

N W Brown Group Limited

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Company number: 3917262

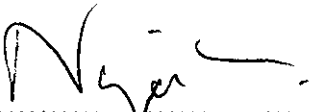
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Special Resolution

At a General Meeting of the company held on 27th October 2004 at Richmond House, 16-20 Regent Street, Cambridge CB2 1DB the following special resolution was duly passed:

The revised Articles of Association (appended hereto) were adopted.

Signed


.....
N W Brown (Chairman)



THE COMPANIES ACT 1985 AND 1989

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF**

N W BROWN GROUP LIMITED

Company number: 3917262

(as adopted by a special resolution passed on 27th October 2004)

1 PRELIMINARY

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 shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company:

1.2 In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

1.3 The following expressions shall bear the meanings following them:

"Auditors" means the auditors for the time being of the Company;

"Board" means the board of directors for the time being of the Company or a committee thereof or the directors present at a duly convened quorate meeting of the Board or a committee thereof;

"Change of Control" means the acquisition (whether by purchase, transfer, renunciation or otherwise) by any person not a Member immediately following the subscription of shares by Messrs Oliver and Button which is due to take place on 1 February 2000 (a **"Third Party Purchaser"**), of any interest in any Shares if, upon completion of that acquisition the Third Party Purchaser, together with persons acting in concert or connected with him, would hold more than 30 per cent of the Equity Shares;

"Connected with" has the meaning ascribed to it in section 839 Income and Corporation Taxes Act 1988 save that there shall be deemed to be control for that purpose whenever either section 416 or section 840 of that Act would so require;

"Controlling Interest" means, in relation to a body corporate, the power of a person or persons acting in concert with each other to secure that its affairs are conducted in accordance with the wishes of that person or persons by means of a holding of Shares which in aggregate confers 60% or more of the voting rights normally exercisable at general meetings of the Company or any other body corporat

"Equity Shares" means Ordinary Shares;

"Exit Event" means the earliest to occur of:

- (a) the date and time at which an agreement referred to in the definition of "Sale" is completed; and
- (b) the date and time at which a Listing takes place;

"Group" means the Company and all its subsidiaries and subsidiary undertakings for the time being and **"member of the Group"** shall be construed accordingly;

"Issue Price" means the amount paid up or credited as paid up (including any premium on issue) on the Share concerned including for the avoidance of doubt shares acquired for non-cash Consideration. As regards to the Preference shares this is £1.

"Listing" means either:

- (a) the admission by the London Stock Exchange of any of the issued equity share capital of the Company to the Official List, and such admission becoming effective; or
- (b) the admission by the London Stock Exchange of any of the issued equity share capital of the Company to trading on the Alternative Investment Market, and such admission becoming effective; or
- (c) any equivalent admission to any other Recognised Investment Exchange becoming unconditionally effective in relation to any of the issued equity share capital of the Company;

"London Stock Exchange" means London Stock Exchange Limited;

"Member" means any registered holder of Shares for the time being;

"Ordinary Shares" means the Ordinary Shares of 1p each of the Company having the to rights set out in article 2.21 to 2.24 inclusive;

"Preference Dividend" means the dividend payable under article 2.3 including any arrears and accruals and deficiencies thereof and interest thereon;

"Preference Dividend Rate" means the respective rates of dividend on Preference Shares set out in article 2.6;

"Preference Shares" means the Cumulative Redeemable Preference Shares of 10p each of the Company having the rights set out in articles 2.2 to 2.20;

"Recognised Investment Exchange" has the meaning ascribed thereto in section 207 Financial Services Act 1986;

"Sale" means the making of one or more agreements (whether conditional or not) for an acquisition of any Share giving rise to a Change of Control;

"Shares" means the Ordinary Shares and the Preference Shares;

"Statutes" means the Act and any statutory modification or re-enactment thereof for the time being in force and every other Act for the time being in force concerning companies and affecting the Company;

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985;

"Third Party Purchaser" has the meaning ascribed to it in the definition of "Change of Control" and, where the relevant acquisition was effected by the renunciation of a renounceable letter of allotment, shall include the relevant renouncee; and

References in these articles to Regulations are to Regulations in Table A and references to an article by number are to the particular article of these articles.

In these articles, words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships.

Words and expressions defined in or for the purposes of the Act or Table A shall, unless the context otherwise requires, have the same meanings in these articles.

Words and expressions defined elsewhere in these articles shall bear the meanings thereby ascribed to them.

The headings in these articles shall not affect their construction or interpretation.

2 AUTHORISED SHARE CAPITAL

- 2.1 The authorised share capital of the Company at the date of the adoption of these articles is £400,120 divided into 12,000 Ordinary Shares of 1p and 4,000,000 Preference Shares of 10p.

Preference shares

- 2.2 The rights attached to the Preference Shares are as follows:

Dividends

- 2.3 The Company shall pay to the Members holding Preference Shares, in priority to the holders of any other class of Share, a cumulative preferential net cash dividend of the

various aggregate amounts in respect of Preference Shares pro-rata to holdings thereof in the table in article 2.6.

- 2.4 The Preference Dividend shall accrue from day to day from and including the date of issue down to and including the date on which any Preference Share is redeemed and shall be paid, subject to the Act, in arrears on 31 March and 30 September in each year and on an Exit Event and so that the first payment shall be made on 31 March 2000, in respect of the period commencing on the first date of issue of Preference Shares down to and including such date, provided that a Member may elect to receive on 30 April any dividend which would normally be payable on 31 March in any year provided that he/she notifies the Board in writing by 28 February in that year.
- 2.5 Unless the Company is prohibited from paying dividends by the Act, the Preference Dividend shall (notwithstanding Regulations 102 to 108 inclusive or any other provision of these articles and in particular notwithstanding that there has not been a recommendation of the Board or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any later Preference Dividend.
- 2.6 Where the Company is precluded by the Act from paying in full any Preference Dividend on any date specified in this article 2.6, then in respect of any Preference Dividend which would otherwise require to be paid pursuant to these articles on that date:
- (a) the Company shall pay on that date to the Members holding the Preference Shares on account of the Preference Dividend the maximum sum (if any) which can then, consistently with the Act, be paid by the Company; and
 - (b) as soon as the Company is no longer precluded from doing so, the Company shall in respect of the Preference Shares pay on account of the balance of the Preference Dividend for the time being remaining outstanding, and until all arrears and deficiencies of the Preference Dividend have been paid in full, the maximum amount of Preference Dividend which can, consistently with the Act, be paid by the Company at that time.

Save as provided in this article 2.6, the holders of the Preference Shares shall have no right to participate in the profits of the Company.

| Year | Total Gross Preference Dividend as a % of the nominal value |
|------|---|
| 2000 | 20% |
| 2001 | 25% |
| 2002 | 30% |
| 2003 | 35% |
| 2004 | 40% |

| | |
|------|-----|
| 2005 | 45% |
| 2006 | 50% |
| 2007 | 50% |
| 2008 | 50% |
| 2009 | 50% |
| 2010 | 50% |
| 2011 | 50% |
| 2012 | 55% |
| 2013 | 60% |
| 2014 | 65% |
| 2015 | 70% |
| 2016 | 75% |
| 2017 | 80% |
| 2018 | 85% |

Capital

2.7 On a return of capital on liquidation or capital reduction or otherwise (other than a redemption of Preference Shares in accordance with articles 2.8 and 2.9) the surplus assets of the Company remaining after the payment of its liabilities shall be applied in paying to each Member holding Preference Shares, in priority to the holders of any other class of Share:

- (a) all unpaid arrears, accruals and deficiencies of the Preference Dividend on the Preference Shares held by him, calculated down to and including the date the return of capital is made (such arrears, accruals and deficiencies being payable irrespective of whether the Preference Dividend has become due and payable in accordance with these articles) and, subject thereto;
- (b) an amount equal to the Issue Price of all the Preference Shares held by him

Save as provided in this article 2.7, the holders of the Preference Shares shall have no right to participate in the assets of the Company.

Redemption

2.8 Subject to the provisions of the Act and to the remaining provisions of this article 2.8: the Company may at any time upon giving not less than 14 and not more than 28 clear days' notice in writing to the Members holding Preference Shares, redeem such shares at the issue price either in their entirety or in tranches of not less than 10,000

Preference Shares and any redemption made pursuant to this article 2.8 shall satisfy the Company's obligation to redeem shares pursuant to article 2.9 in the inverse order of maturity set out in that article;

- 2.9 Subject to article 2.8, the Company shall, on 30 September in each of the years shown in the table below, redeem the number of Preference Shares shown opposite that date to the extent any Preference Shares remain in issue:

| Date | Number of Preference Shares to be redeemed |
|-------------|---|
| 2004 | 195,500 |
| 2005 | 195,500 |
| 2006 | 195,500 |
| 2007 | 195,500 |
| 2008 | 195,500 |
| 2009 | 195,500 |
| 2010 | 195,500 |
| 2011 | 195,500 |
| 2012 | 195,500 |
| 2013 | 195,500 |
| 2014 | 391,000 |
| 2015 | 391,000 |
| 2016 | 391,000 |
| 2017 | 391,000 |
| 2018 | 391,000 |

- 2.10 The Company shall redeem all the Preference Shares then in issue immediately prior to, and conditionally upon, the occurrence of any of the following:

- (a) an Exit Event;
- (b) the appointment of a receiver, manager or administrative receiver over all or any part of the assets of any member of the Group or the appointment of a liquidator or administrator over any member of the Group.

- 2.11 The Company shall pay on each of the Preference Shares so redeemed, as a debt of the Company, an amount equal to the Issue Price thereof together with a sum equal to all arrears, deficiency or accruals of the Preference Dividend (whether earned or declared or not), calculated down to and including the date of redemption. The Preference Dividend on the relevant Preference Shares shall cease to accrue from the date of redemption unless, upon delivery to the Company of the documents specified in article 2.12, payment of the redemption money is not made.

- 2.12 On each date fixed for any redemption of Preference Shares, the Company shall pay to each registered holder (or in the case of joint holders, to the holder whose name stands first in the register of members of the Company) of Shares which are to be redeemed on that date the amount payable in respect of such redemption. Upon receipt of that amount, the holder shall deliver to the Company for cancellation the

certificate(s) for those Shares or an indemnity in form reasonably satisfactory to the Company in respect of any missing share certificate. If any share certificate delivered to the Company includes any Shares not redeemable at that time, the Company shall issue to the holder at the same time a fresh certificate for the balance of the Shares not redeemed. Any redemption of Preference Shares under this article 2.12 shall take place at the registered office of the Company.

- 2.13 In the case of a redemption of less than all the Preference Shares for the time being in issue, the Company shall redeem the same proportion (as nearly as practicable) of each Member's registered holding of Preference Shares.
- 2.14 The Company shall not redeem any Preference Share at a time when any Preference Dividend has not been paid.
- 2.15 If the Company is permitted by the Act to redeem only some of the Preference Shares which would otherwise fall to be redeemed at any time, the Company shall only redeem that number of such Shares that it can so redeem at that time. The Company shall redeem, as soon thereafter as it may do so, all the remaining Preference Shares which would otherwise have fallen to be redeemed, and pending such redemption, shall not pay any dividend.
- 2.16 If any Member any of whose Preference Shares are liable to be redeemed fails to deliver to the Company the documents referred to in article 2.12, the Company may retain the redemption money until it receives those documents. The Company shall then pay the redemption money to the relevant Member upon receipt of those documents.

Voting

- 2.17 The Members holding Preference Shares shall be entitled to receive notice of, and to attend and speak at, any general meeting of the Company. They shall not be entitled to vote on any resolution at any general meeting of the Company in respect of their holdings of Preference Shares unless at the date of the relevant meeting:
 - (a) the Preference Dividend (or any part of it) is more than 60 days in arrears;
 - (b) the Company has failed to redeem any of the Preference Shares whose due date for redemption has passed (irrespective of whether such redemption is prohibited by the Act);
 - (c) the business of the meeting includes a resolution for the liquidation of the Company (save for a solvent liquidation previously consented to by the holders of 75 per cent of the Preference Shares) or a reduction of its capital or which directly or indirectly varies, modifies, alters or abrogates any of the special rights or privileges attaching to the Preference Shares; or

- (d) there has occurred any material breach by the Company or any of the Members or Directors of the Company of any of the provisions of these articles.

2.18 In the circumstances set out in article 2.17 the Preference Shares shall carry the voting rights described in article 2.19

The voting rights attached to the Preference Shares shall be exercisable:

- (a) on any resolution referred to in article 2.17(c); and
 - (b) at any time after any of the events referred to in the other paragraphs of article 2.17 have occurred and have not been waived or otherwise remedied to the reasonable satisfaction, confirmed in writing by them in each case, of the holders of 75 per cent or more of the issued Preference Shares. For the avoidance of doubt where the defaults specified in article 2.17(a) (b) and (d) have been remedied the voting rights of the holders of Preference Shares shall revert to those exercisable prior to the happening of the defaults.
- 2.19 On each resolution on which the voting rights attaching to Preference Shares are exercisable those Members holding Preference Shares who (being individuals) are present in person or by proxy or (being corporations) are present by a duly authorised representative or by proxy shall, on a show of hands have one vote and on a poll shall together have such number of votes as shall be equal to the number of votes then capable of being cast by the holders of the Ordinary Shares.

Capital

2.20 On a return of capital on liquidation or capital reduction or otherwise (other than a redemption of Preference Shares in accordance with article 2.9), the surplus assets of the Company remaining after the payment of its liabilities shall be applied, subject to the payment of all amounts payable to the Members holding Preference Shares pursuant to article 2.12 but otherwise in priority to any other class of Share and thereafter, to the Members holding Ordinary Shares, in distributing the balance of such assets amongst the holders of the Ordinary Shares in proportion to the Issue Price of the Ordinary Shares held by them respectively.

Ordinary shares

2.21 The rights attached to the Ordinary Shares are as follows:

Dividends

2.22 Subject to the payment of the Preference Dividend, and to all those Preference Shares whose time for redemption under article 2.9 has passed having been redeemed in full, any remaining profits which the Company determines to distribute in respect of any financial year shall following the redemption of all the Preference Shares be applied in paying to the holders of the Ordinary Shares such dividend for that financial year

on each Ordinary Share of an amount not exceeding the amount recommended by the Board.

Capital

- 2.23 On a return of capital on liquidation or capital reduction or otherwise (other than a redemption of Preference Shares in accordance with article 2.9) the surplus assets of the Company remaining after the payment of its liabilities shall be applied, subject to the payment of all amounts payable to the holders of the Preference Shares pursuant to article 2.20 in paying to each Member holding Ordinary Shares, first, any dividends thereon which have been declared but are unpaid and, secondly, an amount equal to the Issue Price of each Ordinary Share held by him;

Voting

- 2.24 The Members holding Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and the Members holding Ordinary Shares who (being individuals) are present in person or by proxy or (being corporations) are present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, subject to article 2.27 have one vote for each Ordinary Share of which he is the holder.

Variation of class rights

- 2.25 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three quarters of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the issued Shares of that class, but not otherwise. To every such separate meeting, all the provisions of these articles relating to general meetings of the Company shall, mutatis mutandis, apply.
- 2.26 Without prejudice to the generality of this article, the special rights attached to the Preference Shares shall each be deemed to be varied at any time by any of the following:
- (a) a reduction in the issued share capital of the Company or any other member of the Group or a variation in the rights attaching to any class thereof, apart from an alteration arising out of a conversion or redemption of shares under these articles;
 - (b) the institution of any proceedings for, or the passing of any resolution for, the winding up or administration of the Company; and
 - (c) the Company or any other member of the Group incurring an obligation to do any of the foregoing.

- 2.27 Notwithstanding any other provision of these Articles, in the event that any person (not being a director or employee of the Company) shall be the registered holder of more than 15 per cent of the Ordinary Shares for the time being in issue such person shall only be entitled to cast 15 per cent of votes capable of being cast on a poll and the remainder of such votes shall be capable of being cast by the other holders for the time being of Ordinary Shares pro rata to their respective holdings.

3 ALLOTMENT OF SHARES

- 3.1 Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may (subject to Section 80 of the Act and to article 3.3 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.
- 3.2 All shares which are not comprised in the authorised share capital with which the Company is incorporated 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 them 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 fourteen 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 3.2 shall have effect subject to Section 80 of the Act.
- 3.3 In accordance with Section 91 of the Act the provisions of s89 (1) and s90 (1) to (6) of the Act shall not apply to the Company. Subject as mentioned in article 3.1 and 3.2 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 with which the Company is incorporated 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 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 of the Company in General Meeting.

4 SHARES

- 4.1 The lien conferred by Regulation 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all monies presently payable by him or his estate to the Company. Regulation 8 in Table A shall be modified accordingly.
- 4.2 The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

5 TRANSFER OF SHARES

- 5.1 The Preference Shares shall be freely transferable by any member who holds them and transmissible by the estate of a deceased member and accordingly the remaining provisions of this Article shall not apply to such a transfer.
- 5.2 Subject to article 5.1 and articles 5.18 to 5.23 (inclusive), unless in any particular case the holders for the time being of 75 per cent of all the issued share capital having the right for the time being to attend and vote at a general meeting of the Company otherwise agree in writing, none of the Shares of the Company shall be transferred and the Directors shall not register any transfer of any shares of the Company except pursuant to this Article.
- 5.3 Every holder of Shares (a "**Compulsory Vendor**") who leaves the service of the Company or any of its subsidiaries (whether as employee or director and so that he holds neither office) otherwise than by virtue of retirement at full retiring age or through ill-health or dying or where the Board resolves that this article 5.3 shall not apply shall upon so leaving the service of the Company or such subsidiary be deemed to have offered all his Shares to the Company for purchase by it on the basis set out in this article 5.3. In the event that the Company notifies the Compulsory Vendor within 14 days of such leaving that it does not wish to acquire all such shares or omits to make any notification in that regard the Directors shall offer the Shares giving details in writing of the number of the Shares and the Price pro-rata as nearly as may be in proportion to the number of shares then held by holders of Ordinary shares other than the Compulsory Vendor, and inviting each such shareholder to state in writing within 21 days from the date of the offer notice whether he is willing to purchase any of the Shares at the Price and, if so, the maximum number thereof. At the expiration of the said period the balance of any Shares offered to the holders of Shares but not so accepted shall, subject as provided below, be offered to the holders of the Shares who have accepted all the Shares to which they are respectively entitled who shall, if more than one, be entitled to purchase such balance of shares in the proportion as nearly as the circumstances will admit to the number of Shares (including any accepted pursuant to the foregoing provisions of this paragraph) then

held by each of them respectively. Such further offer shall be deemed to have been refused if not accepted within 14 days of the date of the offer. Provided that no such further offer shall be required if the holders of Shares who have accepted all the Shares to which they are respectively entitled shall have also accepted (or otherwise stated their willingness to purchase) further Shares such that purchasers shall have been found for all the Shares (and if such acceptances have been received for an aggregate maximum number of shares in excess of the number of Shares available for further purchase such acceptances shall be scaled down pro-rata as nearly as the circumstances may admit in the proportions which such shareholders have accepted any such further Shares). Where this proviso applies, the shareholders concerned shall be deemed to have accepted and offered to purchase the further Shares which they are entitled to accept in accordance with the provisions of this proviso, such offer and acceptance being deemed to have been made at the expiration of the period of 21 days referred to in the preceding provisions of this article 5.3. The Directors shall as soon as practicable after the expiration of the above periods give notice to the Compulsory Vendor of whether members have been found willing to purchase any Shares. If such notice shall state that members have been found who are willing to purchase any number of Shares, notice of the numbers of Shares which members are willing to purchase shall be given to the Compulsory Vendor. Every such notice shall state the name and address of each proposed purchaser and the number of shares agreed to be purchased by him.

- 5.4 The Price at which such shares as are the subject of an offer as referred to in article 5.3 shall, subject as hereinafter mentioned, be 80 per cent of the price fixed by the Board for the grant of options following audit of the most recent financial statements of the Company. In the event that such leaving the Company shall come about by reason of misconduct (including a breach of the holders contract of employment with the Company justifying termination of it by the employer) or within two years of acquisition of the shares in question or, in the case of the Vendors or the subscribers, prior to 30 April 2001, except an acquisition of shares arising from the exercise of an option under any employee share option scheme for the time being operated by the Company the price shall be the lower of the price at which such member shall have acquired the shares in question and their then market value determined by the directors in accordance with article 5.10.
- 5.5 Except as mentioned in the foregoing articles 5.1 to 5.4 every holder of Shares who wishes to transfer all or any of his shares or to dispose of any interest therein (such holder being hereinafter referred to as a "**Vendor**") shall serve on the Directors of the Company a notice in writing of his wish so to do accompanied by the relevant share certificates. Such notification (hereinafter called a "**Transfer Notice**") shall state the number of shares which the Vendor desires to transfer or dispose of and shall constitute the Directors his agents for the sale of such shares (hereinafter called "**the Sale Shares**") at the Sale Price (as defined in article 5.10). The Transfer Notice shall also give details of the person, if any, to whom the Vendor wishes to transfer the Sale Shares in the event that no purchaser shall have been found pursuant to articles 5.5 to 5.7 (both paragraphs inclusive). Save as provided in article 5.7, a Transfer Notice once given or deemed to be given shall not be capable of being withdrawn. A Transfer Notice may include any number of shares and, if such number is more than

one, shall operate as if it were a separate notice in respect of every share comprised therein Provided that a Vendor may specify in the Transfer Notice that it is conditional on a minimum number of Sale Shares ("**the minimum sale number**") therein specified being transferred and in such case such Transfer Notice shall operate accordingly.

- 5.6 Within 7 days after a Transfer Notice has been received by the Directors, the Directors shall offer the Sale Shares giving details in writing of the number of the Sale Shares and the Sale Price pro-rata as nearly as may be in proportion to the number of shares then held by holders of the Ordinary shares, and inviting each such shareholder to state in writing within 21 days from the date of the offer notice whether he is willing to purchase any of the Sale Shares at the Sale Price and, if so, the maximum number thereof. Each such offer shall specify any minimum sale number stipulated in the Transfer Notice. The Directors shall also give details to the holders of the then existing Shares (other than the Vendor) of the person, if any, to whom the Vendor wishes to transfer the Sale Shares in the event that no purchaser shall have been found pursuant to articles 5.6 to 5.7 (both paragraphs inclusive). At the expiration of the said period the balance of any Sale Shares offered to the holders of Shares but not so accepted shall, subject as provided below, be offered to the holders of the Shares who have accepted all the shares to which they are respectively entitled who shall, if more than one, be entitled to purchase such balance of shares in the proportion as nearly as the circumstances will admit to the number of Shares (including any accepted pursuant to the foregoing provisions of this paragraph) then held by each of them respectively. Such further offer shall be deemed to have been refused if not accepted within 14 days of the date of the offer. Provided that no such further offer shall be required if the holders of Shares who have accepted all the Sale Shares to which they are respectively entitled shall have also accepted (or otherwise stated their willingness to purchase) further Sale Shares such that purchasers shall have been found for all the Sale Shares (and if such acceptances have been received for an aggregate maximum number of shares in excess of the number of Sale Shares available for further purchase such acceptances shall be scaled down pro-rata as nearly as the circumstances may admit in the proportions which such shareholders have accepted any such further Sale Shares). Where this proviso applies, the shareholders concerned shall be deemed to have accepted and offered to purchase the further Sale Shares which they are entitled to accept in accordance with the provisions of this proviso, such offer and acceptance being deemed to have been made at the expiration of the period of 21 days referred to in the preceding provisions of this article 5.6.
- 5.7 The Directors shall as soon as practicable after the expiration of the above periods give notice to the Vendor of whether members have been found willing to purchase at least the minimum sale number of Sale Shares. If such notice shall state that members have not been found willing to purchase at least the minimum sale number of Sale Shares, the following provisions of this Article shall not apply and the Transfer Notice shall be treated as withdrawn. If such notice shall state that members have been found who are willing to purchase at least the minimum sale number of Sale Shares, notice of the numbers of Sale Shares which members are willing to purchase shall be given to the Vendor. Every such notice shall state the name and address of each proposed

purchaser and the number of shares agreed to be purchased by him. If the Directors shall have found members willing to purchase some (not in any event being less than any minimum sale number specified in the Transfer Notice) but not all of the Sale Shares, the Vendor may within 21 days of the receipt of such notice from the Directors give a counter-notice in writing to the Directors withdrawing the Transfer Notice. If the Directors shall under the preceding paragraphs of this Article have found members willing to purchase all the Sale Shares or if no such counter-notice shall have been given by the Vendor within the aforesaid period, the Vendor shall be bound, on receipt of the Sale Price per share, to transfer the Sale Shares (or such of the same for which the Directors shall have found purchasers) to the purchasers specified by the Directors in accordance with this article. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Directors when, against payment of the Sale Price for each share and any relevant stamp duties, the purchaser(s) shall be registered as the holder(s) of the relevant shares in the Register of Members of the Company and share certificate(s) in the names of such purchaser(s) and in respect of the relevant shares shall be delivered.

- 5.8 If the Compulsory Vendor or the Vendor as the case may be, after having become bound to transfer any Sale Shares to a purchaser, makes default in so doing, the Directors shall authorise some person to execute any necessary transfer of the Compulsory Vendor's Shares or Sale Shares (as the case may be) in favour of the purchaser and shall enter the name of the purchaser in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to him as aforesaid. The Company shall receive the purchase money on behalf of the Vendor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to any purchaser who shall not be bound to see to the application thereof, and after the name of the purchaser 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.
- 5.9 If by the end of the applicable periods specified in article 5.6 the Directors shall not have found purchasers for all the Sale Shares pursuant to this Article and the Vendor shall not have given a counter-notice as referred to in article 5.7, the Vendor shall be at liberty to sell and transfer all or any of the Sale Shares for which no purchasers shall have been found at any time within the following 6 months to any person or persons in pursuance of a bona fide sale. For the avoidance of doubt this article shall not apply in respect of any Compulsory Vendor.
- 5.10 For the purposes of this article save in respect of a Compulsory Vendor the expression "the Sale Price" shall mean the price per share (if any) specified in the Transfer Notice or (if no such price is so specified) the value per share determined by the Directors. The Directors shall determine such price at least once in each calendar year and such price shall be equal to that at which options may be exercisable under any employee share option scheme.
- 5.11 The provisions of articles 5.2 to 5.7 (both paragraphs inclusive) shall not apply to and the Directors shall register:

- (a) any transfer by a member to a privileged relation of such member;
- (b) any transfer to trustees to be held on the trusts of a family trust;

For the purposes of this Article:

- (i) **"privileged relation"** means and includes husband or wife or widower or widow and all lineal descendants and ascendants in direct line and brothers and sisters or their descendants (including the husband or wife or widower or widow of any of the above persons);
- (ii) Where shares have been transferred under this article 5.11 to trustees, the relevant shares may on a change of trustees be transferred to the trustees for the time being of the trusts concerned and article 5.11(a) shall be deemed to permit transfers of any of the relevant shares to privileged relations of the Member or former member concerned rather than to privileged relations of any such trustee. If and whenever any of the relevant shares come to be held otherwise than on family trusts (otherwise than in connection with a transfer by the trustees authorised under this article) the trustees shall be bound to notify the Directors in writing forthwith that such event has occurred and, if and when required in writing by the Directors so to do, to give a Transfer Notice (as defined in and for the purposes of articles 5.3 to 5.7 (both paragraphs inclusive)) in respect of the shares concerned;
- (iii) **"family trusts"** means trusts (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than a particular Member or deceased or former member and his privileged relations and save as herein specified no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the member concerned or a privileged relation of such Member;
- (iv) **"the relevant shares"** means and includes, so far as the same remain for the time being held by the trustees, the shares originally transferred and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them or the membership thereby conferred.

5.12 Notwithstanding anything contained in these Articles, the Directors may decline to register any transfer of any share on which the Company has a lien or any transfer of any share (not being a fully-paid share) and shall refuse to register any proposed transfer of a share other than a transfer made pursuant to or permitted by the provisions of articles 5.1 to 5.7 (both paragraphs inclusive).

- 5.13 Any Sale Shares and any Shares sold by a Compulsory Vendor pursuant to articles 5.3 to 5.7 shall be transferred with full title guarantee and free from any claims, equities, liens and encumbrances whatsoever and with all rights attached to the Sale Shares or shares as aforesaid as at the date of service of the Transfer Notice or cessation of employment as the case may be, but without the benefit of any other warranties or representations whatsoever.
- 5.14 In the case of a person becoming entitled to a share in consequence of the death or bankruptcy of a member:-
- (a) such person may elect to become the holder of the share or to have some person nominated by him registered as a transferee, provided always that he or such transferee (as the case may be) is, in relation to such member, a person to whom the provisions of article 5.11 shall apply;
 - (b) if such person has not made an election pursuant to article 5.14(a) within 6 months of such death or bankruptcy, he shall be deemed to have given an *irrevocable Transfer Notice pursuant to article 5.5*;
 - (c) the provisions of these Articles relating to the transfer of shares shall apply to the election or notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

Change of control

- 5.15 Notwithstanding any other provision in these articles no sale or transfer or other disposition of any interest in any Equity Share (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 5.17) all the Ordinary Shares and Preference Shares held by the Members (except any Member which has previously in writing expressly waived its right to receive such an offer for the purpose of this article).
- 5.16 An offer made under article 5.15 shall be in writing, open for acceptance for at least 21 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.
- 5.17 For the purposes of articles 5.15, 5.18 and 5.19:
- (a) the expressions "**transfer**", "**transferor**" and "**transferee**" include respectively the renunciation of a renounceable letter of allotment and any renouncer and renounee of such letter; and
 - (b) the expression "**specified price**" means:

- (i) in the case of Ordinary Shares, the higher of:
 - (A) a price per share equal to the highest price paid or payable by the Third Party Purchaser or Offeror (or persons acting in concert with such person(s) or connected with such person(s)) for any Shares within the last 6 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
 - (B) a price per share equal to the Issue Price thereof plus a sum equal to any arrears or accruals of the dividends on such Share grossed up at the rate of corporation tax then in force calculated down to the date the transfer is completed; and
 - (ii) in the case of Preference Shares, the amount payable on the redemption of those Shares as if they fell to be redeemed on the date the relevant transfer is completed.
 - (c) 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.
- 5.18 If an offer (the **"Offer"**) is made in writing by any third party offeror acting bona fide at arms' length (the **"Offeror"**) to any one or more of the Members to acquire a Controlling Interest in the issued share capital of the Company and such Members decide to accept the Offer at the specified price (defined in article 5.17) (the **"Selling Majority"**), the Selling Majority shall have the option (**"the Drag Along Option"**) to require all the other holders of Shares to transfer all their Shares with full title guarantee to the Offeror or his nominee in accordance with articles 5.19 to 5.23 (inclusive).
- 5.19 The Selling Majority may exercise the Drag Along Option by giving notice to that effect (**"the Drag Along Notice"**) to all other remaining holders of the Shares then in issue (the **"Called Shareholders"**) at any time before the transfer of Shares to the Offeror. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) pursuant to article 5.18 and the specified price at which the Called Shares are to be transferred to the Offeror or his nominee and the proposed date of transfer.
- 5.20 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason the Offeror does not obtain a Controlling

Interest caused by a transfer of Shares by the Selling Majority to the Offeror within 60 days after the date of the Drag Along Notice.

- 5.21 The Called Shareholders shall be obliged to sell the Called Shares upon the same terms and at the price offered by the Offeror to the Selling Majority pursuant to article 5.18.
- 5.22 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Majority's Shares unless:
- (a) all of the Called Shareholders and the Selling Majority agree otherwise in writing; or
 - (b) that date is less than seven days after the Drag Along Notice, where it shall be deferred until the seventh day after the Drag Along Notice.
- 5.23 If any of the Called Shareholders shall not within 14 days of being requested to do so, execute and deliver to the Company transfers in respect of the Shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then the Selling Majority shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit, to execute, the necessary transfers and indemnities on the Called Shareholder's behalf and, against receipt by the Company (on trust for such Member) of the consideration payable in respect of the relevant Shares, deliver such transfers and certificates or indemnities as the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.

6 GENERAL MEETINGS AND RESOLUTIONS

- 6.1 A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Regulation 38 in Table A shall be modified accordingly.

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

- 6.2 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 for the time being of the Company.

- 6.3 Regulation 37 in Table A shall be read and construed as if the last sentence were omitted therefrom.
- 6.4 Regulation 40 in Table A shall be read and construed as if the words "at the time when the Meeting proceeds to business" were added at the end of the first sentence.
- 6.5 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.
- 6.6 Regulation 41 in Table A shall not apply to the Company.
- 6.7 Regulation 62 in Table A shall be read and construed as if the words "within the United Kingdom" were omitted therefrom.

7 APPOINTMENT OF DIRECTORS

- 7.1 Regulation 64 in Table A shall not apply to the Company.
- 7.2 The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be 5. Whensoever the minimum number of the Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and these Articles expressed to be vested in the Directors generally, and Regulation 89 in Table A shall be modified accordingly.
- 7.3 The Directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.
- 7.4 No person shall be appointed a Director at any General Meeting unless either:
- (a) he is recommended by the Directors; or
 - (b) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.
- 7.5 Subject to article 7.4 above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

- 7.6 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 paragraph 7.2 above as the maximum number of Directors and for the time being in force.

8 BOARD MEETINGS BY TELEPHONE

- 8.1 Notwithstanding any other provisions of these articles and the law, the Directors of the Company may conduct meetings of the Board and any Committee of the Board by telephone or other means whereby each participant can simultaneously hear all other participants and participate in the discussion between them.

9 BORROWING POWERS

- 9.1 The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, any part thereof, and 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.

10 ALTERNATE DIRECTORS

- 10.1 An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 in Table A shall be modified accordingly.
- 10.2 A Director, or any such other person as is mentioned in Regulation 65 in Table A, may act as an alternate Director to represent more than one Director and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 10.3 Regulation 66 in Table A shall be read and construed as if the last sentence were omitted therefrom.

11 DISQUALIFICATION OF DIRECTORS

- 11.1 The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Regulation 81 in Table A shall be modified accordingly.

12 GRATUITIES AND PENSIONS

- 12.1 The Directors may exercise the powers of the Company conferred by Clause 3(t) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.
- 12.2 Regulation 87 in Table A shall not apply to the Company.

13 PROCEEDINGS OF DIRECTORS

- 13.1 A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- 13.2 Notice of meetings of the Directors shall be given to all Directors whether or not for the time being absent from the United Kingdom and Regulation 88 in Table A shall be read and construed as if the third sentence were omitted therefrom.
- 13.3 Regulations 94 to 1997 (inclusive) in Table A shall not apply to the Company.
- 13.4 The quorum at a board meeting shall be five directors present in person or by virtue of article 8 of these articles

14 INDEMNITY

- 14.1 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 about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- 14.2 Regulation 118 in Table A shall not apply to the Company.

15 NOTICES

- 15.1 Regulation 112 in Table A shall be read and construed as if the last sentence were omitted therefrom.

- 15.2 Regulation 116 in Table A shall be read and construed as if the words "within the United Kingdom" were omitted therefrom.