

No. 4251061

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION IN WRITING

OF

ADVANCED OXIDATION LIMITED

We the undersigned being all of the members of the Company having the right to vote at general meetings signify our assent to the passing of the special resolution set out below under the provisions of Regulation 53 of Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) to the effect that such resolution shall be deemed to be as effective as if it had been passed at a general meeting of the Company duly convened and held:-

THAT:

- (i) the authorised share capital of the Company be increased from £36,000 to £40,000 by the creation of an additional 4,000 Ordinary Shares of £1 each; and
- (ii) the regulations contained in the attached document be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

12 January 2005

D J Bray

D J Bray

P S Bray

P.S Bray



A34
COMPANIES HOUSE

0406
14/01/05

B Colley
B Colley

D H Cook by her Attorney S. J. Ell
D H Cook

A P Davidson by his Attorney S. J. Ell
A P Davidson

J K Prior by his attorney S. J. Ell
J K Prior

The Companies Acts 1985 and 1989
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

ADVANCED OXIDATION LIMITED

(Company Number 4251061)

(Adopted by a members' written resolution passed on 2005)

1. Preliminary

- 1.1 Subject as hereinafter provided, the regulations contained or incorporated in Table A in The Companies (Tables A to F) Regulations 1985 (hereinafter referred to as "Table A") shall apply to the Company.
- 1.2 Regulations 8, 39, 64, 73 to 78 inclusive, 80, 87, 94 to 98 inclusive, 113 and 118 of Table A shall not apply to the Company.

2. Definitions and interpretation

In these Articles:

- "the Acts" shall mean the Companies Act 1985 (including amendments made thereto by the Companies Act 1989) and the Companies Act 1989;
- "Asset Sale" shall mean the completion of any transaction whereby any person or group of persons purchases the whole or substantially the whole of the business and assets of the Group;
- "Associated Company" means in relation to a company, a subsidiary or holding company for the time being of such a company or a subsidiary for the time being of such a holding company;
- "Auditors" shall mean the auditors of the Company from time to time;
- "Board" shall mean the board of directors of the Company from time to time or any duly authorised committee thereof;
- "Competitor" means any person who, in the opinion of the Board and the Investor Directors or the Investor, carries on or is interested directly or indirectly in any business which competes, directly or indirectly, with any business carried on by the Company or is connected with or an Associated Company of such a person;
- "Connected Persons" shall mean:
- (a) in relation to an individual, that individual's spouse/partner, children, parents and siblings;
 - (b) in relation to a trustee of trust, a settlor of that trust, or a person who would otherwise be connected with such a person;

	(c) in relation to a company, another company under the control of the same person or persons connected with him or a person who has control of that Company on his own or together with persons connected with him; or
	(d) in relation to any type of shareholder any person who is a nominee or is a liquidator, administrator or administrative receiver or equivalent court official (as the case may be);
"Control"	shall mean, in relation to a body corporate, the power of a person to secure that its affairs are conducted in accordance with the wishes of that person:
	(a) by means of holding of shares or the possession of voting power in or in relation to that or any other body corporate; or
	(b) by virtue of any powers conferred by the articles of association or any other document regulating that or any other body corporate;
"Controlling Interest"	shall mean the acquisition of such interest in the Company as gives or constitutes Control;
"Deemed Transfer Notice"	means a Transfer Notice that a shareholder is deemed to give in respect of all his shares;
"Directors"	shall mean the directors for the time being of the Company;
"FCEF"	shall mean Finance Cornwall Equity Two Limited;
"Financial Year"	shall mean the accounting reference period of the Company from time to time;
"Investor"	means FCEF;
"Investor Consent"	means the written consent of the Investor or an Investor Director;
"Investor Group"	means, in relation to any corporate Investor, that Investor and its Associated Companies from time to time;
"Issue Price"	shall mean par value;
"Listing"	shall mean the admission of the entire issued share capital of the Company (or any part thereof) to the Official List of the UK Listing Authority or effective permission for any shares in the capital of the Company to be dealt in on any recognised investment exchange (as defined in Section 285 of the Financial Services and Markets Act 2000) or any other public securities market ;
"Permitted Investor Transfer"	means a transfer of shares by an Investor to a Permitted Investor Transferee;
"Permitted Investor Transferee"	means in relation to the Investor:
	(a) any member for the time being of its Investor Group other than a Competitor;

- (b) any body corporate controlled by the Investor or another member of its Investor Group or which immediately following the transfer of the Shares of the Company concerned will be such a body corporate other than a Competitor;
- (c) any investment fund or trust or partnership controlled or managed or advised (in an investment adviser capacity) or promoted by the Investor or another member of its Investor Group or any investment manager or adviser thereof other than a Competitor;
- (d) any trustee or manager or beneficiary or shareholder or partner in or of the Investor or any investment fund or trust or partnership referred to in paragraph (c) above other than a Competitor;
- (e) any member of that Investor's Investor Group or any trust or partnership in which they or any of them participate other than a Competitor; or
- (f) a nominee or custodian for any of the foregoing other than a Competitor.

"Relevant Agreement" shall mean any agreement relating (in whole or in part) to the management and/or affairs of the Company which is binding from time to time on the Company and the members and which (expressly or by implication) supplements and/or prevails over any provisions of these Articles;

"Relevant Proportions" shall mean that proportion which the nominal value of the class of shares in the Company in the name of the subscriber or any shareholder (as the case may be) bears to the aggregate nominal value of the issued class of the share capital of the Company in question;

"Representatives" shall mean, in relation to a member, any person or persons who have become entitled to his shares in consequence of his death, bankruptcy or mental incapacity;

"Sale" shall mean the sale or transfer (whether or not as part of a single transaction but excluding any acquisition of shares by way of Permitted Investor Transfer) of over 90% of the entire issued share capital of the Company

"Shares" shall mean the ordinary shares of £1 each in the capital of the Company;

"Shareholders" shall mean the holders for the time being of the Shares;

"Transfer Notice" shall mean a notice in writing given by a shareholder to the Directors that the shareholder wishes to transfer any of his shares.

The expressions "Relevant Person(s)", "General Offer", and "Non-Acceptor" shall bear the meanings accorded to them in Article 10.

3. Public Offers

The Company is a private company and accordingly no offer or invitation shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the Company, nor shall the Company allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

4. Share Capital

4.1 At the date of the adoption of these Articles the capital of the Company is £40,000 divided into 40,000 Shares .

4.2 The Directors may subject to Article 5 hereof allot, grant options over, or otherwise deal with or dispose of any relevant securities (as defined by section 80(2) of the Companies Act 1985, (the "Act")) of the Company to such persons and generally on such terms and conditions as the Directors think proper.

4.3 The general authority conferred by Article 4.2 hereof shall extend to the amount of the authorised share capital of the Company upon the date of adoption of these Articles. The said authority will expire on the date of the fifth anniversary of the date of adoption of these Articles unless renewed, varied or revoked by the Company in general meeting in accordance with section 80 or section 80A of the Act.

4.4 The Directors shall be entitled under the general authority conferred by Article 4.3 hereof to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority.

5. Income

5.1 If considered by the Directors to be in the best interests of the Company the profits of the Company available for distribution shall be used to pay dividends pari passu amongst the holders of the Shares.

5.2 The Company shall procure that if any of its subsidiary undertakings have profits available for distribution for the purposes of the Acts such profits will to the extent necessary be distributed to the Company so as to enable the payment on the due date of any dividend.

5.3 Every dividend shall be distributed to the appropriate shareholders pro rata according to the amounts paid up or credited as paid up on the shares held by them respectively.

6. Capital

In the event of a winding up of the Company or other return of capital the assets of the Company available for distribution to shareholders remaining after payment of all other debts and liabilities of the Company and of the costs charges and expenses of such winding up, shall be paid to the Shareholders (in proportion to the numbers of Shares held by them).

7. Pre-emption

7.1 Subject to the holders of not less than 80 per cent of the issued Shares otherwise agreeing in writing all shares authorised pursuant to Article 4 hereof to be allotted shall be offered to the members in proportion to the existing shares held by them of the same class. At the expiration of the time limit specified by such offer for the acceptance of such shares, the balances of any shares offered but not accepted shall be

offered to the members who have accepted all the shares offered to them and who shall, if more than one be entitled to subscribe for such balances of shares in the proportions as nearly as the circumstances will admit to the number of shares then held (including any shares accepted pursuant to the foregoing provisions of this Article), by each of them respectively. In relation to any shares not accepted, the Directors may, subject to these Articles, allot or otherwise dispose of the same to such persons and upon such terms as they think most beneficial to the Company. The Directors may in like manner dispose of any such shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to any such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner hereinbefore provided.

7.2 Any such offer shall be made by notice in writing specifying the number of shares and the price at which the same are offered and limiting the time (not being less than 21 days unless the member to whom the offer is to be made otherwise agrees) within which the offer if not accepted will be deemed to be declined.

7.3 By virtue of section 91(1) of the Companies Act 1985, sections 89(1) and 90(1) to 90(6) inclusive of that Act shall not apply to the Company.

8. Lien

The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share 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 member whether solely or one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien (if any) on a share shall extend to all dividends payable thereon.

9. Transfer of shares

9.1 No member shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any Share (save as may be required in pursuance of his obligations under these Articles or any Relevant Agreement) or create or permit to exist any charge, lien, encumbrance or trust over any Share or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things except (but subject always to Article 13 and Article 12):

9.1.1 as permitted by Article 10 or 11;

9.1.2 pursuant to the acceptance of a written offer as mentioned in Article 13;

9.1.3 as permitted by a Relevant Agreement.

9.2 If a member at any time commits a breach of Article 9.1 in relation to any share he shall be deemed immediately prior to such breach to have given a Transfer Notice in respect of such share and must comply with the provisions of Article 11.

9.3 For the purpose of ensuring that a particular transfer of shares is permitted under these Articles, the Directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish them with such information and evidence as they may think reasonably necessary or relevant. Failing such information

or evidence being furnished to the reasonable satisfaction of the Directors within a period of 28 days after such request, the directors shall, refuse to register the transfer in question.

9.4 Where a Deemed Transfer Notice has been given under any provision of these Articles or under any Relevant Agreement and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same, such Deemed Transfer Notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually become aware of such facts and the provisions of Article 11 shall apply accordingly.

9.5 A Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition (as defined in Article 11) and shall not be revocable.

9.6 The directors shall not refuse to register any transfer of a share which is permitted under these Articles but may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted hereunder if it is a transfer:

9.6.1 of a share on which the Company has a lien;

9.6.2 of a share (not being a fully paid share) to a person of whom they do not approve, and shall in any event refuse to register the transfer of a share which is prohibited by any Relevant Agreement.

The first sentence of regulation 24 shall not apply.

9.7 If a member or any of his Representatives becomes aware of any event which is deemed to give rise to an obligation to serve a Transfer Notice, he shall forthwith give written notice thereof to the directors.

9.8 In the event that any person becomes entitled to Shares in consequence of the death, bankruptcy or mental incapacity of a member a Deemed Transfer Notice shall be given in respect of all the Shares to which the Representative has become entitled. The Representative shall only be entitled to be registered as a member in respect of any shares not accepted at the end of the offering process prescribed by these Articles.

10. Permitted transfers

10.1 10.1.1 Any member being a body corporate may at any time transfer all or any shares held by it to a member of the same group (as hereinafter defined) or in the case of the Investor to a Permitted Investor Transferee.

10.1.2 Where shares have been transferred under Article 10.1.1 (whether directly or by a series of transfers thereunder) from a body corporate ("the Transferor Company", which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group ("the Transferee Company") and subsequently the Transferee Company ceases to be a member of the same group as the Transferor Company, the Transferee Company shall forthwith transfer the relevant shares (as hereinafter defined) to the Transferor Company, and failure so to transfer such shares within 28 days of the Transferee Company ceasing to be a member of the same group as the Transferor Company shall result in a Transfer Notice being deemed immediately to be given in respect of the relevant shares.

10.1.3 For the purposes of this paragraph:

- 10.1.3.1 the expression "a member of the same group" means a company which is from time to time a holding company of which the Transferor Company is a wholly-owned subsidiary or a wholly-owned subsidiary of the Transferor Company or of any holding company of which the Transferor Company is a wholly-owned subsidiary; and
- 10.1.3.2 the expression "relevant shares" means and includes (so far as the same remain from time to time held by the Transferee Company) the shares originally transferred to the Transferee Company and any additional shares issued or transferred to the Transferee Company by virtue of the holding of the relevant shares or any of them.
- 10.2 Any member being a body corporate may at any time transfer all but not some only of the shares held by it to another body corporate which has acquired in connection with a bona fide scheme of amalgamation or reconstruction the whole or the main part of the undertaking or assets of such member.
- 10.3 Unless all the members otherwise consent in writing, no transfer of any share permitted by this Article shall be made during the active period of any Transfer Notice or Deemed Transfer Notice in respect of such share (and for this purpose "active period" in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).
- 11 Pre-emption rights
- 11.1 11.1.1 Except for a transfer of shares which is permitted under these Articles as mentioned in Article 10.1 Article 13 and Article 14, no share shall be transferred until the following conditions of this Article are complied with. Notwithstanding the preceding sentence, the following pre-emption provisions also apply in any case where these Articles or any Relevant Agreement specify that a Transfer Notice must be served or circumstances where a Deemed Transfer Notice has been served.
- 11.1.2 Any member proposing to transfer a share ("the Proposing Transferor") shall give a Transfer Notice In the Transfer Notice, the Proposing Transferor shall specify:
 - 11.1.2.1 the number and class of shares which the Proposing Transferor wishes to transfer ("the Transfer Shares") (which may be all or part only of the shares then held by the Proposing Transferor);
 - 11.1.2.2 whether or not the Proposing Transferor has received an offer from a third party for the Transfer Shares and, if so, the identity of such third party and the price offered for the Transfer Shares;
- 11.1.3 A Transfer Notice shall also state whether the Proposing Transferor wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article, none shall be so sold), but in the absence of such a statement, the Transfer Notice shall be deemed not to contain a Total Transfer Condition. Any two or more members shall be entitled to serve a joint Transfer Notice (meaning a notice signed by each of them specifying the shares which they wish together

to transfer) containing a Total Transfer Condition and such notice shall for all the purposes of this Article take effect as if it were a single Transfer Notice and the Total Transfer Condition related to all the shares the subject of the joint Transfer Notice, but the obligations of those members thereunder or in respect thereof shall be several only in proportion to the number of Transfer Shares which they hold respectively.

- 11.1.4 The Transfer Notice shall constitute the Company (by its board of directors) as the agent of the Proposing Transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once given, a Transfer Notice may not be revoked save with the prior written consent of all the other members.
- 11.2 Where a Transfer Notice is given in respect of more than one class of share, it shall be deemed for the purposes of this Article to comprise a number of separate Transfer Notices, one in respect of each such class. However, where the Proposing Transferor simultaneously serves Transfer Notices in respect of more than one class of shares, he may stipulate in such notices by reference to this paragraph of this Article that any Total Transfer Condition shall apply to all of such shares and not merely to one class only.
- 11.3 Within seven days after the receipt of any Transfer Notice, the directors shall serve a copy of that Transfer Notice on all the members other than the Proposing Transferor. In the case of a Deemed Transfer Notice, the directors shall similarly serve notice on all the members (including the Proposing Transferor), notifying them that the same has been deemed to have been given, within 3 months after (i) the date of the event giving rise to the Deemed Transfer Notice, or (ii) (if later) the date on which the directors (as a whole) actually became aware of such event.
- 11.4 Subject as provided otherwise in these Articles or in any Relevant Agreement, the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price per Transfer Share ("the Transfer Price") determined in accordance with Article 11.5
- 11.5 The Transfer Price shall be such price as shall be agreed in writing between all the members or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 21 days after the service of notices pursuant to paragraph (3), the Transfer Price will be determined by an independent chartered accountant of not less than ten years' standing ("the Expert"), who shall be nominated by agreement between all the members or, failing such nomination, within 14 days after the request of any member to the others therefor nominated at the request of any member by the President from time to time of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members.

The Expert will certify the open market value of the Transfer Shares as at the date of the Transfer Notice on the following assumptions and bases:

- 11.5.1 valuing the Transfer Shares as on an arm's length sale between a willing vendor and a willing purchaser;
- 11.5.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

11.5.3 that the Transfer Shares are capable of being transferred without restriction; and

11.5.4 valuing the Transfer Shares as a rateable proportion of the total market value of all the issued shares of the Company without any premium or discount being attributable to the class of the Transfer Shares or the percentage of the issued share capital of the Company which they represent

If any difficulty shall arise in applying any of the foregoing assumptions or bases, such difficulty shall be resolved by the Expert in such manner as he shall in his absolute discretion think fit.

The Transfer Price shall be a sum equal to the open market value of the Transfer Shares determined as aforesaid, divided by the number of Transfer Shares. The Company will use its best endeavours to procure that the Expert determines the Transfer Price within 21 days of being requested so to do.

11.6 If the determination of the Transfer Price is referred to the Expert, the date of determination of the Transfer Price ("the Determination Date") shall be the date on which the directors receive the Expert's determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement between all the members as aforesaid, the Determination Date shall be the date on which such agreement is made. If the Transfer Price is determined pursuant to Article 11.5, the Determination Date shall be the date on which the directors receive the Transfer Notice.

11.7 The costs and expenses of the Expert in determining the Transfer Price and of his appointment shall be borne as to one half by the Proposing Transferor and as to the other half by the purchasers pro rata according to the number of Transfer Shares purchased by them unless none of the Transfer Shares are purchased pursuant to Articles 10 or 11, in which event the Proposing Transferor shall pay all of such costs and expenses.

11.8 Within 7 days after the Determination Date, the Transfer Shares shall be offered for purchase at the Transfer Price by the directors to those members who at the date of the offer are registered as the respective holders of shares of the same class as the Transfer Shares (other than (a) the Proposing Transferor and (b) any member to whom under Article 11 shares may not be transferred) in proportion to the number of shares of that class then held by them respectively. Every such offer shall be made in writing and shall specify (a) the total number of Transfer Shares; (b) the number of Transfer Shares offered to the member ("Pro Rata Entitlement"); (c) whether or not the Transfer Notice contained a Total Transfer Condition; (d) a period (being not less than 14 days and not more than 21 days) within which the offer must be accepted or shall lapse, and (e) the name of any third party referred to in Article 11.1.2.2 and shall be accompanied by a form of application for use by the member in applying for his Pro Rata Entitlement and for any shares in excess of such entitlement which he wishes to purchase.

Upon the expiry of the said offer period, the directors shall allocate the Transfer Shares in the following manner:

11.8.1 to each member who has agreed to purchase shares, his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;

- 11.8.2 if any member has applied for less than his Pro Rata Entitlement, the excess shall be allocated to the members who have applied for all the shares to which they are respectively entitled who shall, if more than one, be entitled to purchase the shares so allocated in the proportion as nearly as the circumstances will admit to the number of Shares (including any applied for pursuant to the foregoing provisions of this Article 11.8) then held by each of them respectively..
- 11.9 If any of the Transfer Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the members, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.
- 11.10 If by the foregoing procedure the directors shall not receive acceptances from members in respect of all of the Transfer Shares within the period(s) of the aforesaid offer(s), they shall forthwith give notice in writing of that fact to the Proposing Transferor whereupon:-
- 11.10.1 if the Transfer Notice contained a Total Transfer Condition, the Proposing Transferor shall be entitled to withdraw the Transfer Notice and, at any time during the following 90 days, transfer all the Transfer Shares to, if the Proposing Transferor specified a third party under Article 11.1.2.2., that third party or, if the Proposing Transferor did not specify such a third party, to any third party, in each case at a price not less than the Transfer Price;
- 11.10.2 if the Transfer Notice did not contain a Total Transfer Condition, the Proposing Transferor shall promptly transfer the shares in respect of which acceptances have been received to the members who have accepted shares at a price not less than the Transfer Price and shall be entitled to transfer the balance at any time during the following 90 days, to a third party at a price not less than the Transfer Price.
- 11.11 At the conclusion of the foregoing procedure, the directors shall forthwith give notice in writing as hereinafter mentioned to the Proposing Transferor and to the member or members who have agreed and are entitled to purchase the same ("purchaser" or "purchasers") and the Proposing Transferor shall thereupon become bound upon payment of the Transfer Price to the Proposing Transferor (whose receipt shall be a good discharge to the purchaser, the Company and the directors therefor, none of whom shall be bound to see to the application thereof) to transfer to each purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than 7 days nor more than 28 days after the date of the said notice and not being at a place outside England).
- 11.12 If a Proposing Transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same, the directors may authorise some person (who is (as security for the performance of the Proposing Transferor's obligations) hereby irrevocably and unconditionally appointed as the attorney of the Proposing Transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the

Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped with any necessary stamp duty) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the Proposing Transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee, who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

11.13 Without prejudice to the generality of Article 9.4, the directors may require to be satisfied that any shares being transferred by the Proposing Transferor pursuant to Article 11.10 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied, may refuse to register the instrument of transfer.

11.14 11.14.1 In this paragraph a "Relevant Event" means:

11.14.1.1 in relation to a member being an individual:

- (a) such member being adjudicated bankrupt; or
- (b) such member dying; or
- (c) the happening of any such event as is referred to in paragraph (c) of regulation 81; or
- (d) such member ceasing to be connected with the Company (otherwise than by reason of unfair or wrongful dismissal in respect of which the member commences proceedings within 3 months after the termination of his employment); and for these purposes an individual shall be treated as connected with the Company if but only if and so long as he is a director or employee thereof; or
- (e) who was previously connected with the Company (as defined in sub-paragraph (d), the acquisition by that individual of shares in the Company ("Relevant Employee Shares") at a time when he is no longer connected with the Company (as aforesaid) in pursuance of rights or interests obtained by such individual under an employees share scheme (as defined in section 743 of the Act) of the Company; and so that this sub-paragraph shall apply even though the individual (or his Representatives) was or were not a member immediately prior to such acquisition;

11.14.1.2 a member making any voluntary arrangement or composition with his creditors or committing a material breach of a Relevant Agreement which, if capable of remedy is not remedied within 21 days after written notice from any other member requiring such remedy. A breach will be deemed to be capable of remedy if the obligation is capable of being performed in all respects

except as regards the date by which or the period within which it must be performed;

11.14.1.3 in relation to a member being a body corporate:

- (a) a receiver, manager, administrative receiver or administrator being appointed to such member or over all or any part of its undertaking or assets; or
- (b) such member entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
- (c) such member ceasing to be controlled (as defined by section 416 of the Income and Corporation Taxes Act 1988) by the person(s) who controlled such member on the date on which it became a member of the Company or on the date of adoption of these Articles (whichever shall be the later).

11.14.1.4 Upon the happening of any Relevant Event, the member in question shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in the name of such member (save that in the case of a Relevant Event described in Article 11.14.1.1(e), the Transfer Notice shall be deemed to be given in respect of all the Relevant Employee Shares only).

- 11.15 Completion of any transfer of shares permitted or required by these Articles shall be completed at a time and place to be appointed by the Directors when against payment of the relevant price and any relevant stamp duties the purchasers shall be registered as the holders of the relevant shares in the register of members and share certificates in the names of such purchasers and in respect of the relevant shares shall be delivered.
- 11.16 An obligation to transfer a share under the provisions of this Article shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.
- 11.17 The provisions of this Article may be waived in whole or in part in any particular case with the prior written consent of members[holding at least 85 per cent of the Ordinary Shares from time to time.
- 11.18 If, under any of the provisions of this Article, any members become jointly and severally liable to complete the purchase of any Transfer Shares in place of any nominated purchaser, as between such members each of them shall purchase such number thereof as shall bear to the total number of Transfer Shares in question the same proportion as the number of shares held by such member at the date of the relevant nomination bore to the total number of shares then held by all such members.

12. Prohibited transfers

Notwithstanding anything else contained in these Articles, no share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

13 Compulsory Sale

- 13.1 If the holder or holders of the majority of the Shares (for the purposes of this Article 13 "the Seller") intends to sell all of its or their holding of Ordinary Shares (or any interest in such shares) (the shares to be sold by the Seller being referred to as "Selling Shares") to a proposed purchaser(s) ("the Proposed Purchaser") who has made a bona fide offer on arm's length terms for the entire issued Ordinary Share Capital, the Seller shall have the right to give to the Company not less than 14 days' advance notice before selling the Selling Shares. That notice ("the Selling Notice") will include details of the Selling Shares and the proposed price for each Selling Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the place, date and time of completion of the proposed purchase being a date not less than 14 days from the date of the Selling Notice ("Completion").
- 13.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing ("a Compulsory Sale Notice") to each of the members (other than the Seller) (the "Other Members") giving the details contained in the Selling Notice, requiring each of them to sell to the Proposed Purchaser at Completion all of their holdings of Shares on the same terms as those contained in the Selling Notice.
- 13.3 Each member who is given a Compulsory Sale Notice shall sell all of his Shares referred to in the Compulsory Sale Notice at the Specified Price (defined in Article 13.5) for the same class per Selling Share to be sold to the Proposed Purchaser on Completion by the Seller and on the terms set out in the Selling Notice and shall warrant that such shares are being sold with full title guarantee and free from all charges and encumbrances and from all other rights exercisable by or claims by third parties. For the avoidance of doubt all shares in the Ordinary Share Capital shall for these purposes be regarded as forming a single class of share.
- 13.4 If any of the member(s) ("the Defaulting Member(s)") fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each Defaulting Member for the sale of his Shares in accordance with the Compulsory Sale Notice (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such Shares. The receipt of the Company for the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member(s) until he shall, in respect of the shares being the subject of the Compulsory Sale Notice, have delivered his share certificates or a suitable indemnity and the necessary transfers to the Company. If the Seller delays or revokes Completion by giving notice to the Company to that effect each Compulsory Transfer Notice shall cease to have effect.
- 13.5 For the purposes of Articles 13.3 and 14.1 the expression "Specified Price" shall mean a sum in cash per Ordinary Share equal to the highest price per Ordinary Share

offered or paid or to be paid by the Proposed Purchaser in the relevant transaction or any related or previous transaction by the same purchaser or any person acting in concert with the Proposed Purchaser plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) paid or payable by such purchaser or person acting in concert which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Ordinary Shares.

14. Tag Along

- 14.1 If at any time one or more shareholders ("the Substantial Sellers") propose to sell, in one or a series of related transactions, 10% or more in nominal value of the Ordinary Shares then in issue ("a Substantial Holding") to any person the Substantial Sellers may only sell a Substantial Holding if they comply with the provisions of this Article.
- 14.1. The Substantial Sellers shall give written notice ("a Substantial Sale Notice") to the other holders of the Ordinary Shares in the Company of such intended sale at least 14 business days prior to the date thereof. A Substantial Sale Notice shall set out the identity of the proposed buyer ("the Substantial Holding Buyer"), the purchase price and other terms and conditions of payment, the proposed date of sale ("the Substantial Holding Sale Date") and the number of shares proposed to be purchased by the Substantial Holding Buyer.
- 14.2. Any other holder of Ordinary Shares in the Company shall be entitled, by written notice given to the Substantial Sellers within 30 business days of receipt of the Substantial Sale Notice, to be permitted to sell all of his shares to the Substantial Holding Buyer on the same terms and conditions as those set out in the Substantial Sale Notice.
- 14.3. If any other holder of Ordinary Shares in the Company is not given the rights accorded him by the provisions of this Article, the Substantial Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.

15. General Meetings

- 15.1 In accordance with section 372(3) of the Companies Act 1985 in every notice calling a General Meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company. Regulation 38 of Table A shall be modified accordingly and the second sentence of Regulation 59 of Table A shall not apply to the Company.
- 15.2 In Regulation 41 of Table A there shall be added at the end: "If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved".
- 15.3 The words "or at any time in the case of an instrument deposited at the place where the meeting is to be held" shall be inserted after the words "not less than 48 hours" in Regulation 62(a).

- 15.4 A resolution in writing in accordance with Regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them shall be sufficient for the purposes of that Regulation.
16. Voting Rights
- 16.1 Regulation 54 of Table A shall apply.
- 16.2 A proxy shall be entitled to vote on a show of hands.
17. Directors
- 17.1 Unless and until the Company in general meeting shall otherwise determine, there shall be no maximum number of Directors and the minimum number of Directors shall be one. If and so long as there is a sole Director he may exercise all the powers and authorities vested in the Directors by these Articles and by Table A and Regulation 89 of Table A shall be modified accordingly.
- 17.2 The Company shall not be subject to section 293 of the Companies Act 1985, and accordingly any person may be appointed or elected as a Director, whatever his age, and no Director shall be required to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age.
- 17.3 No person shall be elected as a Director at any general meeting unless:
- 17.3.1 he is recommended by the Directors; or
- 17.3.2 not less than fourteen nor more than thirty-five clear days before the date of the meeting a notice in writing signed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for election, together with a notice in writing signed by that person of his willingness to be elected.
- 17.4 A Director shall not be required to hold any share qualification but shall nevertheless be entitled to receive notice of and to attend at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.
- 17.5 The Directors attending at any meeting of Directors need not be present at one place provided that they are able to hear and communicate with each other by telephone or other instantaneous means throughout the proceedings and both the Director or Directors present at the place where the meeting is deemed to be held and the Director or Directors in communication are willing to treat the Director or Directors in communication as being present. Unless the Directors determine to the contrary, the meeting shall be deemed to be held at the place where the majority of the Directors attending are present or, if there is no majority present in any one place, the place where the chairman of the meeting is present.

- 17.6 Regulation 93 shall apply as if the word "signed" included "approved by letter, telex or facsimile transmission".
- 17.7 Subject to the provisions of the Acts, a director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place or profit (other than the office of auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm which is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him
- 17.8 The directors may exercise all the powers of the Company contained in [clause 3.28] 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.
- 17.9 The following sentence shall be inserted after the first sentence of Regulation 72: "Any committee shall have power unless the directors direct otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being a director of the Company."
- 17.10 Alternate directors
- 17.10.1 Any appointment or removal of an alternate director made under Table A shall be delivered at the registered office of the Company. In Regulation 65 the words "approved by resolution of the directors and" shall be deleted.
- 17.10.2 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate director to any resolution in writing of the directors shall be as effective as the signature of his appointor. An alternate director may represent more than one director and 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.
- 17.10.3 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration, except only 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.

18 Special Directors

18.1 FCEF shall have the right from time to time to appoint two persons to be directors of the Company (each hereinafter referred to as a "Special Director"), and to remove from office any person so appointed and to appoint another person in his place. Any Special Director shall have the right to be appointed as a non-executive director of each subsidiary of the Company and to be appointed to any committee established by the Board or any committee thereof or any committee of the board of directors of any subsidiary. The Special Director may be a corporate entity who shall appoint from time to time a representative to attend to its duties as director.

18.2 On any resolution to remove a director appointed pursuant to this Article 18 or to amend or alter this Article 18 or to alter its effect, the shares held by FCEF shall together carry at least one vote in excess of seventy-five per cent of the votes exercisable at the general meeting at which such resolution is to be proposed.

18.3 Any appointment or removal pursuant to Article 18.1 shall be in writing served on the Company and signed by or on behalf of FCEF by its duly authorised representative

19 The Seal

19.1 If the Company has a common 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 relating to the sealing of share certificates shall apply only if the Company has a common seal.

19.2 The Company may exercise the powers conferred by section 39 of the Act in relation to having an official seal for use abroad, and such powers shall be vested in the directors.

20 Indemnity

20.1 Subject to the provisions of and so far as may be consistent with the Acts but without prejudice to any indemnity to which a director may be otherwise entitled every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted by him by the court.

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

Miscellaneous

21. Table A shall be further modified as follows:

- (a) in Regulation 37 the words “within the United Kingdom” shall be deleted;
- (b) in Regulation 66 the second sentence shall be deleted;
- (c) in Regulation 88 the third sentence shall be deleted;
- (d) in Regulation 90 the words “but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting” shall be deleted;
- (e) in Regulation 112 the words “(or at such other address, whether within or outside the United Kingdom, as he may supply to the Company for that purpose)” shall be inserted after “registered address”;
- (f) Regulation 116 shall be modified by the substitution of the words “at the address, if any, whether within or outside the United Kingdom” for the words “the address, if any, within the United Kingdom”.