

Company No. 3841479



**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**

**SPECIAL RESOLUTIONS**

of

**ETEACH UK LIMITED ("THE COMPANY")**

Pursuant to Section 381A of the Companies Act 1985 the following written resolutions were duly passed by the Company on 4<sup>th</sup> May 2004:-

**Special Resolutions**

1. THAT the Company's authorised share capital be increased to £1920.00 by the creation of 480,000 ordinary shares of £0.001 each. The new shares shall rank pari passu in all respects with the existing ordinary shares in the Company.

THAT the Directors be generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot, grant any right to subscribe for or to convert any securities into, up to 480,000 ordinary shares of £0.001 each.

The authority hereby given shall expire on the day preceding the fifth anniversary of the date on which this Resolution was passed unless previously renewed or varied save that the Directors may, notwithstanding such expiry, allot, grant options over or otherwise deal with or dispose of any shares under this authority in pursuance of an offer or agreement so to do made by the Company before the expiry of this authority.

2. THAT in accordance with Article 3 of its Articles of Association the Company disappplies the rights of pre-emption on the following proposed allotments of shares:

John Sloss

204,964  
208,559 ordinary shares of £0.001 each

*JS* *CS*

*UL MC*

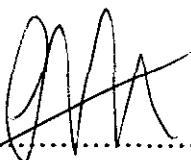
u ML  
u ML  
Moirs Sloss 204,964  
208,559 ordinary shares of £0.001 each

Denis Burn 62,882 ordinary shares of £0.001 each

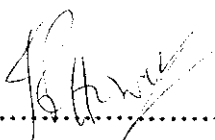
204,964  
70,042

3. That the Articles of Association of the Company be replaced in their entirety by new articles of association in the form annexed to this resolution and signed by the Chairman of the Company for identification.

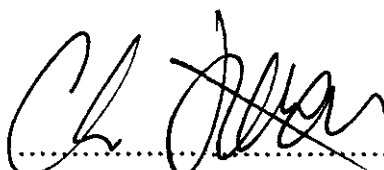
Signed by all the members of the Company who at the date hereof are entitled to attend and vote at any general meeting of the Company.

  
.....

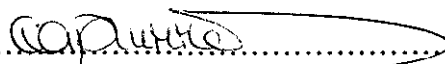
Gregory Allison Clarke

  
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John Paul Howells

  
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Christopher Stevens

  
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For and on behalf of Fidecs Trust Company Limited as Trustee of the RAH Trust



PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

-of-

ETEACH UK LIMITED (the "Company")

(Adopted by special resolution on 6<sup>th</sup> May 2004)

1. INTRODUCTION

1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and as further amended by the Companies Act 1985 (Electronic Communications) Order 2000 ("Table A") shall apply to the Company. Table A shall be the Articles of Association of the Company unless it has been excluded or varied by these Articles.

1.2 In these Articles:-

"Act"

means the Companies Act 1985, as it may be amended or re-enacted from time to time;

"Address"

in relation to electronic communications includes any number or address used for the purpose of such communications;

"Change of Control"

the acquisition (whether by purchase, transfer, renunciation or otherwise) by a Third Party Purchaser (as defined in Article 11.1) of any interest in Shares, if upon completion of that acquisition the Third Party Purchaser, together

with his associates and persons acting in concert with him, would hold more than 50 per cent of the issued Shares;

**"Section"**

means a section of the Companies Act 1985, as it may be amended or re-enacted from time to time;

**"Regulation"**

means a regulation in Table A; and

**"Article"**

means an Article contained in these Articles.

Regulations 40, 41, 50, 59 to 62 (inclusive), 64, 73 to 80 (inclusive), 87, 89, 94 to 97 (inclusive), 101 and 118 shall not apply to the Company.

**2. ALLOTMENT OF SHARES**

2.1 Shares which are comprised in the authorised share capital of the Company at the time of adoption of these Articles shall be under the control of the directors who may (subject to section 80 of the Act and to articles 2.2 and 2.4 below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

2.2 All shares which are comprised in the authorised share capital the Company from time to time and which the directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by such members respectively unless the Company in general meeting shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this article by any such

special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this article 2.2 shall have effect subject to section 80 of the Act.

- 2.3 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- 2.4 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital of the Company at the time of adoption of these Articles at any time or times during the period of five years from the date of adoption of these Articles and the directors may, after that period, allot (subject to Article 2.2 above) any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.

### 3. **LIEN OVER SHARES**

- 3.1 In Regulation 8, the words "(not being a fully paid share)" shall be replaced with the words "(whether fully paid or not)".
- 3.2 The Company shall have a first and paramount lien on all shares (whether fully paid or not) registered in the name of any person who is indebted to, or is in any way liable to, the Company for that indebtedness or liability. This lien will apply even if that person is a joint owner of shares and it will also bind that person's estate or trustee in bankruptcy.

#### 4. **FORFEITING SHARES**

This Article 4 will apply if the directors make a call in respect of a member's shares and the member does not pay. If the Company has to pay any costs or expenses in connection with the member's failure to pay the call, the directors may decide that the member will also be liable for those costs or expenses. Regulations 18 and 21 shall be altered accordingly.

#### 5. **TRANSFER OF SHARES**

5.1 Subject as hereinafter provided any shares may be transferred without restrictions as to price or otherwise:

5.1.1 by a member to any other person with the consent of all the other members for the time being of the Company;

5.1.2 by a corporate member to an associated undertaking (as defined in section 27(3) of the Act);

5.1.3 by any member or by the trustees of any settlement made by a member to the spouse, widower or widow, child or other issue of such member or to trustees of a settlement made for the benefit of any such persons (together "transferees") or in the case of members who are at the date of adoption of these Articles trustees of a settlement, to the beneficiaries thereof provided always that such beneficiaries are limited to the class of persons previously mentioned

all and any such transfers being a "Permitted Transfer" for the purposes of this Article

5.2 Any transfer or purported transfer of a share or any beneficial interest therein (other than a Permitted Transfer or upon transmission of a share pursuant to Regulation 29 upon the death of a member or upon a person becoming entitled to a share in consequence of the bankruptcy of a member) made otherwise than

in accordance with the following provisions of this Article shall be null and void and of no effect.

- 5.3 Any member ("**the Proposing Transferor**") proposing to transfer any shares or the beneficial interest therein (save where such transfer is a Permitted Transfer) shall give notice in writing ("**a Transfer Notice**") to the Company that he desires to transfer the same and specifying the price per share at which he is willing to sell them.
- 5.4 The Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of all (but not some only) of the shares comprised in the Transfer Notice together with all rights then attached thereto to any member or members willing to purchase the same ("**Purchasing Members**") at the price specified therein or at the fair value certified in accordance with Article 5.8 whichever is the lower. A Transfer Notice shall not be revocable except with the sanction of the directors.
- 5.5 The shares comprised in any Transfer Notice shall be offered to the members (other than the Proposing Transferor and any other member in respect of whose shares a Transfer Notice shall have been served or deemed served) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing ("**the Offer Notice**") within seven days after the receipt by the Company of the Transfer Notice. The Offer Notice shall:-
- 5.5.1 state the identity of the Proposing Transferor, the number and class of shares comprised in the Transfer Notice, the price per share specified in the Transfer Notice and inform the members that shares are offered to them in accordance with the provisions of this Article 5.5;
- 5.5.2 contain a statement to the effect that the shares are offered in the first instance in the proportion referred to in the first sentence of this Article 5.5 invite each member to state in his reply whether he wishes to purchase more or less shares than his proportionate entitlement and if so what number;

- 5.5.3 contain a statement of the right of each member to request a certificate of fair value under Article 5.8, the form of such statement to be as near as circumstances permit to that of the first sentence of that Article;
  - 5.5.4 state the period in which the offer may be accepted if no such certificate of fair value is requested (not being less than twenty-one days or more than forty-two days after the date of the Offer Notice); and
  - 5.5.5 contain a statement to the effect that if a certificate of fair value is requested, the offer will remain open for acceptance until the expiry of a period of fourteen days commencing on the date of the notice of the certified fair value given to members pursuant to Article 5.10 or until the expiry of the period referred to in Article 5.5.4 whichever is the later.
- 5.6 An offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a member in respect of a lesser number of shares than his full proportionate entitlement.
- 5.7 If all the members do not accept the offer in respect of their respective proportions in full, the shares not so accepted shall be used to satisfy any claims for additional shares (notified in response to the invitation referred to in Article 5.5.2) as nearly as may be in proportion to the number of shares already held by the members claiming additional shares, provided that no member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable of being offered to the members in proportion to their existing holdings, except by way of fractions, the same shall be offered to the members, or some of them, in such proportions as the directors may think fit.
- 5.8 Any member may, not later than eight days after the date of the Offer Notice, serve on the Company a notice in writing requesting that the auditors for the time being of the Company certify in writing the sum which in their opinion represents the fair value of the shares comprised in the Transfer Notice as at the date of the Transfer Notice and the price per share that that represents. If the



auditors decline such appointment at their discretion (or if the Company does not have retained auditors at the date of the Offer Notice) then a person nominated by the President for the time being of the Institute of Chartered Accountants on the application of the directors or any member on behalf of the Company shall be instructed to give such certificate and any following reference in this Article 5 to "the auditors" shall include any person so nominated.

- 5.9 Forthwith upon receipt of such notice the Company shall instruct the auditors to certify as aforesaid and the costs of producing such certificate shall be apportioned among the Proposing Transferor and the Purchasing Members and borne by any one or more of them as the auditors in their absolute discretion shall decide.
- 5.10 The fair value of each share comprised in the Transfer Notice shall be its value as a rateable proportion of the total sum for all the issued shares of the Company which a willing buyer would offer to a willing seller and shall not be discounted or enhanced by reference to the number of shares comprised in the Transfer Notice. In certifying the fair value as aforesaid the auditors shall be entitled to obtain professional valuations in respect of any of the Company's assets and shall act as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply and the auditor's decision shall be final and binding on all parties.
- 5.11 Forthwith upon receipt of the certificate of the auditors, the Company shall by notice in writing inform all members of the certified fair value of the share.
- 5.12 If Purchasing Members shall be found for all the shares comprised in the Transfer Notice within the appropriate period specified in Article 5.5.4, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing ("the Sale Notice") to the Proposing Transferor specifying the Purchasing Members and the number of shares to be purchased by each Purchasing Member and the Proposing Transferor shall be bound upon payment of the price due in respect of all the shares comprised in the Transfer Notice to transfer the shares to the Purchasing Members.

- 5.13 If in any case the Proposing Transferor after having become bound as aforesaid makes default in transferring any shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares on behalf of and as attorney for the Proposing Transferor in favour of the Purchasing Members. The receipt of the Company for the purchase money shall be a good discharge to the Purchasing Members. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the Proposing Transferor.
- 5.14 If the Company shall not give a Sale Notice to the Proposing Transferor within the time specified for that purpose in Article 5.12 he shall, during the period of thirty days next following the expiry of the time so specified, be at liberty to transfer all (but not some only) of the shares comprised in the Transfer Notice to any person or persons PROVIDED THAT the price per share obtained upon such share transfer shall in no circumstances be less than the price per share specified in the Transfer Notice or as certified in accordance with Article 5.8 and the Proposing Transferor shall upon request furnish such information to the directors as they shall require in relation to the price per share obtained as aforesaid.
- 5.15 A member who purports to transfer any share in the Company in breach of the foregoing provisions of these Articles shall be bound to give a Transfer Notice in respect of the shares which he has transferred or purported to transfer in breach of these Articles
- 5.16 A member who causes or permits any of the events specified in Article 5.18 or with regard to whom any of the events specified in Article 5.18.4 occurs shall be bound to give a Transfer Notice in respect of all the shares registered in the name of such member and in respect of any shares held on trust for him or held by the trustees of any family trust unless and to the extent that in either case a Permitted Transfer shall have been lodged for registration.
- 5.17 In the event of any member failing to serve a Transfer Notice within thirty days of being bound to do so the member shall be deemed to have given a Transfer

Notice upon being called upon to do so by the directors and the price shall be the fair value of the shares as calculated in accordance with Article 5.10 .

5.18 The events specified for the purposes of Article 5.16 are:-

5.18.1 any direction (by way of renunciation nomination or otherwise) by a member entitled to an allotment or transfer of shares to the effect that such shares or any of them be allotted or issued or transferred to some person other than himself

5.18.2 any sale, dealing with or other disposition of any beneficial interest in a share (whether or not for consideration or otherwise but excluding any transmission of a share to any person becoming entitled to such share in consequence of the death or bankruptcy of a member) by whomsoever made and whether or not effected by an instrument in writing save where the disposition is by service of a Transfer Notice in accordance with these Articles;

5.18.3 the holding of a share as a bare nominee for any person;

5.18.4 in the case of a corporate member, such member entering into liquidation (except a members' voluntary liquidation for the purpose of reconstruction or amalgamation) or suffering an administrative receiver to be appointed over all or any of its assets or suffering an administration order to be made against it or anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to that corporate member;

5.19 The directors may, in their absolute discretion and without assigning any reason therefore decline to register any transfer which would otherwise be permitted under the foregoing provisions of this Article 5 if it is a transfer of a share on which the Company has a lien or a transfer of a share (not being a fully paid share) to a person of whom they shall not approve. The directors may also refuse to register a transfer:

5.19.1 if it is not lodged at the registered office accompanied by the certificate for the shares to which it relates or a suitable indemnity if the certificate therefor shall be lost or destroyed together with such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and

5.19.2 if it is in respect of more than one class of share;

5.19.3 if it is in favour of more than four transferees.

5.20 The directors shall register any Permitted Transfer and any transfer of shares made pursuant to the provisions of this Article 5. Regulation 24 shall not apply to the Company.

5.21 For the purpose of ensuring that a transfer of shares is permitted pursuant to the provisions of these Articles or that no circumstances have arisen whereby a Transfer Notice may be required to be given, the directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the directors any such information and evidence as the directors acting reasonably and in good faith think fit regarding any matter relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after the request, the directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the shares concerned. In any case where the directors have duly required by notice in writing a Transfer Notice to be given in respect of any shares and such Transfer Notice is not duly given within a period of thirty days from such notice such transfer notice shall be deemed to have been given at the end of the period of thirty days and such Transfer Notice shall be deemed to specify as the price per share the fair value of each share to be certified in accordance with Article 5.8 and the provisions of Articles 5.3 to 5.14 (inclusive) shall *mutatis mutandis* apply.

## 6. PROXIES

6.1 The appointment of a proxy shall be executed by or on behalf of the appointer and in any common form or in such other form as the directors may approve and shall be deemed to include authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

6.2 The appointment of a proxy must:

6.2.1 In the case of an appointment which is not contained in an electronic communication, be received at the office not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, together with any authority under which it is made or a copy of the authority, certified notarially or in some other manner approved by the directors;

6.2.2 In the case of an appointment contained in an electronic communication, where an address has been specified or agreed by the directors for the purpose of receiving electronic communications, be received at such address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which an appointment contained in an electronic communication is made or a copy of the authority, be certified notarially or in some other manner approved by the directors, must be received at the office not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote

and an appointment of a proxy which is not received in a manner so permitted shall be invalid.

## **7. GENERAL MEETINGS AND RESOLUTIONS**

- 7.1 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors from time to time of the Company.
- 7.2 No business shall be transacted at any general meeting unless a quorum is present. Subject to article 7.3 below, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 7.3 If and for so long as the Company has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.
- 7.4 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.
- 7.5 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in article 7.6 below.
- 7.6 Any decision taken by a sole member pursuant to article 7.5 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- 7.7 Resolutions under section 303 of the Act for the removal of a director before the expiration of his period of office and under section 391 of the Act for the

removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

- 7.8 A member present at a meeting by proxy shall be entitled to speak at the meeting and shall be entitled to one vote on a show of hands. In any case where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy. Regulation 54 in Table A shall be modified accordingly.

## **8. APPOINTING AND REMOVING DIRECTORS**

- 8.1 The maximum and minimum numbers of directors may be decided by ordinary resolution of the Company from time to time. If no resolution is made, there shall be no maximum number of directors and the minimum number of directors shall be three. The quorum for the transaction of the business of the directors shall be three. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

- 8.2 The directors do not need to retire by rotation.

- 8.3 No person can be appointed a director at any general meeting unless:-

8.3.1 they are recommended by the directors; or

8.3.2 they are proposed by a person qualified to vote at the General Meeting. In that case, the member proposing the director must, not less than 14 and no more than 35 clear days before the date of the meeting, give notice to the Company of their intention to propose the person for appointment and also send to the Company a notice signed by that person indicating his willingness to be appointed.

Subject to this, the Company may by ordinary resolution appoint any person to be a director, either to fill a vacancy or as an additional director.

- 8.4 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in

accordance with article 8.1 above as the maximum number of directors and from time to time in force

8.5 There shall be no restrictions (other than those imposed by law or by Table A) on who may be appointed a director of the Company. A person of any age may be appointed and no director will be required to vacate his office because he has reached a particular age.

8.6 The Company may by extraordinary resolution remove any director at any time. However:

8.6.1 a removal of a director will not affect any claims that the director may have against the Company for breach of contract or otherwise; and

8.6.2 the power to remove a director under this Article 8.6 is in addition to, and without prejudice to, Sections 303 and 304 of the Act.

## 9. ALTERNATE DIRECTORS

9.1 An alternate director appointed under Regulation 65 can represent more than one director. At any meeting of the directors (or of any committee of the directors), the alternate director shall be entitled to one vote for every director that he represents, as well as his own vote as a director, if he has one. However, an alternate director shall only count as one for the purpose of determining whether a quorum is present, irrespective of how many directors he represents.

9.2 Alternate directors will not be entitled to be paid any remuneration by the Company. However, the person who has appointed the alternate director may, by giving written notice to the Company, direct that any payment due from the Company to them should be paid to the alternate director and the first sentence of Regulation 66 is altered accordingly.

9.3 If something happens which could cause an alternate director, if he was a director, to vacate the office of director, then the appointment of that alternate director will automatically terminate.



## 10. POWERS AND PROCEEDINGS OF DIRECTORS

10.1 This Article 10.1 applies if a meeting of the directors (or of a committee of directors) considers any proposal where a director has an interest which conflicts, or could conflict, with the interests of the Company. If this Article applies, the director must disclose that interest to the meeting in accordance with Section 317. As long as the director does this, he may vote at the meeting and may be counted in determining that a quorum is present at the meeting. A disclosure made by a director which complies with Section 317 will be sufficient disclosure for the purposes of Regulations 85 and 86.

10.2 If the Company is a member of another corporation then any director:

10.2.1 is authorised under Section 375 to act as the Company's representative at any meeting of such a corporation or at any meeting of a class of members of that corporation;

10.2.2 may sign any written resolution of the members of that corporation; or

10.2.3 may act as a signatory to conclude any particular business in relation to that corporation

as if the board of directors of the Company had given its consent.

10.3 The directors may exercise all the powers of the Company to pay or provide pensions, annuities, gratuities, superannuation and other allowances and benefits to:-

10.3.1 current and former directors;

10.3.2 current and former employees; and

10.3.3 dependants and relatives of current and former directors and employees of the Company or any subsidiary or associated company. The directors may retain any benefits received by any of them as a result of their exercise of these powers.

- 10.4 If a director performs special services for the Company which are outside the normal scope of his duties, then that director may receive extra remuneration. The amount of the remuneration will be decided by the directors and will be charged as part of the Company's ordinary revenue expenses. However, the directors do not need to give extra remuneration to any director who performs special services without being requested to do so by the directors.
- 10.5 A meeting of the board of directors or of a committee may be held by means of video-conference, telephone or similar communications equipment. However, everybody who participates in the meeting must be able to hear each other. Any person participating in a meeting held in this manner shall be deemed to be present in person at the meeting. They will therefore count towards the quorum and be entitled to vote in any resolutions proposed to be passed at the meeting.

## 11. DRAG ALONG RIGHTS

- 11.1 If one or more of the members (together the "Selling Shareholders") wish to transfer any interest in shares to any person who is not a member of the Company at the date upon which a notice is served under this Article or Article 12.6 ("Third Party Purchaser") where that transfer would result in a Change of Control, the Selling Shareholders shall serve a notice ("a Drag Along Notice") upon all the other holders of shares ("the Dragged Shareholders") requiring them to transfer all their shares to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this Article.
- 11.2 The Drag Along Notice must be served at least fourteen days before the transfer of the shares resulting in the Change of Control. A Drag Along Notice shall specify that the Dragged Shareholders are required to transfer all their shares (the "Dragged Shares") pursuant to this Article, the price at which the Dragged Shares are to be transferred (calculated in accordance with Article 12.3) and give reasonable detail of the terms of the offer received by the Selling Shareholders, and the proposed date of transfer.

- 11.3 A Drag Along Notice will require each Dragged Shareholder to sell his shares at the same price per share as the shares are to be sold by the Selling Shareholders.
- 11.4 Completion of the sale of the Dragged Shares under this Article 11 shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' shares unless all of the Dragged Shareholders and the Selling Shareholders agree otherwise.

## 12. TAG ALONG RIGHTS

- 12.1 No sale or transfer or other disposition of any interest in any shares ("the specified Shares") shall have any effect if it would result in a Change of Control unless, before the transfer is lodged for registration, the Third Party Purchaser has made a bona fide offer in accordance with this Article to purchase at the specified price (defined in Article 12.3) all the shares held by the members (except any member who has by written notice expressly waived their right to receive such an offer for the purpose of this Article).
- 12.2 An offer made under Article 12.1 shall be in writing, open for acceptance for at least 28 days, and shall be deemed to be rejected by any member who has not accepted it in accordance with its terms within 28 days and the consideration under such an offer shall be settled in full on completion of the purchase and within 30 days of the date of the offer.
- 12.3 For the purposes of Article 12.1:
- 12.3.1 the expression "specified price" means the higher of:-
  - 12.3.2 a price per share equal to the highest price offered by the Third Party Purchaser to the Selling Shareholders who have agreed to sell shares to him or who have executed a transfer in his favour;
  - 12.3.3 a price per share equal to the highest price paid or payable by the Third Party Purchaser and his associates or persons acting in concert with him or for any shares within the last six months plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise)

received or receivable by the holders of the specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as part of the overall consideration paid or payable for the specified Shares; and

12.3.4 a price per share equal to the amount paid up or credited as paid up on the specified Share concerned.

12.4 If any part of the specified price is payable otherwise than in cash any member may require, as a condition of his acceptance of the offer made under this Article, to receive in cash on transfer all or any of the price offered for the shares sold by him pursuant to the offer.

12.5 If the specified price or its cash equivalent cannot be agreed between the Third Party Purchaser and those members to whom the relevant Third Party Purchaser is required to make a bona fide offer in accordance with Article 12.1 ("the Remaining Members") within 21 days of the proposed sale, transfer or other disposition referred to in Article 12.1, it may be referred to the auditors for the time being of the Company by any member. If the auditors decline such appointment at their discretion (or if the Company does not have retained auditors) then a person nominated by the President for the time being of the Institute of Chartered Accountants on the application of the directors or any member on behalf of the Company shall be instructed to give such certificate and any following reference in this Article 12 to "the auditors" shall include any person so nominated.

12.6 and, pending its determination, the sale, transfer or other disposition referred to in Article 12.1 shall have no effect.

12.7 The Remaining Members may, within 21 days of receipt of the relevant offer from the Third Party Purchaser, serve a notice on the Selling Shareholders requiring the Selling Shareholders to transfer all their shares to the Remaining Members (and if more than one then to them in proportion to the number of shares then held by them respectively) at the specified price, as determined according to Article 12.3.

12.8 Completion of any sale of shares pursuant to Article 12.6 shall take place at any time prior to the 28<sup>th</sup> day following service of the relevant notice under Article 12.6 and if such sale shall not have then taken place with payment, in cleared funds, in full of the specified price for the relevant shares to the Selling Shareholders, that notice and all obligations thereunder will lapse and the relevant offer from the Third Party Purchaser shall continue to have effect according to this Article 12.

### 13. BORROWING

13.1 The directors may exercise all the powers of the Company to:-

13.1.1 borrow money without limit as to amount on such terms and in such manner as they think fit;

13.1.2 grant any mortgage, charge or standard security over all or any part of its undertaking, property and uncalled capital; and

13.1.3 subject (in the case of any security convertible into shares) to Section 80, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

### 14. NOTICES

14.1 In Regulation 112 the words "first class" shall be inserted before the words "post in a pre-paid envelope".

14.2 Where notice is communicated electronically the notice shall be deemed to be given at the time it is correctly transmitted to the person to whom it is addressed.

### 15. COMPANY SEAL

15.1 Where the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second

director. The obligation under Regulation 6 in Table A relating to the sealing of share certificates shall only apply if the Company has a seal.

- 15.2 The Company is authorised under Section 39 of the Act to have one or more official seals which can be used outside the United Kingdom and this power may be exercised by the directors

## 16. OFFICER'S INDEMNITY

- 16.1 Insofar as the following provisions are not avoided by Section 310 of the Act:

16.1.1 every director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or in relation to the performance of the duties of his office, including any liability incurred by him in defending any proceedings, either civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with an application under Sections 144 or 727 of the Act in which relief is granted to him by the Court; and

16.1.2 no director or other officer shall be liable to the Company or any third party for any loss or damage suffered by the Company arising out of that person's performance of their duties of office.

- 16.2 The directors shall have the power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.