

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS
of
MERCURY INNS GROUP LIMITED
("Company")

Written resolutions of the Company pursuant to chapter 2 part 13 of the Companies Act 2006 ("Act") proposed by the directors of the Company, proposed as special resolutions as detailed below, where resolution 1 shall be a resolution of the holders of ordinary shares in the Company, resolution 2 shall be a resolution of holders of preference shares in the Company, resolution 3 shall be a resolution of holders of A Ordinary Shares in the Company, resolution 4 shall be a resolution of B Ordinary Shares in the Company and resolution 5 shall be a resolution of all holders of the shares in the Company.

1. **THAT** each of the issued and unissued 141,672 ordinary shares of £1 00 each in the capital of the Company be sub-divided into 100 shares of £0 01 each and such shares be redesignated as A Ordinary Shares of £0 01 each having the rights set out in the articles of association to be adopted by the Company pursuant to these resolutions,
2. **THAT** each of the issued and unissued 10,000 preference shares of £1 00 each in the capital of the Company be sub-divided into 100 shares of £0 01 each and such shares be redesignated as A Ordinary Shares of £0 01 each having the rights set out in the articles of association to be adopted by the Company pursuant to these resolutions,
3. **THAT** each of the issued and unissued 41,980 A ordinary shares of £0.01 each in the capital of the Company be redesignated as A Ordinary Shares of £0 01 each having the rights set out in the articles of association to be adopted by the Company pursuant to these resolutions,
4. **THAT** each of the issued and unissued 166,155 B ordinary shares of £0.10 each in the capital of the Company be sub-divided into 10 shares of £0 01 each and such shares be redesignated as A Ordinary Shares of £0 01 each having the rights set out in the articles of association to be adopted by the Company pursuant to these resolutions
5. **THAT:**
 - 5 1 the authorised share capital of the Company be increased from £168,707.30 to £198,479 18 by the creation of 2,977,188 new B ordinary shares of £0 01 each in the capital of the Company having the rights set out in the articles of association to be adopted by the Company pursuant to this resolution, and
 - 5 2 the draft regulations attached and initialled by a director for identification purposes be adopted as the articles of association of the Company to the exclusion of and in substitution for the existing articles of association of the Company

Circulation date: 3 September 2008

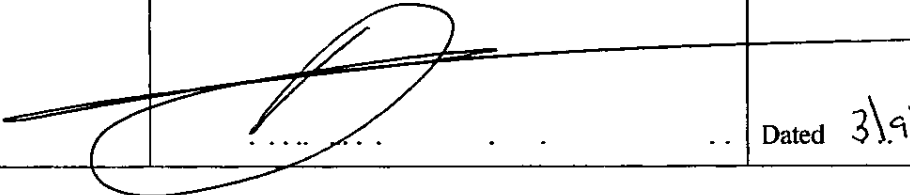
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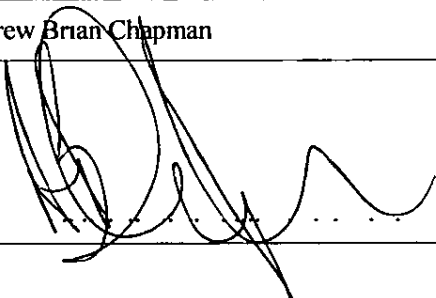


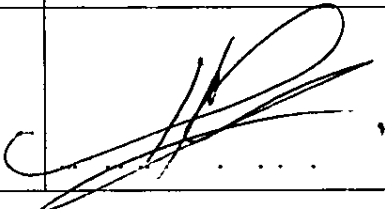
Agreement to written resolutions

We, the undersigned, being persons entitled to vote on the above resolutions, irrevocably agree to such resolutions

For individual member

Name of member	Mark Leslie Butler	
Signed		
		Dated 3/9/08

Name of member	Andrew Brian Chapman	
Signed		
		Dated 3/9/08

Name of member	Kevin Thornton	
Signed		
		Dated: 3/9/08

HB

Company no. 04362325

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

MERCURY INNS GROUP LIMITED

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THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of
MERCURY INNS GROUP LIMITED

(adopted by a written special resolution of the Company
passed on September 2008)

1. PRELIMINARY

The regulations contained in table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) (as amended by the Companies (Tables A-F) (Amendment) Regulations 1985 (SI 1985/1052), the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000/3373), the Companies (Tables A-F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A-F) (Amendment) (No. 2) Regulations 2007 (SI 2007/2826)) ("**Table A**") shall apply to the Company save insofar as they are excluded or varied by or are otherwise inconsistent with these articles. Regulation 1 shall be modified by the deletion of the words "'communication' means the same as in the Electronic Communications Act 2000 'electronic communication' means the same as in the Electronic Communications Act 2000 " and Regulations 8, 25, 30, 60 to 65 (inclusive), 67, 76 to 79 (inclusive), 81, 87, 89, 111, 112 and 115 of Table A shall not apply to the Company and in addition to the remaining regulations of Table A (as varied hereby) the following articles constitute the regulations for the management of the Company

2. DEFINITIONS AND INTERPRETATION

2.1 In these articles the following words and expressions shall (except where the context otherwise requires) have the following meanings

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

"**1985 Act**" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force,

"**Act**" has the meaning given to it in Table A,

"**A Director**" means a director of the Company appointed by the A Shareholders pursuant to article 15.2,

"**A Shareholder**" means a Member holding legal title and beneficial ownership of the A Shares,

"**A Shares**" means the A ordinary shares of £0.01 each in the capital of the Company from time to time,

"**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 any duly appointed committee thereof,

"B Shares" means the B ordinary shares of £0.01 each in the capital of the Company from time to time,

"B Shareholder" means a Member holding legal title and beneficial ownership of the B Shares,

"Change of Control" means the occurrence of any event whereby any person (whether alone or acting in concert (within the meaning of the City Code on Takeovers and Mergers) with others) acquires beneficial ownership of Shares conferring 30 per cent or more of all voting rights conferred by all Shares from time to time in issue and **"Control"** shall be construed accordingly,

"Directors" means the directors for the time being of the Company,

"Expert" means an independent firm of chartered accountants appointed by agreement between the Relevant Member and the Board or, if they cannot agree, by the President of the Institute of Chartered Accountants in England and Wales at the request of the Company or a Relevant Member for the purpose of ascertaining the Sale Price pursuant to article 9.8,

"Family Trust" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual A Shareholder and/or his Privileged Relations and 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 individual A Shareholder or his Privileged Relations,

"Insolvency Event" means in respect of a body corporate, the passing of a resolution to wind-up the company, the company having ceased to trade or having had a receiver, administrative receiver, liquidator, administrator or manager appointed over the whole or the majority of its assets or undertaking, having entered into any voluntary arrangement under section 1 of the Insolvency Act 1986 or gone into liquidation,

"Issue Price" means the amount paid up or credited as paid up on the share concerned,

"Listing" means the admission to listing or trading (as the case may be) of all or any of the Shares (or depository instruments in respect thereof) to the Official List or the London Stock Exchange's AIM, NYSE Euronext, NASDAQ, or any other exchange (or market of any such exchange),

"Market Value" means the price per share reported on by the Expert as their written opinion of the open market value of each Sale Share as at the date of service of the Transfer Notice,

"Member" means any registered holder for the time being of any class of share in the Company,

"Official List" means the list maintained by the Financial Services Authority (acting in its capacity as the UK Listing Authority),

"Option" means an option to subscribe for B Shares in the Company granted by the Company,

"Optionholder" means the holder of the Option;

"Privileged Relation" means the parent or spouse or brothers or sisters of the A Shareholder or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the A Shareholder or of any such lineal descendant,

"Shares" means shares in the capital of the Company,

"Subsidiaries" means the subsidiaries of the Company from time to time and **"Subsidiary"** shall mean any one of them,

"Transfer Notice" means an irrevocable notice in writing given by any Member to the other Members where the first Member is required by these articles to transfer or offer for transfer (or enter into an agreement to transfer) any Shares, and

"working day" has the meaning given to it in section 1173(1) of the 2006 Act

- 2 2 Words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa
- 2 3 Clause headings and margin notes are for ease of reference only and do not affect the construction or interpretation of these articles
- 2 4 References to persons shall include bodies corporate, unincorporated associations and partnerships
- 2 5 References to written or in writing shall include any method of representing or reproducing words in a legible form
- 2 6 Words and expressions defined in or for the purposes of the Act (excluding any statutory modification of that meaning not in force when these articles become binding on the Company) or Table A shall have the same meanings in these articles unless the context otherwise requires

3. SHARE CAPITAL

- 3 1 The authorised share capital of the Company at the date of adoption of these articles is £198,479 18 divided into 16,870,730 A Shares of £0 01 each and 2,977,188 B Shares of £0 01 each
- 3 2 The A Shares and the B Shares shall constitute different classes of shares for the purposes of the Act and any alteration to the memorandum of association or these articles shall be deemed to constitute an alteration to the rights attached to each separate class of shares but save as expressly otherwise provided in these articles the A Shares and the B Shares shall rank *pari passu* in all respects

4. SHARES

- 4 1 Subject to the provisions of article 4 2 the Directors are generally and unconditionally authorised for the purposes of section 80 of the 1985 Act to allot relevant securities (within the meaning of section 80 of the 1985 Act) up to a maximum amount of the authorised but as yet unissued share capital of the Company at the date of adoption of these articles at any time
- 4 2 Unless all the Members otherwise agree in writing any further Shares from time to time created through the increase of authorised share capital shall be created as A Shares and B Shares in the same proportion (as nearly as may be) to the proportions that the then existing authorised A Shares and B Shares bear to each other and all the Shares so created shall be offered to the existing Members for allotment and issue in accordance with the following provisions
- 4 2 1 where there are B Shares in issue on each occasion the A Shares and the B Shares shall be offered to the Members at the same price per Share and on the same terms as to payment,
- 4 2 2 no Shares of either class shall be offered or issued otherwise than to Members already holding Shares of the same class without the prior written consent of all the Members, and
- 4 2 3 as between Members holding Shares of the same class the Shares of that class shall be offered amongst such Members in the same proportion (as nearly as maybe) to their existing holdings of Shares of that class or in such other proportions as all such Members shall unanimously agree in writing
- 4 3 In accordance with section 91(1) of the 1985 Act, sections 89(1) and 90(1) to (6) inclusive of the 1985 Act shall not apply to the Company
- 4 4 Unless all the Members otherwise agree in writing no Shares shall be allotted on terms that the right to take up the Shares allotted may be renounced in favour of, or assigned, to another person and no person entitled to the allotment of a Share may direct that such Share be allotted or issued to any other person

5. LIEN

The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid Share) for all monies (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 person whether solely or as one of two or more joint holders for all monies 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 on a Share shall extend to any dividend or other amount payable in respect thereof

6. CALLS

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 of the words "and all expenses that may have been incurred by the Company by reason of non-payment of the call".

7. TRANSFER OF SHARES - GENERAL

- 7 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 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 as permitted by these articles or the Option
- 7 2 If a Member at any time attempts to deal with or dispose of a Share or any interest therein or right attaching thereto otherwise than as permitted by these articles he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such Share
- 7 3 No Member may at any time and from time to time create an equitable charge or a floating charge on or over any of the Shares registered in his name
- 7 4 All transfers of shares shall be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or re-enactment therefor for the time being in force) or in any other form which the directors may approve

8. PERMITTED TRANSFERS OF SHARES

- 8 1 Notwithstanding any provision in these articles, the holder of B Shares may at any time transfer all, or some only, of its shares in the Company to any transferee without restriction. The Directors shall not refuse to register any transfer of a B Share or impose any condition to the registration of any transfer of the B Shares
- 8.2 Save for a transfer made in accordance with article 9 or article 10, the Directors shall not register any transfer of A Shares without
 - 8 2 1 the prior written consent of the Optionholder if the option pursuant to the Option remains outstanding in full or in part at the relevant time together with the prior written consent of a majority of holders of the B Shares if there are any B Shares in issue at the relevant time, or
 - 8 2 2 such transfer being confirmed to the satisfaction of the Optionholder if the option pursuant to the Option remains outstanding in full or in part at the relevant time together with the majority of holders of the B Shares if there are any B Shares in issue at the relevant time, in their absolute discretion as a permitted transfer pursuant to article 8 3
- 8 3 A transfer will be permitted pursuant to article 8.2.2, when the Optionholder (if the option pursuant to the Option remains outstanding in full or in part at the relevant time) and the majority of holders of the B Shares (if there are any B Shares in issue at the relevant time) are together, acting in their absolute discretion, satisfied that the following has been complied with
 - 8 3 1 any A Shares will be transferred by an A Shareholder who is an individual only
 - 8 3 1 1 to a Privileged Relation of such A Shareholder, or

8 3 1 2 to trustees to be held upon family trusts,

8 3 2 where any A Shares have been transferred to Privileged Relations or trustees pursuant to article 8 3.1 the Privileged Relation or the trustees as the case may be may transfer any such A Shares to a person or persons shown to the satisfaction of Optionholder or a majority of holders of the B Shares, as the case may be, is, acting in their absolute discretion to be

8 3 2 1 the trustees for the time being (on a change of trustee) of the Family Trusts in question, and/or

8 3 2 2 the A Shareholder or any Privileged Relation of the A Shareholder;

8 3 3 in any case where an A Shareholder proposing to transfer A Shares under this article 8 ("**Proposing Transferor**") holds those A Shares as a result of an earlier transfer authorised under this article 8 from another member ("**Original Member**") the Proposing Transferor may only transfer those A Shares to a person to whom the Original Member could have transferred such A Shares under this article 8 and the Original Member shall remain liable for the obligations under these articles and the Option as if it were still an A Shareholder,

8 3 4 where A Shares are held by trustees of a Family Trust and any such A Shares cease to be held upon Family Trusts (otherwise than in consequence of a transfer authorised under article 8) the trustees shall forthwith transfer such A Shares to a transferee permitted under article 8

8 4 For so long as the Option remains outstanding in full or in part, the Optionholder and, if B Shares are in issue, the holder(s) of a majority of B Shares, (each party an "**Investigating Party**") shall be entitled to investigate whether or not there has been a transfer of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these articles, and may from time to time require any Member to provide it with such information and evidence as it may reasonably require to ensure compliance with these articles. If a Member fails to provide information or evidence in respect of any Shares registered in its name to the reasonable satisfaction of such Investigating Party within 14 days of its request, such Investigating Party shall be entitled to require the Directors to serve a notice on the Member stating that the Member shall not in relation to all Shares held by that Member be entitled to be present or vote in person or by proxy at any general meeting of the Company or any meeting of the holders of Shares of that class or to receive dividends on the Shares until such evidence or information has been provided to the reasonable satisfaction of the Investigating Party

9. **COMPULSORY TRANSFER**

9 1 In this article 9, a "**Transfer Event**" occurs, in relation to any A Shareholder

9 1 1 if that A Shareholder being an individual

9 1 1 1 shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction, or

- 9 1 1 2 shall make an offer to make any arrangement or composition with his creditors generally,
- 9 1 1.3 shall die, or
- 9 1 1 4 shall suffer from mental disorder and be admitted to hospital or shall become subject to any court order referred to in regulation 81(c) of Table A,
- 9 1 2 if that A Shareholder being a body corporate
 - 9 1 2 1 shall have a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets,
 - 9 1 2 2 shall have an administrator appointed in relation to it, or
 - 9 1 2 3 shall enter into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction), or
 - 9 1 2 4 shall have any equivalent action in respect of it taken in any jurisdiction outside England and Wales,
- 9 1 3 if an A Shareholder who is at any time a director or employee of the Company or a Subsidiary then
 - 9 1 3 1 if he shall cease to hold such office or employment (other than by circumstances falling within articles 9 1 1 3 or 9 1 1 4), or
 - 9 1 3 2 if a Subsidiary of which he is a director or employee shall cease for any reason to be a Subsidiary,

and the Member does not remain or thereupon immediately become a director or employee of the Company or another company which is still a Subsidiary,
- 9 1 4 if an A Shareholder or any Privileged Relation or the trustees of any Family Trust of a Member shall attempt to deal with or dispose of any Share or any interest in it otherwise than in accordance with these articles and within the following six months then such event shall be a Transfer Event in relation to that Member for the purposes of this article
- 9 2 The A Shareholder in respect of whom a Transfer Event has occurred (the "**Relevant Member**") and any other A Shareholder who has acquired Shares from him under a permitted transfer (directly or by means of a series of permitted transfers) shall be deemed to have immediately served a Transfer Notice in respect of all the A Shares ("**Sale Shares**") then held by such A Shareholder(s)
- 9 3 The Relevant Member shall not be entitled to exercise any voting rights at general meetings of the Company in respect of the Sales Shares on and from the date of the relevant Transfer Notice until the entry in the register of members of the Company of another person as the holder of the Sale Shares If the operation of this article would serve to increase the percentage of the total votes capable of being cast on a poll by the holders of the B Shares from a figure at or below 49 9% to 50% more than 50%

of the total, then the maximum increase in votes conferred by the B Shares shall be to take them to 49.9% of the total capable of being cast on a poll and the votes capable of being cast on a poll by the holders of the A Shares (not being the shares disenfranchised) shall be further increased to be 50.1% of the total

- 9.4 Once a Transfer Notice shall under these articles be given in respect of any Share then no permitted transfer under article 8 may be made in respect of such Share unless and until a Offer Notice shall have been served in respect of such Share and the period of allocation permitted under article 9 shall have expired without such allocation
- 9.5 The Transfer Notice shall specify
- 9.5.1 the number of Sale Shares to be transferred, and
- 9.5.2 the price per Sale Share the Relevant Member wishes to transfer the Sale Shares
- 9.6 The Transfer Notice shall constitute the Company as the agent of the Relevant Member for the sale of the Sale Shares on the terms and shall be irrevocable
- 9.7 The Sale Shares which are the subject of a Transfer Notice given as a consequence of a Transfer Event shall be offered to purchase at a price per Sale Share agreed between the Relevant Member and the Board or in default of such agreement at their Market Value ("Sale Price")
- 9.8 If instructed to report on their opinion of Market Value under article 9.7 the Expert shall
- 9.8.1 act as expert and not as arbitrator and their written determination shall be final and binding on the Members, and
- 9.8.2 proceed on the basis that the open market value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the class of Shares of which the Sale Shares form part, divided by the number of issued Shares then comprised in that class but so that for this purpose the A Shares and B Shares shall be valued as if they were one and the same class and sold ex dividend but taking no account of any premium or any discount by reference to the size of the holding the subject of the Transfer Notice
- 9.9 The Company will use its reasonable endeavours to procure that the Expert delivers its written opinion of the Market Value to the Board and to the Relevant Member within 28 days of being requested to do so
- 9.10 The Expert's fees for reporting on their opinion of the Market Value shall be borne by the Relevant Member
- 9.11 The Board shall at least 10 working days after the Sale Price has been agreed or determined offer the Sale Shares to all A Shareholders at the date of the Transfer Notice (other than the Relevant Member) as nearly as may be in proportion to the number of Shares held by them respectively ("Offer Notice")

- 9 12 An Offer Notice shall
- 9 12 1 specify the Sale Price,
- 9 12 2 contain the other details included in the Transfer Notice,
- 9 12 3 invite the A Shareholders to respond in writing, before expiry of the Offer Notice, being not less than 35 working days after the date of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their application, and
- 9 12 4 invite each A Shareholder to state in his reply the number of additional Sale Shares (if any) in excess of his proportion which he desires to purchase and if all the A Shareholders do not accept the offer in respect of their respective proportions in full, the Sale Shares not so accepted shall be used to satisfy the applications for additional Sale Shares as nearly as may be in proportion to the number of Shares already held by the applicants respectively at the date of the relevant Transfer Notice PROVIDED THAT no A Shareholder shall be obliged to take more Sale Shares than he shall have applied for.
- 9 13 If any Sale Shares shall not be capable (without fractions) of being offered to the Members in proportion to their existing holdings, the same shall be offered to the Members, or such of them, in such proportions and in such manner as may be determined by the Board
- 9 14 For the purpose of these articles an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company
- 9 15 The Board shall, within five working days of the expiry date of the Offer Notice, give notice in writing (an "**Allocation Notice**") to the Relevant Member and to each A Shareholder to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them
- 9 16 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the Company at the time specified in the Allocation Notice when the Relevant Member shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser
- 9 17 If a Relevant Member fails for any reason (including death) to transfer any Sale Shares when required pursuant to this article 9, the Board may authorise any director of the Company (who shall be deemed to be irrevocably appointed as the attorney of the Relevant Member for the purpose) to execute each necessary transfer of such Sale Shares and deliver it on the Relevant Member's behalf The Company may receive the purchase money for such Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares The Company shall hold such purchase money in a separate bank account on trust for the Relevant Member but shall not be bound to earn or pay interest on any money so held The Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it, and after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this article 9 17 the validity of the proceedings shall not be questioned by any person

- 9 18 If any of the Sale Shares are not accepted by the A Shareholders (other than the Relevant Member), the Relevant Member is not entitled to offer the Sales Shares to a third party
- 9.19 Subject to the provisions of the Act the Company may exercise its power to purchase any or all of the Sale Shares which are not accepted by the A Shareholders

10. TAG ALONG

- 10 1 The holders of A Shares shall notify the holder of B Shares within five working days following receipt of any offer by a third party ("**Buyer**") to purchase some or all of the Shares or A Shares (an "**Offer**")
- 10 2 If one or more A Shareholders ("**Seller**") propose to transfer any of the Shares pursuant to an Offer (the "**Proposed Transfer**"), the Seller shall procure that the Buyer extends the Offer to all other A Shareholders, B Shareholders and the Optionholder to purchase all of the Shares held by them or that would be held by them upon exercise of the Option for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer in the Offer or in any related previous transaction in the 12 months preceding the date of the Offer ("**Specified Price**")
- 10 3 The Offer shall be given by written notice ("**Offer Notice**") at least 12 working days ("**Offer Period**") before the proposed sale date ("**Sale Date**") to all A Shareholders, B Shareholders and the Optionholder To the extent not described in any accompanying documents, the Offer Notice shall set out
- 10 3 1 the identity of the Buyer,
- 10 3 2 the purchase price and other terms and conditions of payment,
- 10 3 3 the Sale Date,
- 10 3 4 the number of Shares proposed to be purchased by the Buyer, and
- 10 3 5 the proposals by the Buyer to procure the discharge of the Option
- 10 4 If the Buyer fails to make the Offer to all holders of Shares in the Company in accordance with article 10 2 and article 10 3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 10 5 If the Offer is accepted by any Shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Shares and the discharge of the Option

11. ALTERATION OF SHARE CAPITAL

Regulation 32 of Table A shall be read and construed as if the word "ordinary" in the first line were replaced by the word "special"

12. NOTICE OF GENERAL MEETINGS

The Company shall give notice of all general meetings of the Company to each Member and the Optionholder whether or not that Member has given to the Company an address within the United Kingdom at which notices may be given to him

13. PROCEEDINGS AT GENERAL MEETINGS

- 13 1 Where A Shares and B Shares are in issue, the quorum for a general meeting of the Company shall be two persons entitled to vote upon the business to be transacted of which one person shall be a Member or a proxy for a Member or a duly authorised representative of a corporate Member holding A Shares and the other one person shall be a Member or a proxy for a Members or a duly authorised representative of a corporate Member holding B Shares and Regulation 40 of Table A shall be modified accordingly Where only A Shares are in issue, the quorum for a general meeting of the Company shall be two persons entitled to vote upon the business to be transacted
- 13 2 In Regulation 44 the words "of the Class of Shares the holders of which appointed him as director" shall be substituted for the words "any Class of Shares in the Company"
- 13 3 A poll may be demanded by any Member present in person or by proxy or (in the case of a corporate Member) by a duly authorised representative and Regulation 46 of Table A shall be modified accordingly
- 13 4 In the case of an equality of votes whether on a show of hands or on a poll the Chairman shall not have a casting vote
- 13 5 A Director (including an alternate Director) shall not require any shareholding qualification but shall nevertheless be entitled to receive notice of and attend and speak at any general meeting of the Company
- 13 6 The Optionholder shall be entitled to receive notice of and attend general meetings of the Company, but shall not be entitled to vote at such general meetings

14. VOTES OF MEMBERS

- 14 1 Regulation 56 shall be modified by the deletion of the words "instruments of proxy, not less than 48 hours before the time appointed for holding" and substituting instead the words "forms of proxy, within the time limits prescribed by these articles for deposit of forms of proxy for use at" and by including the words "or poll" after the words "adjourned meeting"
- 14 2 Regulation 59 shall be modified by including the words "and on a show of hands" after the words "On a poll" and by including the words ", provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him When two or more valid but different forms of proxy or appointments of proxy by electronic means are delivered or received in respect of the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that share If the Company is unable to determine which was last delivered or received, none of them shall be treated as valid in respect of that share" after the words "to attend on the same occasion"

- 14 3 Subject to article 14 4, a form appointing a proxy shall be in writing in any form which is usual, or in any form which the Directors may approve, and shall be executed by or on behalf of the appointor
- 14 4 Subject to the Act, the Directors may resolve to allow a proxy to be appointed by electronic means subject to such limitations, restrictions or conditions as the Directors think fit (including, without limitation, the ability to require such evidence as they consider appropriate to decide whether the appointment of a proxy in such manner is effective)
- 14 5 In order for the appointment of a proxy to be valid
- 14 5 1 (in the case of an appointment of a proxy by hard copy) the form of proxy together with the relevant documents, if any, must be
- 14 5 1 1 received left at or sent by post to the office (or such other place within the United Kingdom as may be specified in the notice convening the meeting and/or in any form of proxy or other accompanying document sent out by the Company in relation to the meeting) by the relevant time, or
- 14 5 1 2 duly delivered in accordance with article 14 7,
- 14 5 2 (in the case of an appointment of proxy by electronic means) the communication appointing the proxy by electronic means together with the relevant evidence must be received at the address by the relevant time
- 14 6 For the purposes of article 14 5
- 14 6 1 for the purpose of appointing a proxy by electronic means, "**address**" means the number or address which has been specified by the Company for the purpose of receiving communications appointing proxies by electronic means
- 14 6 2 "**relevant documents**" means either (i) the power of attorney or other authority relied on to sign the form of proxy, or (ii) a copy of such document certified as a true copy of the original by a notary or solicitor or certified in some other way approved by the Directors,
- 14 6 3 "**relevant evidence**" means any evidence required by the Directors in accordance with the provisions of article 14 4, and
- 14 6 4 "**relevant time**" means
- (a) one hour before the time appointed for the commencement of the meeting or adjourned meeting to which the proxy appointment relates, or
- (b) in the case of a poll taken more than 48 hours after it is demanded, one hour before the time appointed for the taking of the poll

In calculating the relevant time or any other period of time referred to in this article 14 6 4, any part of a day that is not a working day shall be excluded

14 7 If a meeting is adjourned for less than 48 hours or if a poll is not taken immediately but is taken not more than 48 hours after it was demanded, a proxy appointment may be delivered in hard copy form at the adjourned meeting or at the meeting at which the poll was demanded to any Director or the secretary. In calculating the periods referred to in this article 14 7, any part of a day that is not a working day shall be excluded.

14 8 A vote given or poll demanded by proxy or by a duly authorised representative of a corporation shall be valid even though the authority of the person voting or demanding a poll has previously terminated, unless notice of the termination was received by the Company.

14 8 1 (in the case of a duly authorised representative of a corporation) at the office,

14 8 2 (where the proxy was appointed by a form of proxy in hard copy form) at the office or such other place as is specified for depositing such form of proxy,

14 8 3 (where the proxy was appointed by electronic means) at the address (as specified in article 14 6),

in each case (i) at least one hour (excluding any part of a day which is not a working day) before the time appointed for the commencement of the meeting or adjourned meeting at which such vote is given or (ii) in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, at least one hour (excluding any part of a day which is not a working day) before the time appointed for the taking of the poll at which the vote is cast.

15. APPOINTMENT AND NUMBER OF DIRECTORS

15.1 Unless and until otherwise determined by ordinary resolution the number of Directors (other than alternate Directors) shall not be less than two and shall not be subject to any maximum.

15 2 The holders of a majority in nominal value of the A Shares may from time to time appoint any three persons to be A Directors by notice given in accordance with the provisions of article 15 4 and may in like manner remove any such A Director and by like notice from time to time appoint any other person to be a Director in the place of a Director so removed, provided always that no more than three A Directors shall hold office at any one time.

15 3 The Optionholder, if no B Shares are in issue, or otherwise the holders of a majority in nominal value of the B Shares may from time to time appoint any person to attend meetings of the board of Directors, any committee of the board of Directors, any meeting of a board of directors, or any committee of the board of directors, of a subsidiary of the Company, as an observer and speak at such meetings but not to participate in any vote at such meetings, by notice given in accordance with the provisions of article 15 4 and may in like manner remove any such observer and by like notice from time to time appoint any other person to be an observer in the place of such observer so removed.

15 4 The appointment or removal of an A Director or an observer shall be effected by notice in writing signed by the Member or Members making the same or in the case of a corporate Member signed by a Director of that Member and such notice shall

take effect when it is received by the Company or on such later date (if any) as may be specified therein

- 15 5 The Company may by ordinary resolution appoint any person who is willing to act to be a Director either to fill a vacancy or as an additional Director
- 15 6 Every Director appointed pursuant to this article 15 shall be entitled from time to time to make such disclosure to his appointor about the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine
- 15 7 The Directors shall not be required to retire by rotation The last sentence of Regulation 84 shall not apply and any reference in regulations to retirement by rotation shall be disregarded

16. ALTERNATE DIRECTORS

- 16 1 Any Director (other than an alternate Director) may appoint any other person willing so to act to be an alternate Director and may remove from office an alternate Director so appointed by him
- 16 2 An alternate director ceases to be an alternate for his appointor when his appointor ceases to be a director

17. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of Director shall be vacated if any Director

- 17 1 has an order made in respect of him under section of the 252 Insolvency Act 1986 or has a petition presented in respect of him under section 264 of that act or if he makes any arrangements or composition with his creditors generally,
- 17 2 becomes prohibited from being a Director by reason of any order made under section 16 of the Company Directors Disqualification Act 1986 or under any other statute,
- 17 3 in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as a Director,
- 17 4 resigns his office by written notice to the Company, or
- 17 5 is removed from office by his appointor pursuant to these articles

18. CONSENT RIGHTS

If there are B Shares in issue and until such time as one Shareholder shall become the holder or beneficial owner of all of the issued Shares none of the following matters shall be undertaken by the Company or any of its subsidiaries without the prior written approval of the majority of holders of B Shares

- 18 1 the making of any material change in the nature of its business as carried on at the date of the adoption of these articles,
- 18 2 the amendment of any provision or the making or addition to or deletion from any provision of these articles or the memorandum or articles of association of any subsidiary,

- 18 3 the declaration or payment of any dividend or implement or sanction any repurchase of Shares by the Company,
- 18 4 the creation, allotment or issue of any shares or securities or the granting of any right to require the allotment or issue of any shares or securities;
- 18 5 the dis-application of any pre-emption rights on any new issue of Shares,
- 18 6 the making of any increase, reduction, subdivision, consolidation or other variance of the share capital of the Company or the reduction of the amount (if any) standing to the credit of the share premium account or capital redemption reserve fund or any other reserve or otherwise alter the Company's share capital,
- 18 7 the making of an application for Listing,
- 18 8 the giving of any credit (other than trade credit in the ordinary course of business), or the making of any loan, credit guarantees, indemnity or security,
- 18 9 the making of any payment, the lending of any money or the giving of any guarantee or indemnity or other commitment (except in the ordinary course of business and on an arm's-length basis),
- 18 10 the entry into any transaction to acquire or make an investment in another company or business, and
- 18 11 the entry into any transaction that is not in the ordinary course of business and on an arm's-length basis

19. VOTING POWER IN SUBSIDIARIES

The Directors may exercise the voting power conferred by the Shares in any other company held or owned by the Company in such manner in all respects as they think fit including the exercise thereof in favour of any resolution appointing them or any of their number as directors or officers of such other company or providing for the payment of remuneration to the directors or officers of such other company and a Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights as aforesaid

20. PROCEEDINGS AND POWERS OF DIRECTORS

- 20 1 Regulation 88 of Table A shall be read and construed as if the word "not" in line 3 thereof were omitted and as if the word "not" were inserted between the words "shall" and "have" in line 5 thereof
- 20 2 The quorum necessary for the transaction of business of the Directors whether at a meeting of the Board or any duly appointed committee thereof shall be two A person who holds office only as an alternate shall in the absence of his appointor be counted as part of the quorum whether or not he is also a Director and therefore counted as part of the quorum in his own capacity
- 20 3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or 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

- 20 4 A Director may vote as a Director on any resolution concerning any contract or arrangement in which he is interested including any appointment to office or employment with the Company or any body corporate in which the Director is interested or upon any matter arising thereout and if he shall so vote his vote shall be counted and he shall be counted in reckoning a quorum when any such contract or arrangement is under consideration and regulations 94 and 97 of Table A shall be modified accordingly
- 20 5 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by alternate or by means of such type of communication device) to hear at all times all other Directors present at such meeting (whether in person or by alternate or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum

21. CAPITALISATION

Regulation 110 of Table A shall be read and construed as if the words "special resolution" were substituted for the words "ordinary resolution" in the first line thereof and on any occasion when Shares are allotted and distributed as fully paid pursuant to the provisions of Regulation 110 the Shares allotted to Members already holding A Shares shall forthwith be converted into A Shares and the Shares allotted to Members already holding B Shares shall forthwith be converted into B Shares

22. SEALS AND EXECUTION OF DOCUMENTS

- 22 1 The Directors may provide a common seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in its place The Directors shall provide for the safe custody of every seal of the Company
- 22 2 Documents may only be executed on behalf of the Company if such execution is authorised by a resolution of the Directors or of a committee of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions

23. NOTICES

- 23 1 Any notice or other document to be given to or by any person pursuant to these articles (other than a notice calling a meeting of the Directors) shall be in writing
- 23 2 Subject to the articles, any notice or other document to be sent or supplied
- 23 2 1 to a Member by the Company may be sent or supplied in accordance with and in any way which the 2006 Act provides for documents or information to be sent or supplied by a company, and
- 23 2 2 by anyone to the Company may be sent or supplied in accordance with and in any way in which the 2006 Act provides for documents or information to be sent or supplied to a company

- 23.3 Nothing in article 23.2.1 shall affect any provision of the Act requiring offers, notices or documents to be served on, or delivered to, a Member in a particular way
- 23.4 Any notice or other document sent or supplied by the Company to a Member (or any person entitled to receive notice under these articles) shall
- 23.4.1 if sent in accordance with section 1147 of the 2006 Act be deemed to have been received by the intended recipient at the time prescribed by that section save that in calculating a period of hours for the purposes of that section account shall be taken of any part of a day that is not a working day,
 - 23.4.2 if sent to the intended recipient at his registered address outside the United Kingdom or at an address specified by him for the purpose outside the United Kingdom be deemed to have been received 72 hours after it was posted provided that it was properly addressed and pre-paid as airmail, and
 - 23.4.3 if delivered personally or by hand to or left at a registered address or an address specified for the purpose by the intended recipient be deemed to have been received by the intended recipient on the day it was so delivered or left
- 23.5 In the case of joint holders of a share
- 23.5.1 all notices and other documents shall be given or sent to the person named first in the register in respect of the joint holding and notice so given shall be sufficient notice to all joint holders, and
 - 23.5.2 any request for consent to receipt of communications in electronic form and/or by means of a website shall be sent to the person first named in the register in respect of the joint holding and any express consent (or deemed consent) given by such holder to the receipt of communications in such manner shall bind all joint holders

24. INDEMNITY

Subject to the provisions of the Act and in addition to such indemnity as is contained in Regulation 118 of Table A every Director, officer or official of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him in or about the execution and discharge of the duties of his office.