares of £1 each which shall carry all rights to vote on matters at a general meeting, including decision making on whether or not dividends shall be payable to the holders of the Ordinary Shares, save in relation to resolutions solely to vary class rights of the other shares where the approval of the relevant other class of share would be required. Resolutions regarding liquidation of the Company shall require the consent of 75% of the Voting Shares but shall not be passed unless a simple majority of any other classes of the Company also vote in favour of the liquidation of the Company. The Voting Shares shall carry no rights to participate in the profits of the Company or upon its liquidation or winding up save to the effect of the value of the voting shares

ADMINISTRATIVE ARRANGEMENTS

17 MEANS OF COMMUNICATION TO BE USED

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

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or 5 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 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

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

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

18 INDEMNITY

18.1 Subject to article 18.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

- (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act (if any)),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 18(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

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

18.3 In this article

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

19. INSURANCE

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

19.2 In this article

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational

pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

20 TRANSFER OF SHARES

20.1 All transfers of shares shall be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or re-enactment thereof for the time being in force) or in any other form which the directors may approve

20.2 No shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any share or any interest in any share except

- (a) with the prior written consent of the holders of 75% of the Voting Shares in the capital of the Company for the time being, or
- (b) in accordance with these articles

20.3 Except for transfers for which the shareholders give their prior written consent under article 20.2, no shareholder shall transfer any shares unless he transfers all (and not some only) of the shares held by him

Pre-emption rights

20.4 A shareholder (**Seller**) wishing to transfer shares (**Sale Shares**) shall give notice in writing (**Transfer Notice**) to the other shareholders, including holders of a different class of shares to that of the Sale Shares, (**Ongoing Shareholders**) specifying the details of the proposed transfer, including the identity of the proposed buyer(s) and the price for the shares

20.5 Within 14 Business Days of receiving the Transfer Notice (**First Offer Period**), the Ongoing Shareholders shall give a notice to the Seller stating

- (a) the maximum number of Sale Shares they wish to buy, at the price specified, or

- (b) the maximum number of Sale Shares they wish to buy, but that the price specified is too high
- 20.6 If the Ongoing Shareholders wish to purchase the Sale Shares but consider the price specified to be too high, the parties concerned shall endeavour to agree a price. If the parties fail to reach agreement within 14 Business Days of the Transfer Notice, the Expert shall determine the Fair Value of the Sale Shares in accordance with the provisions of article 21. For the purpose of article 20.9, the First Offer Period shall be deemed to be extended until the date falling 10 Business Days after the delivery of the Expert's written notice.
- 20.7 If the Seller does not agree with the Fair Value as certified in the Expert's written notice, he shall be entitled to revoke the Transfer Notice by notice in writing to the Ongoing Shareholders within 10 Business Days of delivery of the Expert's written notice. If the Seller revokes the Transfer Notice, he is not entitled to transfer the Sale Shares except in accordance with these articles.
- 20.8 If the Ongoing Shareholders
 - (a) do not agree with the Fair Value as certified in the Expert's written notice, they shall give notice to the Seller within 10 Business Days of delivery of the Expert's written notice confirming that they do not wish to purchase the Sale Shares in question, or
 - (b) agree with the Fair Value as certified in the Expert's written notice, they shall give notice to the Seller within 10 Business Days of delivery of the Expert's written notice confirming that they do wish to purchase the Sale Shares in question.
- 20.9 If, at the end of the First Offer Period
 - (a) 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 Ongoing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Ongoing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to an Ongoing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
 - (b) 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 Ongoing Shareholders in accordance with their applications. The balance (the "Initial Surplus Shares") shall be dealt with in accordance with article 20.10.

- 20 10 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Ongoing Shareholders, inviting them to apply in writing within 10 Business Days of the date of the offer ("**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy
- 20 11 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 Ongoing Shareholder who has applied for Initial Surplus Shares in the proportion that his or its existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Ongoing 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 an Ongoing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy
- 20 12 Once the allocations have been made in respect of the Sale Shares, the Board shall, when no further offers are required to be made under article 20 9 and article 20 11, 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, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be not more than 28 Business Days after the date of the Allocation Notice)
- 20 13 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares in accordance with the requirements specified in the Allocation Notice
- 20 14 If, at the end of the Second Offer Period and after the issue of the Allocation Notice, any Sale Shares have not been purchased by the Ongoing Shareholders, the Company shall be entitled to purchase such Sale Shares at a price not less than the price specified in the Transfer Notice (or the Fair Value, if lower), provided that the Company has sufficient distributable reserves
- 20 15 If the Company does not purchase any of the Sale Shares in accordance with Article 20 14, the Seller shall be entitled to transfer such Sale Shares to the third party buyer identified in the Transfer Notice at a price not less than the price specified in the Transfer Notice (of the Fair Value, if lower)

Drag along rights

- 20 16 If the holders of 75% of the shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in the shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders may require all other shareholders (**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 these articles 20 15 to 20 23 (**Drag Along Option**)
- 20 17 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
- (a) that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to these articles 20 15 to 20 23,
 - (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 equal to the price per share offered by the Proposed Buyer for the Sellers' Shares, and
 - (d) the proposed date of the transfer
- 20 18 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 90 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.
- 20 19 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in these articles 20 15 to 20 23.
- 20 20 Completion of the sale of the Called Shares shall take place on the Completion Date. **Completion Date** means the date proposed for completion of the sale of the Sellers' Shares unless
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders, or
 - (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be 20 Business Days after service of the Drag Along Notice.

- 20 21 Any rights of pre-emption set out in these articles shall not apply to any transfer of shares to a Proposed Buyer (or as they may direct) pursuant to a sale for which a Drag Along Notice has been duly served
- 20 22 Within 15 Business Days of the Selling Shareholders 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 certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 20 16(c) 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 20 16(c) in trust for the Called Shareholders without any obligation to pay interest
- 20 23 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to article 20 16(c), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under these articles 20 15 to 20 23 in respect of their shares
- 20 24 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 his 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, to 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 these articles 20 15 to 20 23

Tag along rights

- 20 25 **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 from time to time) and **Controlling Interest** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988

- 20 26 Except in the case of transfers pursuant to articles 20 15 to 20 23 and, after going through the pre-emption procedure set out in articles 20 4 to 20 14, the provisions of articles 20 24 to 20 30 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company
- 20 27 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other shareholders to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer (**Specified Price**)
- 20 28 The Offer shall be given by written notice (**Offer Notice**), at least 20 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**) To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Buyer,
 - (b) the purchase price and other terms and conditions of payment,
 - (c) the Sale Date, and
 - (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**)
- 20 29 If the Buyer fails to make the Offer to all holders of shares in the Company in accordance with articles 20 26 and 20 27, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer
- 20 30 If the Offer is accepted by any shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders
- 20 31 The Proposed Transfer is subject to the pre-emption provisions of articles 20 4 to 20 14, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions

21 EXPERT AND FAIR VALUE

- 21.1 **Expert** shall mean the auditors or accountants of the Company for the time being or, in the event that the auditors decline the instruction to determine the Fair Value in accordance with this agreement, such firm of auditors as shall be appointed by the President of the Institute of Chartered Accountants in England & Wales following a written request from a Party to make such an appointment
- 21.2 The **Fair Value** for any shares to be transferred under this agreement is that proportion of the amount the Expert considers to be the fair value of the entire issued share capital of the Company that the Seller's or Selling Shareholders (as the case may be) shares bear to the entire issued share capital of the Company (with no discount for the size of the Seller's shareholding)
- 21.3 In determining the Fair Value of the entire issued share capital of the Company, the Expert relies on the following assumptions
- (a) the sale is between a willing seller and a willing buyer on the open market,
 - (b) the shares are sold free of all restrictions, liens, charges and other encumbrances,
 - (c) the sale is taking place on the date the Expert was requested to determine the Fair Value, and
 - (d) the Expert shall be allowed to take account of any other factors that the Expert reasonably believes should be taken into account
- 21.4 In determining the Fair Value, the Expert shall be acting as expert, not as arbitrator. The Expert's decision shall be final and binding, save in the event of manifest error
- 21.5 The cost of obtaining the certificate of the Expert shall be borne by the shareholder who is to sell his shares under these articles
- 21.6 The Expert shall be given by the Board all information which the Expert might reasonably require in order to determine the Fair Value of the shares to be transferred at the time

22 EVENTS OF DEFAULT

- 22.1 A Shareholder is deemed to have served a Transfer Notice under article 20.4 (**Deemed Transfer Notice**) immediately before any of the following events of default

- (a) he commits a material breach of any obligation under these articles and fails to remedy such breach within 20 Business Days of notice to remedy the breach being served by the Company, or
- (b) he fails to pay any money owing by him or it to the Company within 20 Business Days of a written request for payment from the Company, or
- (c) he fails to account for or pay over or refund any money received and belonging to the Company within 20 Business Days after being so required by notice from the Board, or
- (d) in the event of an individual
 - (i) his death, or
 - (ii) he proposes an individual voluntary arrangement within the meaning of section 253 Insolvency Act 1986, or an interim order is made in relation him under section 252 Insolvency Act 1986, or any other steps are taken or negotiations commenced by the Shareholder or any of his creditors with a view to proposing any kind of composition, compromise or arrangement involving the Shareholder and any of his creditors,
 - (iii) he has any distress or execution levied on his assets which is not paid out within 5 Business Days of its being levied, or
 - (iv) he is deemed to be unable to pay his debts within the meaning of section 267(2)(c) Insolvency Act 1986, or he presents, or has presented, a petition for a Bankruptcy Order, or
 - (v) he is convicted of any criminal offence involving dishonesty leading to a custodial sentence, or
- (e) in the event of a body corporate
 - (i) a resolution has been proposed or passed for winding up or administration or for the presentation of a petition for winding up or an administration order or for a compromise or composition or arrangement with creditors or any class of them, or
 - (ii) an application or order has been made for the appointment of a receiver or an administrative receiver or a manager or a trustee or other similar officer, or
 - (iii) a receiver, administrative receiver or manager has been appointed over it or any of its property or assets or income or undertaking, or a request for any such appointment has been made, or

- (iv) any event analogous to any of the foregoing has occurred in any jurisdiction

22.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the shares and the parties concerned shall refer the question of a valuation to the Expert under article 21,
- (b) the Expert is required to determine the Fair Value for the shares,
- (c) the Seller does not have a right of withdrawal following a valuation,
- (d) on the completion of any sale in accordance with these articles, the buyer is not required to procure the discharge of any security given by the Seller or to procure the release of any debts of the Company to him, and
- (e) article 19.14 shall not apply

23. COMPLETION

23.1 Completion of the sale and purchase of shares under articles 20.3 to 20.26 and article 22 of these Articles shall take place

- (a) in the event of a sale and purchase under article 20.2 and articles 20.4 to 20.14, within 20 Business Days after the day of delivery of the Transfer Notice, unless the Expert has been requested to determine Fair Value, in which case completion shall take place within 20 Business Days of the day of delivery of the Expert's Fair Value notice, or
- (b) in the event of a sale and purchase under articles 20.15 to 20.23, in accordance with article 20.15, or
- (c) in the event of a sale and purchase under articles 19.24 to 19.30, on the Sale Date, as defined in article 20.27, or
- (d) in the event of a sale and purchase under article 22, within 20 Business Days of the day of delivery of the Expert's Fair Value notice

23.2 At such completion

- (a) the Seller, Called Shareholder or Accepting Shareholder (as the case may be) shall deliver, or procure that there is delivered to the Ongoing Shareholders, Buyer or Proposed Buyer (as the case may be), a duly completed share transfer form transferring the legal and beneficial ownership of the relevant shares to the Ongoing Shareholders, Buyer

or Proposed Buyer (as the case may be), together with the relevant share certificates and such other documents as the Ongoing Shareholders, Buyer or Proposed Buyer (as the case may be) may reasonably require to show good title to the shares, or to enable them to be registered as the holders of the shares,

- (b) the Ongoing Shareholders, Buyer or Proposed Buyer (as the case may be) shall deliver or procure that there is delivered to the Seller, Called Shareholder or Accepting Shareholder (as the case may be) a bankers' draft made payable to the Seller, Called Shareholder or Accepting Shareholder (as the case may be) or to his order for the purchase price,
- (c) if following the sale the Seller, Called Shareholder or Accepting Shareholder (as the case may be) holds no further shares in the Company the Seller, Called Shareholder or Accepting Shareholder (as the case may be) shall deliver, or procure that there are delivered to the Company, resignations from any directors appointed by the Seller, Called Shareholder or Accepting Shareholder (as the case may be), such resolutions to take effect at completion of the sale of the shares, and
- (d) the Company is irrevocably authorised to appoint any person to transfer the shares on the Seller's, Called Shareholders' or Accepting Shareholders' (as the case may be) behalf and to do anything else that the Ongoing Shareholders, Buyer or Proposed Buyer (as the case may be) may reasonably require to complete the sale

23 3 The shares are sold by the Seller, Called Shareholder or Accepting Shareholder (as the case may be) with full title guarantee

23 4 If any Ongoing Shareholder fails to pay the purchase price on the due date, without prejudice to any other remedy which the Seller, Called Shareholder or Accepting Shareholder (as the case may be) may have, the outstanding balance of the purchase price shall accrue interest at a rate equal to 3% above the base rate of The Bank of England from time to time

23 5 The Company shall procure the registration (subject to due stamping by the Ongoing Shareholders, Buyer or Proposed Buyer (as the case may be)) of the transfers of shares in the Company effected pursuant to these articles