

PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF
MONTANARO ASSET MANAGEMENT LIMITED
(Registered No. 03246931)

Notice is hereby given that in accordance with Chapter 2 of Part 13 of the Companies Act 2006, on 2 July 2012 the following resolution was passed by the sole shareholder of Montanaro Asset Management Limited (the "Company") by way of written resolution

SPECIAL RESOLUTION

"THAT

- (a) the 550,000 ordinary shares of £1 00 each in the capital of the Company in issue be subdivided and redesignated into 3,932,500 B ordinary shares of £0 10 each and 1,567,500 deferred ordinary shares of £0 10 each, in each case having the rights and being subject to the conditions set out in the articles of association of the Company to be adopted pursuant to paragraph (d) of this resolution below,
- (b) the articles of association of the Company be amended by deleting all of the provisions of the Company's memorandum of association which, by virtue of the Companies Act 2006, are treated as part of the Company's articles of association,
- (c) the articles of association of the Company be amended by deleting all of the provisions referred to in paragraph 42 of schedule 2 to the Companies Act 2006 (Commencement No 8, Transitional Provisions and Savings) Order 2008 (Statutory Instrument 2008 No 2860),
- (d) the regulations contained in the document attached hereto and for the purposes of identification initialed by the chairman of the board of directors of the Company be and are hereby approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing articles of association of the Company, and
- (e) in accordance with section 551 of the Companies Act 2006, the directors of the Company be generally and unconditionally authorised to allot shares in the Company having up to an aggregate nominal amount of £550,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the passing of this resolution. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the Companies Act 2006 "

WEDNESDAY



A17 *A1CXP88G* #351
11/07/2012
COMPANIES HOUSE


CHARLES MONTANARO, director, for
and on behalf of MONTANARO ASSET
MANAGEMENT LIMITED

Date 2 July 2012

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
of
MONTANARO ASSET MANAGEMENT LIMITED**

Registered Number 3246931

Adopted on *2 July* 2012



Dickson Minto W.S.

CONTENTS

CONSTITUTION	1
INTERPRETATION	1
NAME	1
REGISTERED OFFICE	1
LIABILITY OF MEMBERS	1
OBJECTS	1
SHARE CAPITAL	2
RIGHTS ATTACHING TO THE SHARES	2
FURTHER ISSUES OF SHARES	6
LIEN	7
TRANSFER OF SHARES	7
GENERAL MEETINGS	8
DIRECTORS	8
BORROWING AND OTHER POWERS	14
ALTERNATE DIRECTORS	14
INDEMNITY AND INSURANCE	15
PERMITTED TRANSFERS	16
PRE-EMPTIVE TRANSFERS	17
COMPULSORY TRANSFERS	20
CHANGE OF CONTROL	21
CM DRAG-ALONG	22
SCHEDULE 1	25
SCHEDULE 2	29

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
MONTANARO ASSET MANAGEMENT LIMITED
(Registered Number 3246931)

CONSTITUTION

- 1 The Company is established as a private company within the meaning of Section 4(1) of the Companies Act 2006 (the "**Act**") and is subject to the provisions of the Act (including any statutory modification or re-enactment thereof for the time being in force) The regulations (the "**Regulations**") contained in the Model Form Articles for Private Companies Limited by Shares as set out in The Companies (Model Articles) Regulations 2008 (Statutory Instrument 2008 No 3229) (the "**Model Articles**") shall apply to the Company subject to the exceptions and amendments thereto set out in paragraph 2 of Schedule 1 to these Articles, and with the exception of any Regulations of the Model Articles which are inconsistent with the provisions hereinafter set forth

INTERPRETATION

- 2 In these Articles, unless the context otherwise requires, words and expressions shall bear the meaning ascribed to them in Schedule 1 to these Articles and the Schedules to these Articles shall be part of and construed as one with these Articles.

NAME

- 3 The name of the Company is Montanaro Asset Management Limited The name of the Company may be changed by resolution of the Directors.

REGISTERED OFFICE

- 4 The registered office of the Company will be situated in England.

LIABILITY OF MEMBERS

5. The liability of the members is limited to the amount, if any, unpaid on the shares held by them

OBJECTS

- 6 The objects of the Company shall be unrestricted

SHARE CAPITAL

- 7 The issued share capital of the Company as at the date of adoption of these Articles is £550,000 divided into 3,932,500 B Ordinary Shares and 1,567,500 Deferred Shares

RIGHTS ATTACHING TO THE SHARES

- 8 The Ordinary Shares, the B Ordinary Shares and the Deferred Shares shall constitute separate classes of shares. The rights and restrictions attaching to the Ordinary Shares, the B Ordinary Shares and the Deferred Shares are as follows

Income

- 8.1 Any profits which the Directors may lawfully determine to distribute in respect of any financial period by reference to a record date falling prior to the Deferred Shares Vesting Date shall be distributed amongst the holders of the Ordinary Shares and the B Ordinary Shares as follows
- 8.1.1 in paying to the holders of the Ordinary Shares the aggregate amount equal to the Ordinary Shareholder Income Entitlement to be distributed amongst them *pro rata* according to the number of Ordinary Shares held by each of them as at such record date, and
- 8.1.2 in paying to the holders of the B Ordinary Shares the balance of the profits which the Directors have determined to distribute pursuant to this Article 8.1 to be distributed amongst them *pro rata* according to the number of B Ordinary Shares held by each of them as at such record date.

For the avoidance of doubt, the Deferred Shares shall carry no rights to receive any dividends or other distributions of income payable by reference to a record date falling prior to the Deferred Shares Vesting Date

- 8.2 Any profits which the Directors may lawfully determine to distribute in respect of any financial period by reference to a record date falling on or after the Deferred Shares Vesting Date shall be distributed amongst the holders of the Ordinary Shares, the holders of the B Ordinary Shares and the holders of the Deferred Shares *pro rata* according to the Paid Up Amount upon each such share held by them as at such record date

Capital

- 8.3 Subject to Articles 8.4 and 8.5, the capital and assets of the Company on a winding-up or other return of capital available for distribution to the members of the Company shall be applied in the following manner and order of priority
- 8.3.1 where such return of capital is made prior to the Deferred Shares Vesting Date, an amount equal to the nominal value of each share held shall first be distributed to the members *pro rata* according to the

number of fully paid and issued shares held by them at the time of such return of capital (as if the Ordinary Shares, the B Ordinary Shares and the Deferred Shares constituted one and the same class of share), and any remaining capital and assets of the Company available for distribution shall be distributed amongst the holders of the Ordinary Shares and the holders of the B Ordinary Shares as follows

8 3 1 1 in paying to the holders of the Ordinary Shares the aggregate amount equal to the Ordinary Shareholder Capital Entitlement to be distributed amongst them *pro rata* according to the number of Ordinary Shares held by each of them at the time of such return of capital, and

8 3.1 2. in paying to the holders of the B Ordinary Shares the balance of the remaining capital and assets of the Company available for distribution to be distributed amongst them *pro rata* according to the number of B Ordinary Shares held by each of them at the time of such return of capital,

8 3.2. where such return of capital is made on or after the Deferred Shares Vesting Date, such capital and assets available for distribution shall be distributed amongst the holders of the Ordinary Shares, the holders of the B Ordinary Shares and the holders of the Deferred Shares *pro rata* according to the Paid Up Amount upon each such share held by them at the time of such return of capital.

8 4 On an Asset Sale or a Listing, the proceeds of such Exit (including any contingent or deferred consideration and/or consideration satisfied by the issue of shares or other securities as may be applicable in relation to the Exit) shall be distributed amongst the members of the Company as at the date on which the Exit takes place as follows

8 4 1 where the Exit takes place prior to the Deferred Shares Vesting Date, the holders of the Ordinary Shares, the holders of the B Ordinary Shares and the holders of the Deferred Shares shall be entitled to consideration per share of each relevant class held equal to the Fair Price per share of the relevant class at the time of such Exit (provided that the Fair Price per B Ordinary Share shall be one-tenth of the Fair Price per Ordinary Share) and the proceeds of the Exit shall be distributed amongst such holders *pro rata* according to the Fair Price per share and the number of fully paid and issued shares held by them at the date on which the Exit takes place; and

8 4 2. where the Exit takes place on or after the Deferred Shares Vesting Date, the proceeds of the Exit shall be distributed amongst the holders of the Ordinary Shares, the holders of the B Ordinary Shares and the holders of the Deferred Shares *pro rata* according to the Paid Up Amount upon each such share held by them at the date on which the Exit takes place

- 8 5. Unless agreed otherwise by the prior written consent of members holding not less than 50 per cent of the Voting Rights from time to time, upon the occurrence of an Asset Sale all the members shall procure that the Company is wound up and shall take all such steps as are required to wind up the Company and return the remaining capital and assets of the Company to the members in accordance with Article 8 4

Voting

- 8 6. Subject to Article 38.3, the holders of the Ordinary Shares and the holders of the B Ordinary Shares shall be entitled to receive notice of, attend, speak and vote at any general meeting of the Company The Deferred Shares shall not carry any right to receive notice of, attend, speak or vote at any general meeting of the Company held prior to the Deferred Shares Vesting Date but (subject to Article 38 3) the holders of the Deferred Shares shall be entitled to receive notice of, attend, speak and vote at any general meeting of the Company held on or after the Deferred Shares Vesting Date

Subject to Article 38 3, on a show of hands every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or proxy (not being himself a member entitled to vote) at a general meeting of the Company shall have one vote and on a poll each such holder so present shall have 10 votes for every Ordinary Share of which he is the holder

Subject to Article 38.3, on a show of hands every holder of B Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or proxy (not being himself a member entitled to vote) at a general meeting of the Company shall have one vote and on a poll each such holder so present shall have one vote for every B Ordinary Share of which he is the holder

Subject to Article 38 3, on a show of hands every holder of Deferred Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or proxy (not being himself a member entitled to vote) at a general meeting of the Company held on or after the Deferred Shares Vesting Date shall have one vote and on a poll each such holder so present shall have one vote for every Deferred Share of which he is the holder.

Other class rights

- 8 7. For so long as Charles Montanaro holds any shares, he (or, following his death, the personal representatives of Charles Montanaro who become entitled to his shares upon his death) shall be entitled (but not obliged) by giving notice in writing addressed to the Company and delivered to the Office to appoint any person or persons to be Directors of the Company (each a "CM Director") and to remove and replace any person or persons so appointed Any person appointed as a Director pursuant to this Article 8 7 (having obtained any approval or consent or made any notification required by law or regulation) shall be entitled to receive all notices of Board and

general meetings and to exercise all voting rights and shall be treated in the same manner as all other Directors and shall be entitled to report to Charles Montanaro (or his personal representatives, as appropriate) on the affairs of the Company and its subsidiaries on a confidential basis and to disclose to Charles Montanaro (or his personal representatives, as appropriate) on a confidential basis such information as he shall reasonably consider appropriate including, for the avoidance of doubt, all papers distributed to the Board.

- 8.8. In addition to any other approval required by law or these Articles, those matters set out in Schedule 2 to these Articles shall require the prior consent of Charles Montanaro (or, following his death, the personal representatives of Charles Montanaro who become entitled to his shares upon his death) for so long as Charles Montanaro (or his estate, as appropriate) holds any shares. Any consent required by this Article 8.8 may be given by Charles Montanaro (or his personal representatives, as appropriate) either in writing addressed to the Company or by Charles Montanaro (or a CM Director) voting in favour of the relevant matter at a duly convened meeting of the Board at which the relevant matter is considered.

Variation of class rights

- 8.9. Subject to Article 8.10, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may be varied or abrogated only with the consent in writing of the holders of more than 50 per cent of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company (and to proceedings at general meetings) shall, *mutatis mutandis*, apply.

- 8.10. Without prejudice to the generality of Article 8.9, none of the following events shall constitute a variation or abrogation of the rights attaching to any class of shares:

8.10.1. an allotment of any shares which will rank *pari passu* in all respects with any existing class of shares,

8.10.2. any amendment to these Articles where authorised by special resolution of the Company, other than an amendment to Articles 8.1, 8.2, 8.3 and/or 8.4.

Notwithstanding that the Company may deem it necessary or prudent to submit a notification under sections 23 or 24 of the Act, the members do not intend these Articles to contain any provision for entrenchment for the purposes of section 22 of the Act by virtue of any class rights created by these Articles or by any other provision of these Articles.

FURTHER ISSUES OF SHARES

- 9 1. Any shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Directors shall be authorised to determine the terms, conditions and manner of redemption of such shares
- 9 2. Subject to Article 9 3, the provisions of the Act and of every other statute for the time being in force concerning companies and affecting the Company and to any direction to the contrary that may be given by ordinary resolution of the Company, the Directors may offer, allot, issue, grant options or rights over or otherwise dispose of any shares in the Company to such persons, at such times and for such consideration and upon such terms and conditions and with such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors may determine, but so that no shares shall be issued at a discount
- 9 3. Save (i) for the Reserved Shares and (ii) as otherwise agreed by members holding not less than 50 per cent of the Voting Rights from time to time, any shares for the time being unissued and any new shares from time to time created ("shares" for this purpose to include any rights to subscribe for such shares whether pursuant to options, warrants, convertible securities or otherwise) shall before they are issued to any person be offered to the existing members (the "Offer") The Offer shall be made to each member by written notice from the Company specifying the number and class of the shares offered (the "Offered Shares") and the subscription price per share and limiting a time (not being less than 15 days or greater than 30 days) (the "Time Period") within which the Offer, if not accepted, will be deemed to have been declined The written notice of the Offer shall invite each member to state by notice in writing to the Company within the Time Period whether he is willing to subscribe for any of the Offered Shares and, if so, what maximum number of such Offered Shares (the "Subscription Maximum") he is willing to subscribe. A person who expresses a willingness to subscribe for any Offered Shares is referred to herein as a "Subscriber" Within 7 days of the expiry of the Time Period, the Company shall allocate and allot the Offered Shares amongst the Subscribers Each allocation among the Subscribers shall, in the case of competition, be made *pro rata* according to the Paid Up Amount of shares held by each Subscriber in relation to the total Paid Up Amount of shares held by all Subscribers immediately prior to the date of the Offer, but individual allocations shall not exceed the Subscription Maximum of each Subscriber If any Offered Shares are declined or deemed to be declined, the Offer in respect of such shares shall be withdrawn, at which time the Company shall be entitled to issue that number of shares to any person or persons on no more favourable terms than those offered to the existing members in accordance with this Article 9 3 If any of the members wish to subscribe in full or in part for the Offered Shares pursuant to the Offer, the Company shall be obliged to accept the subscriptions by such persons in priority to subscriptions by any other persons
- 9 4. In accordance with Section 570 of the Act, the provisions of Section 561(1) of the Act shall not apply to the allotment of equity securities (as defined in Section 560 of the Act) of the Company

- 10 The Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof held by the registered holder. The Company however shall be entitled to register trustees as such in respect of any shares

LIEN

- 11 The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) payable at a fixed time or called in respect of that share and the Company also shall have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

TRANSFER OF SHARES

- 12.1 The Directors shall register any transfer of shares made in accordance with the provisions of Articles 36 to 40 (*permitted transfers, pre-emptive transfers, compulsory transfers, change of control and CM drag-along*) and any person(s) becoming entitled to a share in consequence of the death of a member may, upon producing such evidence of their entitlement as the Directors shall reasonably require, be registered as the holder(s) of the share. Save as aforesaid and subject to Article 12.2, the Directors may, in their absolute discretion, decline to register any transfer of any shares, whether or not such shares are fully paid.
- 12.2 Notwithstanding any other provision of these Articles, all shares held by Charles Montanaro (or by the personal representatives of Charles Montanaro who become entitled to his shares upon his death) shall be freely transferable at all times and the Directors may not decline to register any transfer of any share by Charles Montanaro (or by his personal representatives, as appropriate)
- 12.3. Subject to such of the restrictions set out in these Articles as may be applicable, any member may transfer all or any of his shares by instrument of transfer in writing in any usual or common form or in any other form which the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee and the transferor shall remain the holder of the shares and as such a member of the Company until the name of the transferee is entered in the Register of Members in respect thereof. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

GENERAL MEETINGS

- 13 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided in these Articles, one member entitled to vote at the meeting who is present in person or by proxy or, if a corporation, by a duly authorised representative or proxy shall be a quorum, provided that for so long as Charles Montanaro (or, following his death, his estate) holds any shares there shall be no quorum unless Charles Montanaro (or, following his death, the personal representatives of Charles Montanaro who become entitled to his shares upon his death) is present in person or by proxy at the relevant meeting.
- 14 If a quorum is not present within half an hour of the time appointed for a general meeting the meeting, if convened on the requisition of members, shall be dissolved, in any other case it shall stand adjourned to such day and at such time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum provided that the only business to be considered at such adjourned meeting shall be the business set out in the notice of the original meeting.
- 15 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy or, if a corporation, by any representative duly authorised and entitled to vote.
- 16 No resolution not previously approved by the Directors shall be moved by any member other than a Director at a general meeting unless the member intending to move the same shall have left a copy thereof with his name and address at the Office at least 3 clear days prior to such meeting.
- 17 A notice of every general meeting shall be given to every member whether or not he shall have supplied to the Company an address within the United Kingdom for the giving of notices.

DIRECTORS

- 18 The quorum for the transaction of the business of the Directors shall, unless there is only one Director, be two Directors, one of whom shall be Charles Montanaro (for so long as he is a Director) or a CM Director. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If any duly convened meeting (the "Original Meeting") is inquorate, the Original Meeting shall be reconvened at the same time and place 7 days later (and this shall be notified to each Director) (the "Reconvened Meeting"). The quorum for the transaction of business at the Reconvened Meeting shall be any two Directors, one of whom shall be Charles Montanaro (for so long as he is a Director) or a CM Director, provided that the only business which may be transacted at that meeting shall be the business set out in the notice of the Original Meeting. In the case of an equality of votes at a meeting of the Directors, Charles Montanaro (if he is a Director at the time of the vote and is present at the relevant meeting) or

(if Charles Montanaro is not a Director at such time or is not present at the meeting) any CM Director, shall have a second or casting vote.

- 19 Unless and until otherwise determined by ordinary resolution of the Company, the minimum number of Directors shall be one and there shall be no maximum number. A sole Director shall have all the power and authority vested in "the Directors" in terms of these Articles.
20. A Director shall not be required to hold shares of the Company in order to qualify for office as a Director, but he shall be entitled to receive notice of and attend and speak at all general meetings of the Company or meetings of any class of members of the Company.
- 21.1 The Directors may, in accordance with the requirements set out in this Article 21, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "Conflict")
- 21.2. Any authorisation under this Article 21 will be effective only if
 - 21.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors 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,
 - 21.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and
 - 21.2.3. the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 21.3. Any authorisation of a Conflict under this Article 21 may (whether at the time of giving the authorisation or subsequently)
 - 21.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,
 - 21.3.2. be subject to such terms and for such duration, or impose such limits or conditions, as the Directors may determine;
 - 21.3.3. be terminated or varied by the Directors at any time

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation
- 21.4 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.

21 4 1 disclose such information to the Directors or to any Director or other officer or employee of the Company,

21 4 2 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.

21 5. Where the Directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the Director

21 5 1 is excluded from discussions (whether at meetings of Directors or otherwise) relating to the Conflict;

21 5.2 is not given any documents or other information relating to the Conflict,

21 5.3. may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict

21 6 Where the Directors authorise a Conflict

21 6 1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict,

21 6 2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation

21 7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the 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

21 8 A Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act.

21.9. A Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 21 8

- 21 10. Subject, where applicable, to the disclosures required under Article 21 8 or Article 21 9, and to any terms and conditions imposed by the Directors in accordance with Articles 21 3 to 21 5, a Director shall be entitled to vote in respect of any proposed or existing transaction or arrangement with the Company in which he is interested and if he shall do his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present at any meeting at which any such transaction or arrangement shall come before the Directors for consideration and he may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom.
- 21 11. A Director need not declare an interest under Article 21 8 or Article 21 9 as the case may be
- 21 11 1 if it cannot reasonably be regarded as likely to give rise to a conflict of interest,
- 21 11 2 of which the Director is not aware, although for this purpose a Director is treated as being aware of matters of which he ought reasonably to be aware,
- 21 11.3 if, or to the extent that, the other Directors are already aware of it, and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware, or
- 21 11 4 if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a Board meeting
- 21 12 For the purposes of Articles 21 8 and 21 9, a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction or arrangement of the nature and extent so specified
22. The Directors may dispense with the keeping of attendance records for meetings of the Directors or committees of the Directors
- 23 The office of a Director shall be vacated
- 23.1. if he becomes bankrupt or suspends payment of or compounds with his creditors,
- 23 2 if he becomes of unsound mind or a patient for the purpose of any statute relating to mental health or otherwise mentally incapacitated,
- 23 3 if (not being a Director holding executive office as such for a fixed term) by notice in writing to the Company he resigns his office,
- 23 4 if he is prohibited by law from being a Director or ceases to be a Director by virtue of any provision of the Act,

- 23 5 if he, not being Charles Montanaro or a CM Director, is removed from office by notice in writing signed by all his co-Directors and served upon him,
- 23 6 if he, not being Charles Montanaro or a CM Director, is removed from office by notice in writing signed by the holders of shares representing more than 50% of the aggregate Voting Rights; and/or
- 23 7 if he, not being Charles Montanaro or a CM Director, shall for more than 6 consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated
- 24 Subject to the consent of Charles Montanaro (or his personal representatives, as appropriate) being obtained in advance in accordance with Article 8 8, the Directors shall have power at any time to appoint any person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors
- 25 The ordinary remuneration of the Directors for their services as Directors and the salaries, bonuses and other remuneration of all employees and consultants of the Company shall from time to time be determined by a remuneration committee (the "Remuneration Committee") The Remuneration Committee shall meet at least once annually, the members of which shall be appointed by Charles Montanaro (or, following his death, his personal representatives) for so long as he (or, following his death, by his estate) holds or controls shares representing more than 50 per cent. of the Voting Rights The members of the Remuneration Committee shall not be required to have entered into a service agreement with the Company A Director may be reimbursed for all reasonable expenses which he may properly incur in attending meetings of the Directors or of any committee of the Directors or general meetings of the Company or any class of members of the Company or otherwise in or about the business of the Company In the event of any Director necessarily performing or rendering any special duties or services to the Company outside his ordinary duties as a Director the Remuneration Committee may pay such Director special remuneration and such special remuneration may be paid by way of salary, commission, participation in profits or otherwise as may be arranged and approved by the Remuneration Committee.
- 26 The Directors may from time to time, with the prior consent of Charles Montanaro or a CM Director, appoint one or more of their number to an executive office (including that of Chief Executive Officer, Chief Investment Officer, Managing Director, Deputy or Assistant Managing Director, Manager or any other salaried office) for such period and on such terms and conditions as they shall think fit and, subject to the terms and conditions of any agreement entered into in any particular case, may revoke such appointment Subject to the terms and conditions of any such agreement the appointment of any Director as aforesaid shall be *ipso facto* determined if he ceases from any cause to be a Director.

27. A Chief Executive Officer, Chief Investment Officer, Managing Director, Deputy or Assistant Managing Director, Manager or other executive officer as aforesaid shall receive such remuneration (either by way of salary, commission, participation in profits or pension or otherwise howsoever, whether similar to the foregoing or not) as the Directors may, with the prior consent of Charles Montanaro or a CM Director, determine

28. Subject to obtaining the prior consent of Charles Montanaro or a CM Director, the Company may establish, maintain, participate in and contribute to, or procure the establishment and maintenance of, participation in and contribution to, any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any persons (including Directors, former Directors, officers and former officers) who are or shall have been at any time in the employment or service of the Company or of any company which at the time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company (as defined in Section 1159 of the Act) or otherwise associated with the Company or of the predecessors of the Company in business or of any such other company as aforesaid, or for the benefit of the relations, spouses, widows, families, connections or dependants of any such persons or for the benefit of any other persons whose service or services have directly or indirectly been of benefit to the Company and their relations, connections or dependants, and (subject to obtaining the prior consent of Charles Montanaro or a CM Director) the Company may grant or procure the grant of donations, gratuities, pensions, allowances, including allowances on death, or other payments or benefits of any kind to any of such persons as aforesaid, and subject to obtaining the prior consent of Charles Montanaro or a CM Director, the Company may establish, subsidise, subscribe to or support institutions, associations, clubs, schools, funds or trusts calculated or considered to be for the benefit of any of such persons as aforesaid or otherwise for the advancement of the interests and well-being of the Company or of any such other company as aforesaid or its members, and subject to obtaining the prior consent of Charles Montanaro or a CM Director, the Company may make payments for or towards the insurance of any of such persons as aforesaid. Any such Director or ex-Director may participate in and retain for his own benefit any such donation, gratuity, pension, allowance, payment or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a Director of the Company

29. Subject to obtaining the prior consent of Charles Montanaro or a CM Director, the Company may establish and contribute to any employees' share scheme (within the meaning of Section 1166 of the Act) for the purchase or subscription by trustees of shares of the Company or of a holding company of the Company and may lend money to the Company's employees to enable them to purchase or subscribe for shares of the Company or of a holding company of the Company, and may establish and maintain any option or incentive scheme whereby all or selected employees (including salaried directors and officers) of the Company are given the opportunity of acquiring shares in the capital of the Company, and may formulate and carry into effect any scheme for sharing the profits of the Company with its employees

(including salaried directors and officers) or any of them. Subject to obtaining the prior consent of Charles Montanaro or a CM Director, any Director may participate in and retain for his own benefit any such shares, profit or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a director of the Company

- 30 The Directors shall not be subject to retirement by rotation
31. A resolution in writing signed by all the Directors shall be as valid and effectual as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors and the Company may rely on faxed or electronically scanned copies of any such documents
- 32 A meeting of the Directors or of a committee of the Directors may consist of a conference between Directors who are not all in one place, but each of whom is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Subject to the Act, all business transacted in such manner by the Directors or a committee of the Directors shall for the purposes of these Articles be deemed to be validly and effectively transacted at a meeting of the Directors or a committee notwithstanding that fewer than two Directors or alternate directors (as referred to in Article 34) are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. The word "meeting" where it is used in these Articles in relation to a meeting of the Directors shall be construed accordingly

BORROWING AND OTHER POWERS

- 33 The Directors may exercise all the powers of the Company without limit as to amount to borrow and raise money and to accept money on deposit and to grant any security, mortgage, charge or discharge as they may consider fit for any debt or obligation of the Company or which is binding on the Company in any manner or way in which the Company is empowered so to grant and similarly as they may consider fit to enter into any guarantee, contract of indemnity or suretyship in any manner or way in which the Company is empowered so to enter into

ALTERNATE DIRECTORS

- 34 1 Any Director (other than an alternate director) may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person to be his alternate director (for all or any limited purposes) and may in like manner at any time terminate such appointment. If such alternate director is not another Director, such appointment, unless previously approved by the Directors, shall have effect

only upon and subject to being so approved (provided that the appointment of an alternate by Charles Montanaro or a CM Director shall be effective immediately on notice of such appointment being given to the Company and shall not require the approval of the Directors)

- 34 2. The appointment of an alternate director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director
- 34 3 Subject to the terms of appointment of the alternate director, an alternate director shall (except when absent from the United Kingdom) be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director at any such meetings at which his appointor is not personally present and generally at such meetings to perform all the functions of his appointor as a Director in his absence and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability, an alternate director's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. Every person acting as an alternate director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director) An alternate director shall not (save as aforesaid) have power to act as a Director or be deemed to be a Director for the purposes of these Articles
- 34 4 An alternate director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any remuneration except only such proportion (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

INDEMNITY AND INSURANCE

- 35 1 A relevant officer of the Company or an associated company shall be indemnified out of the Company's assets against:
- 35 1 1 any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
- 35 1 2 any liability incurred by that officer in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), and
- 35.1.3. any other liability incurred by that officer as an officer of the Company or an associated company,

provided always that this Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law 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, former director, company secretary or former company secretary or other officer of the Company or an associated company (but not its auditor)
- 35 2 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 In this Article
- (a) a "relevant officer" means any director or former director, company secretary or former company secretary of the Company or an associated company, any other officer or employee or former officer or employee of the Company (but not its auditor) or any trustee of an occupational pension scheme (as defined in section 235(6) of the Act) for the purposes of an employees' share scheme of the Company or an associated company, and
 - (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 (within the meaning of Article 35 1(a)) or any pension fund or employees' share scheme of the Company or associated company

PERMITTED TRANSFERS

- 36 Subject to obtaining the prior consent of Charles Montanaro or a CM Director, the following transfers of shares may be made without restriction as to price or otherwise and without any requirement to offer such shares pursuant to the provisions of Article 37 (*pre-emptive transfers*) or to comply with the provisions of Article 39 (*change of control*) namely transfers
- 36 1 by any member being a company to any holding company of such company or any direct or indirect subsidiary of any such holding company,
 - 36 2 by any member (the "original member") to a nominee or trustee of the original member (provided the beneficial interest in the shares so transferred by the original member is not transferred by the original member to such nominee or trustee and the nominee or trustee is acting merely as bare nominee or bare trustee for the absolute benefit of the original member (the "Conditions")) or by any nominee or trustee to any other nominee or trustee of the same beneficiary (subject to compliance with the Conditions) or by any nominee or trustee back to the original member provided that in the event of any original member becoming a Leaver in circumstances in which, if he were still a member, he would be obliged to transfer any of such shares pursuant to Article 38, Article 38 shall apply to any such shares then held by such

nominee or trustee as if the shares were held by such original member by whom the shares were transferred,

- 36.3 by any member holding shares as a nominee or on trust (whether directly or indirectly) for an employee share scheme to any other nominee or trustee of the same scheme,
- 36.4 by the trustees of any trust established for the benefit of employees or Directors (or former employees or Directors) to the beneficiaries of such trust (or any of them) as may be approved by Charles Montanaro or by a CM Director, and/or by any member to the trustees of such trust to hold on trust for the benefit of the beneficiaries of the trust,
- 36.5 by any member who is an individual (the "original member") to any Privileged Relation or to the trustee or trustees of a Family Settlement or to any Family Settlement Company (and such trustees or Privileged Relations or Family Settlement Companies may transfer shares to each other but not otherwise) provided that in the event of any original member becoming a Leaver in circumstances in which, if he were still a member, he would be obliged to transfer any of such shares pursuant to Article 38, Article 38 shall apply to any such shares then held by such Privileged Relation(s), trustees of the Family Settlement or Family Settlement Company as if the shares were held by such original member by whom the shares were transferred,
- 36.6 by any member with the prior written consent of the holders of shares representing not less than 50% of the aggregate Voting Rights

If any person to whom shares are transferred pursuant to Articles 36.1 to 36.5 above ceases to be within the required relationship with the original transferor of such shares, such shares shall be transferred back to the original transferor (or to any other person falling within the required relationship with the original transferor) forthwith upon such relationship ceasing and, if the holder of such shares fails to make such transfer, the holder shall be deemed to have served a separate Transfer Notice in respect of all of such shares then held by him and the provisions of Article 37 (*pre-emptive transfers*) shall apply

PRE-EMPTIVE TRANSFERS

- 37.1 Save as provided by Article 36 (*permitted transfers*) and Articles 38 to 40 (*compulsory transfers, change of control and CM drag-along*), no member or person entitled to shares by transmission (other than Charles Montanaro and his personal representatives) shall transfer or dispose of or agree to transfer or dispose of or grant any interest or right in any share to any person (a "transferee") without first offering the same for transfer in accordance with this Article 37. Such offer may be in respect of all or part only of the shares held by the proposing transferor and shall be made by the proposing transferor by the giving in writing of a notice (a "Transfer Notice") to the Company. No member nor any person entitled to shares by transmission (in each case, other than Charles Montanaro and his personal representatives) may issue a Transfer Notice without the prior consent of Charles Montanaro or a CM Director.

37 2 Each Transfer Notice shall specify the number(s) and class(es) of shares offered (the "Sale Shares") and the identity(ies) of the proposed transferee(s) (if any) and it shall constitute the Directors as the agent of the proposing transferor for the sale of the Sale Shares at the Specified Price per Sale Share in accordance with this Article 37.

37 3. Upon receipt or deemed receipt by the Company of the Transfer Notice the Directors shall forthwith give written notice to the members (other than the proposing transferor and any Leaver) of the number and description of the Sale Shares and the Specified Price per Sale Share and (unless the Transfer Notice is deemed given as provided by these Articles) the identity(ies) of the proposed transferee(s) (if any) inviting each member to state by notice in writing to the Company within 30 days whether he is willing to purchase any of the Sale Shares and, if so, what maximum number of the Sale Shares ("Maximum") he is willing to purchase, and shall also forthwith give a copy of such notice to the proposing transferor. A person who, pursuant to such a notice, expresses a willingness to purchase any Sale Shares is referred to below as a "Purchaser".

37 4 Within 10 days of the expiry of the said period of 30 days the Directors shall, subject to Article 37 6 below, allocate the Sale Shares to or amongst purchasers (including, if applicable, the Purchasers) and such allocation shall be made (and adjusted if necessary) to give effect to the following allocation rules

37 4 1. in relation to any Ordinary Shares or B Ordinary Shares the subject of the Transfer Notice

- (i) first, to Charles Montanaro,
- (ii) second, to existing or prospective employees of the Company or any of its subsidiaries who do not then hold any shares and/or a trust established for the benefit of such employees (in each case with the prior approval of Charles Montanaro or a CM Director),
- (iii) third, to the Company (with the prior approval of Charles Montanaro or a CM Director),
- (iv) fourth, to the other holders of Ordinary Shares and B Ordinary Shares, and
- (v) fifth, to the holders of Deferred Shares,

37 4 2 in relation to any Deferred Shares the subject of the Transfer Notice:

- (i) first, to Charles Montanaro,
- (ii) second, to the other holders of Deferred Shares,
- (iii) third, to the Company (with the prior approval of Charles Montanaro or a CM Director), and

(iv) fourth, to the other holders of Ordinary Share and B Ordinary Shares

- 37.5 Each allocation among the relevant persons identified in Article 37.4 shall in the case of competition be made *pro rata* according to the Paid Up Amount of shares of the relevant class(es) held by them but individual allocations shall not exceed the Maximum which the relevant person shall have expressed a willingness to purchase.
- 37.6. If the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Sale Shares, no allocation shall be made unless all the Sale Shares are allocated
- 37.7 Forthwith upon such allocation being made, the purchasers to or amongst whom such allocation has been made shall be bound to pay to the Company (as agent for the proposing transferor) the total sale proceeds for the transfer of the Sale Shares at the price per share of each relevant class equal to the Specified Price (the "Proceeds") for, and to accept a transfer of, the Sale Shares so allocated to them respectively and the proposing transferor shall, subject to Article 39 (*change of control*), be bound forthwith upon payment of the Proceeds to deliver to the Company (as agent for the purchasers) such documents as are required to transfer such shares to the respective purchasers
- 37.8 If in any case the proposing transferor, after having become bound to transfer Sale Shares as aforesaid, makes default in so doing the Company may receive the Proceeds and the Directors may appoint some person to execute instruments of transfer of such Sale Shares in favour of the purchasers and shall thereupon, subject to such transfers being properly stamped, cause the name of each of the purchasers to be entered in the Register of Members as the holder of those Sale Shares allocated to him as aforesaid and shall hold the Proceeds in trust for the proposing transferor. The issue of a receipt by the Company therefor shall be a good discharge to the purchasers and after their names shall have been entered in the Register of Members in exercise of the aforesaid power the validity of the transactions shall not be questioned by any person
- 37.9 If, at the expiry of the period of 10 days referred to in Article 37.4 above, any of the Sale Shares have not been allocated in accordance with the provisions of this Article, the proposing transferor may at any time within a period of 30 days after the expiry of the said period of 10 days referred to in Article 37.4 above transfer such unallocated Sale Shares to the proposed transferee(s) (if any) specified in the Transfer Notice, or to any other person at any price per share (not being less than the Specified Price) provided that
- 37.9.1 if the Transfer Notice shall contain the statement referred to in Article 37.6 the proposing transferor shall not be entitled hereunder to transfer any of such unallocated Sale Shares unless in aggregate all of such unallocated Sale Shares are so transferred;

37.9.2 the Board may require to be satisfied on reasonable grounds that such unallocated Sale Shares are being transferred in pursuance of a *bona fide* sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the transferee and if not so satisfied may refuse to register the instrument of transfer.

37.10 The restrictions on transfer contained in this Article shall apply to all transfers and transmissions by operation of law or otherwise of shares

37.11 Where a member or other person is under these Articles deemed to have served a Transfer Notice in respect of any shares, such Transfer Notice shall be deemed not to contain the statement referred to in Article 37.6

COMPULSORY TRANSFERS

38.1 Subject to Article 38.4, a Leaver (and any person who could be classified as his Permitted Transferee or successor) shall be deemed on the date of cessation of employment to have served a separate Transfer Notice in respect of all of the shares then held by him (and such deemed Transfer Notice shall supersede any previous Transfer Notice which has not completed), provided that Charles Montanaro shall be entitled (but not required) at any time in the 6 months following such date of cessation to specify a smaller number of shares in respect of which the Transfer Notice shall be deemed to have been served

38.2 On the deemed service of a Transfer Notice pursuant to this Article 38, the provisions of Article 37 shall apply save that

38.2.1 a Purchaser may be any person or persons identified within 6 months of the Leaver ceasing to be an employee of the Group by the Board (and approved as a Purchaser by Charles Montanaro) or an employee or proposed employee of a member of the Group and, if such person or persons are identified, the Sale Shares shall be offered and allocated to any such person or persons prior to being offered or allocated in accordance with Article 37,

38.2.2 the period of 30 days referred to in Article 37.3 shall not commence until the earliest of the following dates

- (a) the expiry of the 6 month period referred to in Article 38.1, or
- (b) Charles Montanaro notifying the Company and the Leaver (or his personal representative as appropriate) that he does not intend to exercise his right under Article 38.1

38.3 Notwithstanding any other provision herein contained, if a Leaver (or his Permitted Transferees or successors) retains any shares, he shall have all the rights of and shall rank *pari passu* with the other holders of the class or classes of shares held by him save that

38.3.1 at any general meeting or class meeting of the Company he shall be deemed to vote (whether on a poll or otherwise) in the same manner

as the majority of the votes cast at the relevant meeting by the holders of the relevant class or classes of shares held by him,

- 38 3 2 in a written resolution he will be deemed to resolve in the same manner as the majority of the holders of the relevant class or classes of shares held by him and he hereby appoints any Director to sign any such resolution on his behalf,
- 38 3 3. in relation to any matter where the consent of the holders of the class or classes of shares held by him is required he shall be deemed to grant consent if the majority of the holders of the relevant class or classes of shares held by him grant such consent,
- 38 3 4. on any transfer of a majority of the shares of the relevant class or classes held by him in circumstances where an offer is made to him to acquire his shares at a price which is not lower than the average price per share payable to the holders of a majority of the shares of such class or classes he shall be deemed to accept such offer and to transfer such shares at the time and place specified by the offeror;

and he hereby appoints any director of the Company from time to time to sign any such resolution, consent, transfer form or other document and/or take any other act in his name and on his behalf to implement all or any of the above provisions provided that, in respect of any transfer made pursuant to Article 38 3 4, the Company shall retain on trust the proceeds of sale and shall account to him for such proceeds forthwith on demand

- 38.4 If, in the opinion of the Board (acting reasonably), any member to whom Article 38 3 applies takes or seeks to take any action contrary to the terms of Article 38.3 or seeks to prevent any Director of the Company from taking any action pursuant to the authority conferred on them pursuant to the terms of Article 38 3 the Board may, by serving written notice on the Company and the relevant member, deem such member to have served a Transfer Notice in respect of all of the shares then held by him and in respect of which the Specified Price shall be the Paid Up Amount in respect of each share

CHANGE OF CONTROL

- 39. Notwithstanding any other provision of these Articles (but other than transfers pursuant to Articles 36 1 to 36 6 (*permitted transfers*) or Article 40 (*CM drag-along*) or transfers or issues to Charles Montanaro) no sale or transfer of, or transfer of any interest in, any shares conferring a right to vote at general meetings of the Company to any person whomsoever which would result, if made and if appropriate registered, in a person (together with persons acting in concert with such person) (other than Charles Montanaro and any persons acting in concert with him) whether or not then a member of the Company obtaining or increasing a Controlling Interest in the Company, shall be made or registered and no right to subscribe for any shares which would result, when such shares are issued, in such a person obtaining or increasing a Controlling Interest in the Company shall be exercised unless

- (i) prior to such transfer or exercise being completed a General Offer is made to all members by the person or persons proposing to acquire the Controlling Interest to purchase all the shares in issue and all the unissued shares for which any person shall then be entitled to subscribe, and
- (ii) for so long as Charles Montanaro holds any shares, such General Offer is approved by Charles Montanaro (or, following his death, by his personal representatives who become entitled to his shares upon his death)

Any General Offer shall attribute an equal value in cash to each Ordinary Share, an equal value in cash to each B Ordinary Share and an equal value in cash to each Deferred Share, being a value not less than the highest value paid or agreed to be paid for an Ordinary Share, a B Ordinary Share and/or a Deferred Share (respectively) by the proposed acquiror(s) of the Controlling Interest in the 6 months preceding the date of the General Offer, provided that where a General Offer is made on or after the Deferred Shares Vesting Date it shall be a term of the General Offer that the value per B Ordinary Share and the value per Deferred Share under the General Offer shall be the same value and such value per share shall be one-tenth of the value per Ordinary Share under the General Offer (but, for the avoidance of doubt, the value per B Ordinary Share need not be the same as the value per Deferred Share where a General Offer is made prior to the Deferred Shares Vesting Date)

It shall be a term of a General Offer and of any agreement to acquire any shares pursuant thereto that a Controlling Interest is only obtained or increased in consequence of such General Offer if such General Offer becomes wholly unconditional in respect of each class of shares. Any General Offer shall be made in writing (stipulated to be open for acceptance for at least 28 days) to all relevant shareholders and shall include an undertaking by the offeror that neither he nor any person acting in concert with him has within the 6 months immediately preceding the making of the General Offer entered into more favourable terms with any member for the purchase of shares of the same class. Such a General Offer shall be accepted or rejected in writing within the time period stipulated and shall be deemed to have been rejected by a member if he does not respond within such time period. Nothing in this Article 39 shall require Charles Montanaro or his personal representatives to make any General Offer

CM DRAG-ALONG

- 40.1. Notwithstanding any other provisions of these Articles and, in particular, the provisions of Articles 37 and 39 (*pre-emptive transfers and change of control*) but subject to Article 40 4, Charles Montanaro (and/or his Permitted Transferees and/or his personal representatives) (in this Article the "Seller") may agree to sell or transfer (the "Relevant Sale") shares representing not less than 50 per cent of the Voting Rights to any person whatsoever (together with persons acting in concert therewith) (in this Article the "Buyer"). If such Relevant Sale becomes unconditional in all respects, the Buyer may by written notice to the

Company served within 60 days of such acquisition require the Company as agent for the Buyer to serve notices (in this Article each a "**Compulsory Acquisition Notice**") on some or all of the members specified by the Buyer being members who have not participated in such Relevant Sale (the "**Remainder Shareholders**") requiring them to sell their shares to the Buyer or a person or entity nominated by the Buyer at a consideration per share of each relevant class of share held (including any contingent or deferred consideration) which is not less than the consideration payable to the Seller in respect of their shares in respect of each relevant class of share held by the Seller, it being recognised that such consideration payable to the Seller may have been reduced by the Buyer agreeing to pay costs associated with the Relevant Sale and the consideration payable to the Remainder Shareholders shall be the net amount per share of each relevant class received by the Seller. The Company shall serve the Compulsory Acquisition Notices forthwith upon being required to do so and the Remainder Shareholders shall not be entitled to transfer their shares to anyone except the Buyer or a person identified by the Buyer. Each Compulsory Acquisition Notice shall specify the same date (being not less than 7 nor more than 21 days after the date of the Compulsory Acquisition Notice) for the completion of the relevant transfer of shares to the Buyer (the "**Compulsory Acquisition Completion Date**")

40 2 The Buyer shall complete the purchase of all shares in respect of which a Compulsory Acquisition Notice has been given on the Compulsory Acquisition Completion Date. Any transfer pursuant to a Compulsory Acquisition Notice shall not require the relevant Remainder Shareholder to give a Transfer Notice.

40 3 If in any case a Remainder Shareholder shall not on or before the Compulsory Acquisition Completion Date have transferred his shares to the Buyer or a person identified by the Buyer against payment of the price therefor

40 3 1 the Directors shall authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Buyer or the person identified by the Buyer;

40 3 2 the Company shall receive the consideration in respect of such shares, and

40 3 3 the Company shall (subject to the transfer being duly stamped) cause the name of the Buyer (or the person identified by the Buyer) to be entered into the Register of Members as the holder of the relevant shares.

The Company shall hold the consideration in trust for the relevant Remainder Shareholder but shall not be bound to earn or pay interest thereon. The issue of a receipt by the Company for the consideration shall be a good receipt for the price for the relevant shares. The Company shall apply the consideration received by it in payment to the Remainder Shareholder against delivery by the Remainder Shareholder of the certificate in respect of the shares or an indemnity in respect of the same in form and substance acceptable to the

Company After the name of the Buyer or the person identified by the Buyer has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person

- 40 4 If an offer (a "Qualifying Offer") is made in writing to Charles Montanaro (or, following his death, to his personal representatives who become entitled to his shares upon his death) to acquire the entire issued share capital of the Company not already owned or controlled by the offeror (the "Offeror") and Charles Montanaro (or his personal representatives, as appropriate) wishes to accept the Qualifying Offer then, provided that the consideration per share of each class which the other members would receive under the Qualifying Offer would be no less than that to be received by Charles Montanaro (or his personal representatives, as appropriate) for his shares of the relevant class, Charles Montanaro (or his personal representatives, as appropriate) shall be entitled to give written notice to the other members of the Company notifying them of his wish to accept the Qualifying Offer and the other members of the Company shall thereupon be bound to accept the Qualifying Offer and, on the same date as Charles Montanaro (or his personal representatives, as appropriate) is required to do so under the terms of the Qualifying Offer, to transfer their respective shares to the Offeror by executing and delivering stock transfer forms in respect of their shares and to deliver to the Offeror the relative share certificate(s) or a lost share certificate indemnity satisfactory to the Offeror in respect of their transferred shares.

SCHEDULE 1

- 1 In the Articles to which this forms a schedule the following words and expressions shall, unless the context otherwise requires, bear the following meanings

"A%" means the percentage of the total Paid Up Amount of the issued shares represented by the Ordinary Shares in issue at the relevant time where such percentage is calculated as follows

$$A\% = \frac{(A \times 10)}{[(B + C) + (A \times 10)]} \times 100$$

where

"A" is the total number of Ordinary Shares in issue,

"B" is the total number of B Ordinary Shares in issue, and

"C" is the total number of Deferred Shares in issue.

"Act" means the Companies Act 2006, including any statutory modification or re-enactment thereof for the time being in force,

"acting in concert" shall bear the meaning attributed thereto in the Code,

"Asset Sale" means a sale by the Company and/or the Group of all or a substantial part of the business, assets or undertaking of the Group,

"Board" means the board of directors of the Company from time to time or any duly constituted committee of it,

"B Ordinary Shares" means B ordinary shares of £0.10 each in the capital of the Company,

"Buyer" as defined in Article 40 1 (*CM drag-along*),

"CM Director" means a Director appointed by Charles Montanaro (or by his personal representatives, as appropriate) pursuant to Article 8 7,

"Code" means the City Code on Takeovers and Mergers,

"Compulsory Acquisition Completion Date" as defined in Article 40 1 (*CM drag-along*),

"Compulsory Acquisition Notice" as defined in Article 40 1 (*CM drag-along*),

"Conflict" as defined in Article 21.1,

"Controlling Interest" means shares representing not less than 50% of the aggregate Voting Rights,

"Deferred Shares" means deferred ordinary shares of £0.10 each in the capital of the Company,

"Deferred Shares Vesting Date" means the tenth anniversary of the date of adoption of these Articles,

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

"Exit" means an Asset Sale or a Listing,

"Fair Price" means the price per share of the relevant class of shares which the Board determines in good faith to be the fair value for the relevant class of shares as at the date of the relevant Exit (taking into account *inter alia* the restricted rights attaching to the Deferred Shares during the period prior to the Deferred Shares Vesting Date), and such price per share shall be final and binding on the relevant member,

"Family Settlement" means in relation to any member who is an individual any trust or trusts (whether arising under a settlement *inter vivos* or a testamentary disposition by whomsoever made or on intestacy) under which no immediate beneficial interest in the shares in question is, for the time being, vested in any person other than the member concerned and/or his Privileged Relations,

"Family Settlement Company" means a company which is controlled by the trustee or trustees of a Family Settlement in their capacities as such trustees,

"General Offer" means an offer made in accordance with the provisions of Article 39 (*change of control*);

"Group" means the Company and its subsidiaries from time to time and **"member of the Group"** shall be construed accordingly;

"Leaver" means any person (other than Charles Montanaro) who is employed or engaged by any member of the Group from time to time and who ceases to be an employee or consultant of such member of the Group for whatever reason (and is not immediately re-engaged by any other member of the Group). In these Articles any reference to the date of cessation of employment (or similar) shall be the date upon which the contract of employment or services of the relevant person terminates or, if earlier, the date upon which the relevant person gives or is given notice of termination of his contract of employment or services whether or not such notice is valid,

"Listing" means the admission of the Company's equity securities to trading on the main market or the AIM market of the London Stock Exchange plc, or on any other recognised investment exchange (as such term is defined in section 285 of the Financial Services and Markets Act 2000) or on any investment exchange which meets the criteria specified in Part I or specified in Part II or Part III of Schedule 3 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, becoming effective,

"**member**" means a person (whether an individual or a corporation) who holds shares,

"**Model Articles**" as defined in Article 1,

"**Office**" means the registered office of the Company from time to time,

"**Ordinary Shareholder Capital Entitlement**" means A% of any remaining capital and assets of the Company available for distribution amongst the holders of the Ordinary Shares and the holders of the B Ordinary Shares in accordance with Article 8 3 1,

"**Ordinary Shareholder Income Entitlement**" means A% of the total profits which the Directors have lawfully determined to distribute to the holders of the Ordinary Shares and the holders of the B Ordinary Shares in respect of any financial period by reference to a record date falling prior to the Deferred Shares Vesting Date in accordance with Article 8 1,

"**Ordinary Shareholders**" means holders of Ordinary Shares from time to time,

"**Ordinary Shares**" means ordinary shares of £1 00 each in the capital of the Company,

"**Paid Up Amount**" means, in respect of a share, the amount paid up or credited as paid up on such share disregarding any premium,

"**Permitted Transfer**" means a transfer of shares pursuant to Article 36 (*permitted transfers*),

"**Permitted Transferee**" means, in respect of any individual member, any Privileged Relation or Family Settlement or Family Settlement Company of that member and otherwise any person to whom shares are transferred by an original member pursuant to Article 36,

"**Privileged Relation**" means, in respect of any individual member, the parents or spouse or brother or sister of that member or any lineal descendent of that member and for these purposes a step-child or adopted child of any person shall be deemed to be that person's lineal descendent,

"**Register of Members**" means the register of members kept by the Company pursuant to Section 113 of the Act,

"**Relevant Sale**" as defined in Article 40 1 (*CM drag-along*),

"**Remainder Shareholders**" as defined in Article 40 1 (*CM drag-along*),

"**Reserved Shares**" means, in aggregate, 55,000 Ordinary Shares which are unissued but allocated to holders of options over those shares as at the date of adoption of these Articles,

"**Sale Shares**" as defined in Article 37 2,

"Seller" as defined in Article 40.1 (*CM drag-along*),

"shares" means shares in the share capital of the Company;

"Specified Price" means, in relation to the transfer of an Ordinary Share or a B Ordinary Share or a Deferred Share pursuant to a Transfer Notice, the fair value of such share as at the date of service (or deemed service) of the Transfer Notice as determined by the Board in good faith, taking into account *inter alia* the rights and restrictions attaching to the shares,

"Transfer Notice" as defined in Article 37 1,

"Voting Rights" means the right to receive notice of, attend (in person or by proxy), speak (in person or by proxy) and vote (in person or by proxy) at general meetings of the Company

- 2 The Regulations contained in the Model Articles shall apply to the Company save insofar as they are amended by or are inconsistent with these Articles and, in particular
- 2.1 Regulations 8, 11, 13, 14, 17 to 23 (inclusive), 24(2)(c), 26, 38, 41(1), 44(1), 44(2), 52 and 53 of the Model Articles shall not apply, and
- 2.2 In Regulation 36(3) of the Model Articles the words "and a capitalised sum which was appropriated from profits available for distribution may be applied towards paying up the amounts, if any, for the time being unpaid on any shares held by any persons entitled" shall be inserted after the words "or as they may direct"
- 3 Words and expressions defined in the Act shall, unless the context otherwise requires, bear the same meanings herein
- 4 This Schedule and Schedule 2 shall be deemed to be part of, and shall be construed as one with, the Articles

SCHEDULE 2

MATTERS REFERRED TO IN ARTICLE 8.8

The matters referred to in Article 8.8 are set out below.

Shareholdings

- 1 issue or agree to issue, or grant any options over or rights to subscribe for, any shares or securities in any member of the Group,
- 2 re-organise or consolidate or sub-divide or convert any of the shares for the time being in the capital of any member of the Group or vary any of the rights attaching to any of the shares for the time being in the capital of any member of the Group;
- 3 make any payment to any member for giving up his right to any of the Company's share capital on its cancellation or extinction,
- 4 make any application for the admission of any shares of any member of the Group to listing or trading on any Recognised Investment Exchange (as defined in section 285 of the Financial Services and Markets Act 2000) or make any arrangements for any other form of marketing of any form of the Company's share capital (including without limitation listing on any foreign stock exchange),
- 5 declare, make or pay any dividend on any share (recognising that the Deferred Shares shall carry no rights to receive any dividends or other distributions of income payable by reference to a record date falling prior to the Deferred Shares Vesting Date in accordance with Article 8 1, but the Deferred Shares shall carry such rights in respect of distributions made by reference to a record date falling on or after the Deferred Shares Vesting Date in accordance with Article 8 2),
6. take any action with a view to commencing winding up, administration or receivership proceedings (or any analogous proceedings in any jurisdiction) against any member of the Group,

Financial matters and lending

7. alter the accounting reference date of any member of the Group,
- 8 appoint auditors to any member of the Group or remove auditors from any member of the Group;
- 9 change the accounting policies adopted for the preparation of the financial statements, the monthly management accounts and the budgets of any member of the Group,
- 10 create any mortgage or charge on any part of the undertaking, property or assets of any member of the Group,

- 11 borrow any money or incur any indebtedness in the nature of borrowings by any member of the Group;
- 12 the grant by any member of the Group of any guarantee or indemnity or security in respect of the obligations of any person, firm or company (not being a member of the Group) or any member of the Group permitting any such guarantee or indemnity or security to subsist or varying any such guarantee or indemnity or security or providing any credit (other than normal trade credit on commercially reasonable terms in the ordinary course of the Group's business),
13. the making of any loan or advance by any member of the Group,

Arrangements with employees

- 14 entering into, or making any change to the terms of, any service agreement or contract of or for services (or any series of contracts for the services of the same person either directly or indirectly) in the nature of an employment or consultancy or advisory contract whereunder the liability of the Group is likely to exceed £50,000 (taking into account all associated costs, benefits, pensions, taxes, duties and perquisites) in any period of twelve months or making any payments not provided for in the express terms of any such agreements or contracts,
15. entering into any contract of service with any employee of the Group or any consultancy agreement not terminable on three months' notice or less,
- 16 establishing or amending the rules of any profit sharing, bonus or incentive scheme for employees of the Group (including any employee share option scheme),
- 17 entering into any letter of appointment with any Director or varying the terms of appointment of any Director,

Acquisition and disposal of shares and assets

18. disposing of any share in the capital of any of the Company's subsidiaries or altering, increasing or reducing the authorised or issued share capital of any of the Company's subsidiaries,
- 19 selling or otherwise disposing of the undertaking of the Company or any of its subsidiaries or any substantial part thereof,
20. selling any fixed asset of any member of the Group for a consideration of, or having a book value or market value of, more than £10,000, whether by a single transaction or a series of transactions,
21. purchasing or otherwise acquiring any heritable or freehold or leasehold property or any interest therein,
- 22 selling or otherwise disposing of any heritable or freehold or leasehold property or any interest therein,

- 23 incurring any expenditure or liability in respect of the acquisition of any business or asset whatsoever for an amount in excess of £10,000,
- 24 entering into any hire purchase or leasing commitment where the capitalised value of amounts outstanding in respect of finance leases of any asset or the amount outstanding under any hire purchase agreement exceeds £10,000 in respect of any one asset or any one commitment,
- 25 entering into any contract or arrangement which is outside the ordinary course of business of the Group,

Investment management arrangements

- 26 entering into, or varying the terms of, any contract or arrangement for the provision of investment management or advisory services by the Company or any other member of the Group or for the delegation of investment management or advisory services by or to any member of the Group,

Company administration

- 27 appoint any committee of the Board or of the board of directors of any other member of the Group or take any decisions which are material to the Group as a whole otherwise than at a Board meeting and with the relevant consent(s) provided for pursuant to these Articles,
- 28 appoint any Director;
- 29 change the nature of the business or activities as undertaken by the Group as at the date of adoption of these Articles,
- 30 take any action with a view to commencing or being involved in litigation or arbitration proceedings