

Company No: 4459633

**The Companies Acts 1985 and 1989**

**Company Limited by Shares**

**Written Resolution**

**of**

**London & European Title Insurance Services Limited**


The undersigned shareholder, being the holder of all the shares of the above-named single-member company now issued and entitled to receive notice of and to attend and vote at General Meetings **hereby resolve** pursuant to section 381A of the Companies Act 1985 as follows:

1. **That** the authorised share capital of the Company be increased from £603,955 to £702,273 by the creation of an additional 98,318 ordinary shares of £1 each.
2. **That** the 603,955 issued ordinary shares be re-designated as 'A' ordinary shares of £1 each, having the rights set out in the new Articles of Association of the Company to be adopted under the resolution to be passed in paragraph 4 below.
3. **That** 98,318 of the authorised but un-issued ordinary shares of £1 each in the capital of the Company be re-designated as 'B' ordinary shares of £1 each, having the rights set out in the new Articles of Association of the Company to be adopted under the resolution to be passed in paragraph 4 below.
4. **That** the regulations contained in the printed document attached to this written resolution be and they are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association.

Dated the

8<sup>th</sup> day of March

2007

  
.....

**Duly authorised attorney for L&E Title Group Limited**

SATURDAY



\*AXGVMNQH\*

A20

10/03/2007

640

COMPANIES HOUSE

**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**LONDON & EUROPEAN TITLE INSURANCE**  
**SERVICES LIMITED**

Ref: 10CSG/AJW/044965/000322/T1816922.7

Adopted by a resolution dated 8<sup>th</sup> March 2007

f.

**TLT Solicitors**

One Redcliff Street  
Bristol BS1 6TP

TEL +44 (0)117 917 7777  
FAX +44 (0)117 917 7778  
DX 7815 Bristol  
WEB [www.TLTsolicitors.com](http://www.TLTsolicitors.com)

## Contents

1.	Preliminary .....	1
2.	Interpretation .....	1
3.	Share Capital.....	3
4.	Share Rights.....	3
5.	Issue of New Shares .....	4
6.	Lien .....	5
7.	Calls.....	5
8.	Transfer of Shares.....	5
9.	Permitted Transfers.....	6
10.	Pre-emption Rights.....	7
11.	Drag and Tag Along Rights.....	10
12.	Compulsory Transfers .....	12
13.	Prohibited Transfers .....	13
14.	Proceedings at General Meetings .....	13
15.	Receipt of Proxies.....	14
16.	Written Resolutions.....	15
17.	Number of directors.....	15
18.	Alternate directors .....	15
19.	Appointment and retirement of directors.....	16
20.	Directors' Gratuities and Pensions.....	16
21.	Power to provide for Employees .....	16
22.	Power to Receive Uncalled Moneys.....	16
23.	Proceedings of directors .....	16
24.	Notices .....	17
25.	Indemnity and insurance.....	18
26.	Overriding provisions .....	18
27.	Company seal .....	18
28.	Representatives.....	18

**The Companies Act 1985**  
**Private Company Limited by Shares**  
**Articles of Association**  
**of**

**London & European Title Insurance Services Limited**

**(Adopted by a resolution passed on 8<sup>th</sup> March 2007)**

**1. Preliminary**

The Company is a private company limited by shares and, subject as hereinafter provided and except where the same are varied or excluded by or inconsistent with these Articles, the Regulations contained or incorporated by reference in Table A in the Companies (Tables A to F) Regulations 1985 (such Table being hereinafter called "**Table A**") shall apply to the Company and shall be deemed to form part of these Articles. References herein contained to "**Regulations**" are to Regulations in Table A.

**2. Interpretation**

2.1 In the first line of Regulation 1, after the words "regulations", the words "and in any articles adopting in whole or in part the same" shall be inserted.

2.2 In these Articles unless the context otherwise requires, the following expressions have the following meanings:

<b>"A' Shares"</b>	the A ordinary shares of £1 each in the share capital of the Company having the rights as set out in these Articles;
--------------------	--

<b>"the Act"</b>	the Companies Act 1985 including every statutory modification or re-enactment thereof and every statutory instrument relevant thereon or derived therefrom or for the time being in force;
------------------	--

<b>"B' Shares"</b>	the B ordinary shares of £1 each in the share capital of the Company having the rights as set out in these Articles;
--------------------	--

<b>"Controlling Interest"</b>	means an interest (within the meaning of Part I of Schedule 13 to the Act) in any shares in the capital of the Company conferring in the aggregate more than 50 per cent of the total voting rights conferred
-------------------------------	---

by all the shares in the capital of the Company from time to time and conferring the right to attend and vote at all general meetings of the Company;

**"Gross Misconduct"**

theft, fraud or any criminal offence (other than any offence under the road traffic legislation) or any material act, omission or conduct which has the effect of bringing the Company into disrepute;

**"Holding Company"**

L & E Title Group Limited (a company incorporated in England & Wales with registered number 2949445) or a nominee of such company or any person to whom it may have transferred shares pursuant to these Articles;

**"Holding Company Consent"**

the prior consent or approval in writing of the holders of not less than one half of the total number of 'A' Shares in issue;

**"Relevant Agreement"**

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;

**"Representatives"**

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; and

**"Transfer Notice"**

has the meaning attributed thereto in Article 10 and includes, where the context admits, a Transfer Notice deemed to be given under any provision of these Articles or any Relevant Agreement.

- 2.3 Words or expressions, the definitions of which are contained or referred to in the Act, shall be construed as having the meaning thereby attributed to them.
- 2.4 Words importing the singular include (where appropriate) the plural, words importing any gender include (where appropriate) every gender, and words importing persons include (where appropriate) bodies corporate and unincorporate; and (in each case) vice versa.
- 2.5 References to "paid up" in relation to a share means paid up or credited as paid up and references to a "share" means a share in the capital of the Company of any class.

- 2.6 References to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears.
- 2.7 In relation to any member, references to any English legal term for any action, remedy, method of judicial proceedings, insolvency proceeding, event of incapacity, legal status, court, governmental or administrative authority or agency, official or any legal concept, practice or principle or thing shall in respect of any jurisdiction other than England where that member is domiciled, resident, incorporated or carries on business be deemed to include what most approximates in that jurisdiction to the English legal term concerned.
- 2.8 In these Articles, "address" in relation to electronic communications includes any number or address used for the purposes of such communications. References in these Articles to "writing" include references to any method of representing or reproducing words in a legible and non-transitory form including by way of electronic communications where specifically provided in a particular Article or where permitted by the directors in their absolute discretions.

### **3. Share Capital**

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £702,273 divided into 603,995 'A' Shares and 98,318 'B' Shares.
- 3.2 The 'A' Shares and the 'B' Shares shall be separate classes of shares. Save as herein otherwise provided, the 'A' Shares and the 'B' Shares shall rank pari passu in all respects.
- 3.3 Save with Holding Company Consent any new shares issued to a holder of 'A' Shares shall be 'A' Shares and any new shares issued to a holder of 'B' Shares shall be 'B' Shares, including any new shares issued pursuant to Regulation 110.
- 3.4 The Company shall not have power to issue share warrants to bearer.

### **4. Share Rights**

The 'A' Shares and the 'B' Shares shall have the following rights and be subject to the following restrictions:

#### **4.1 Income**

- 4.1.1 The Company shall not, save with Holding Company Consent, distribute any profits for the time being available for distribution.
- 4.1.2 The profits which the Company may determine to distribute in respect of any financial period shall be distributed amongst the holders of 'A' Shares.
- 4.1.3 For the avoidance of doubt, the holders of 'B' Shares shall not be entitled to any dividend.

#### 4.2 Capital

On a return of capital on a liquidation or reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall belong to and be distributed amongst the holders of the 'A' Shares and the 'B' Shares in proportion to the amounts paid up on the shares (excluding any premium) held by them respectively *pari passu* as if the 'A' Shares and the 'B' Shares constituted one class of share.

#### 4.3 Voting

Subject as provided below in this paragraph and to any other special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder, provided that the 'B' Shares shall not confer on holders thereof any right to receive notice of or to attend, to speak or to vote at any general meetings of the Company.

#### 4.4 Re designation

Whenever a share is transferred to a member who holds shares only of another class, such first mentioned share shall *ipso facto* and forthwith be converted into and redesigned as a share of such other class.

#### 5. Issue of New Shares

- 5.1 Subject to section 80 of the Act and Article 5.3, all unissued shares shall be at the disposal of the directors, who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no shares shall be issued at a discount.
- 5.2 Section 89(1) and 90(1) to (16) inclusive of the Act shall not apply to any allotment or grant of equity securities (as defined in Section 94(2) of the Act).
- 5.3 Unless all the members otherwise agree in writing and subject as provided in paragraphs 5.4 and 5.5 but notwithstanding the provisions of paragraph 5.6, if the directors propose to issue to the Holding Company any unissued shares in the capital of the Company from time to time they shall before they are issued to the Holding Company offer to all other holders of shares of the Company a number of additional unissued shares which would maintain the proportion of the nominal value of all of the issued shares held by them respectively (and such offer shall be at the same price per share and on the same terms to each such holder as to the Holding Company). Such offer shall be made by notice specifying the number and class of shares offered, the proportionate entitlement of the relevant member, the price per share and limiting a period (not being less than 30 days) within which the offer, if not accepted, will be deemed to be declined and after the expiration of such period the directors shall offer the shares so declined to the persons who have, within the said period, accepted all the shares offered to them in the same manner as the original offer and limited by a period of not less than 14 days. If any shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn in respect of such shares.

At the expiration of the time limited by the notice(s) the directors shall allot the shares so offered to or amongst the members who have notified their willingness to take all or any of such shares in accordance with the terms of the offer simultaneously with the allotment to the Holding Company. No member shall be obliged to take more than the maximum number of shares he had indicated his willingness to take.

- 5.4 The discretion of the directors contained in Article 5.1 as to the allotment and disposal of and the granting of any option over the Company's shares shall in any event be subject to the provisions of any Relevant Agreement relating thereto binding on the Company from time to time and any directions contained in any resolution creating such shares.
- 5.5 Save with Holding Company Consent, 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.
- 5.6 Provided always that, notwithstanding anything herein or elsewhere contained or implied but subject nevertheless to the provisions of Article 5.3, no unissued share in the capital of the Company, with and subject to whatever rights and restrictions, shall be allotted or issued or made the subject to any option without Holding Company Consent.

## **6. Lien**

The lien conferred by Regulation 8 shall attach also to fully paid up shares and the Company shall also have a first and paramount lien on all shares, whether fully paid up or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all monies presently payable by him or his estate to the Company. Furthermore, such lien shall extend to all amounts payable in respect of a share. The directors may resolve to exclude any share or any amount payable in respect of a share from the application of this Article. Regulation 8 shall be modified accordingly.

## **7. 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".

## **8. Transfer of Shares**

- 8.1 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:

8.1.1 as permitted by Article 9; or



- 8.1.2 in accordance with Article 10, Article 11 or Article 12; and
- 8.1.3 in each case is neither prohibited by Article 13 nor by a Relevant Agreement.
- 8.2 If a member at any time commits a breach of Article 8.1 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 10.
- 8.3 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 the directors with such information and evidence as the directors 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, unless such member otherwise directs, refuse to register the transfer in question.
- 8.4 Where a Transfer Notice in respect of any share is deemed to have 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 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 10 shall then apply accordingly.
- 8.5 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 of a share on which the Company has a lien and shall in any event refuse to register the transfer of a share which is prohibited by these Articles or any Relevant Agreement. The first sentence of Regulation 24 shall not apply.
- 8.6 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.
- 8.7 The election by the Representatives of a member to become the registered holder of any share pursuant to Regulation 30 shall be permitted by the directors and shall not give rise to any obligation to serve a Transfer Notice in respect of such share. Regulation 30 shall be modified accordingly.
- 8.8 The instrument of transfer of a member's share which is not fully paid need not be executed by or on behalf of the transferee. Regulation 23 of Table A shall be modified accordingly.
9. **Permitted Transfers**
- 9.1 The Holding Company may at any time transfer all or any shares held by it to a member of the same group (as hereinafter defined) without any restriction as to price or otherwise.

- 9.2 Where shares have been transferred under Article 9.1 (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 defined below) 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.
- 9.3 For the purposes of these Articles:
- 9.3.1 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 majority-owned subsidiary or a majority-owned subsidiary of the Transferor Company or of any holding company of which the Transferor Company is a majority-owned subsidiary; and
- 9.3.2 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.
- 9.4 Any member being a body corporate may at any time transfer any 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.
- 9.5 A member may at any time transfer all or any of his shares to any person with Holding Company Consent.
- 9.6 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 in respect of such share (and for this purpose "**active period**" in respect of any Transfer Notice means the period from the time of its actual or deemed service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).
10. **Pre-emption Rights**
- 10.1 Except for a transfer of shares which is permitted under Article 9 or subject to Article 11 or Article 11.1 no share shall be transferred until the 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 is deemed to have been served.
- 10.2 Any member proposing to transfer a share ("**the Proposing Transferor**") shall give a notice in writing to the directors that the Proposing Transferor desires to transfer such

share ("**Transfer Notice**"). In the Transfer Notice, the Proposing Transferor shall specify:

- 10.2.1 the number and class of shares which the Proposing Transferor wishes to transfer ("**the Transfer Shares**") (which may be all or part of the shares then held by the Proposing Transferor);
  - 10.2.2 the price at which the Proposing Transferor wishes to sell the Transfer Shares and the identity of any person who has indicated a willingness to purchase the Transfer Shares at such price (if any); and
  - 10.2.3 whether the Proposing Transferor wishes to impose a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article, none shall be so sold ("**Total Transfer Condition**"), but in the absence of such a statement, the Transfer Notice shall be deemed not to contain a Total Transfer Condition.
- 10.3 The Transfer Notice shall constitute the Company (acting 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. If a Proposing Transferor revokes a Transfer Notice, he may not subsequently transfer the shares the subject of the Transfer Notice (or any interest therein) otherwise than in accordance with these Articles and any Relevant Agreement.
- 10.4 Within seven days after the receipt of any Transfer Notice, the directors shall serve a copy of that Transfer Notice on the Holding Company ("**Offer Notice**"). In the case of a Deemed Transfer Notice, the directors shall similarly serve notice on the Holding Company and the Proposing Transferor, notifying them that the same has been deemed to have been given, within 1 month after:
- 10.4.1 the date of the event giving rise to the Deemed Transfer Notice; or
  - 10.4.2 (if later) the date on which the directors (as a whole) actually became aware of such event.
- 10.5 Subject as provided otherwise in these Articles or in any Relevant Agreement, the Transfer Shares shall be offered for purchase to the Holding Company at the price specified in the Transfer Notice ("**the Transfer Price**").
- 10.6 Every Offer Notice shall be made in writing and shall specify:
- 10.6.1 the total number of Transfer Shares;
  - 10.6.2 whether or not the Transfer Notice contained a Total Transfer Condition; and

- 10.6.3 a period (being not less than 14 days and not more than 21 days) ("**Offer Period**") within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the Holding Company.
- 10.7 Upon the expiry of the Offer Period, the directors shall allocate the Transfer Shares to the Holding Company if it has agreed to purchase the Transfer Shares offered to it.
- 10.8 If the Holding Company has applied for less than its entitlement of the Transfer Shares offered to it, it shall be allocated the number of Transfer Shares it has applied for only.
- 10.9 If the Transfer Notice in question contained a Total Transfer Condition, no offer of Transfer Shares made by the directors pursuant to this Article shall be capable of acceptance until all of the Transfer Shares shall have been accepted. If by the foregoing procedure the directors shall not receive acceptances from the Holding Company in respect of all the Transfer Shares within the Offer Period, they shall forthwith give notice in writing of that fact to the Proposing Transferor and none of the unallocated Transfer Shares will be sold pursuant to this Article.
- 10.10 If, by the foregoing procedure, the directors shall receive acceptances from the Holding Company in respect of the Transfer Shares, the directors shall forthwith give notice in writing as hereinafter mentioned to the Proposing Transferor and to the Holding Company which has or have agreed 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 the purchaser those Transfer Shares accepted by the purchaser. Every such notice shall state the name and address of the purchaser, the number of Transfer Shares agreed to be purchased 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). Subject to the giving of such notice, the purchase shall be completed at the time and place appointed by the directors.
- 10.11 If a member, having become bound to transfer any shares pursuant to these Articles, makes default in transferring the same, the directors may authorise some person (who is (as security for the performance of the defaulting member's obligations) hereby irrevocably and unconditionally appointed as the attorney of the defaulting member for the purpose) to execute the necessary instrument of transfer of such 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 shares and shall hold such purchase money on behalf of the defaulting member. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the defaulting member 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.

- 10.12 If the Holding Company proposes to transfer a Controlling Interest in shares ("Holding Company Transfer Shares") it shall give a notice in writing to the other members that it desires to transfer such Holding Company Transfer Shares ("Holding Company Transfer Notice") and within 20 Business Days of a Holding Company Transfer Notice the other members may jointly serve a notice on the Holding Company indicating that they are willing to buy the Holding Company Transfer Shares ("Minority Offer Notice").
- 10.13 If a Minority Offer Notice is served on the Holding Company then within 40 Business Days of the Minority Offer Notice the members that served the Minority Offer Notice shall serve a further notice on the Holding Company which shall specify the price at which they are willing to buy the Holding Company Transfer Shares which must be accompanied by indicative evidence of funding ("Second Minority Offer Notice").
- 10.14 If the Holding Company accepts the offer detailed in a Second Minority Offer Notice the parties shall use all reasonable endeavours to complete a sale and purchase of the Holding Company Transfer Shares on the terms set out in the Second Minority Offer Notice within 60 Business Days of the date of the Second Minority Offer Notice.
- 10.15 If the Holding Company rejects the offer detailed in a Second Minority Offer Notice or no Minority Offer Notice or Second Minority Offer Notice is served on the Holding Company the Holding Company Transfer Shares shall be released from the restrictions contained in this Article 10.

## **11. Drag and Tag Along Rights**

- 11.1 If one or more of the members (together the "**Selling shareholders**") wish to transfer a Controlling Interest in an arms' length transaction to a person who is not a member ("**Third Party Purchaser**"), the Selling shareholders shall first give notice of that intention to all other members setting out the specified price at which their shares are to be transferred (to be determined in accordance with Article 11.2) and giving reasonable detail of the other terms of the offer received by the Selling shareholders, and the proposed date of transfer ("**Offer Notice**").
- 11.2 For the purposes of Article 11.1 the expression "**specified price**" means the price per share equal to the price offered by the Third Party Purchaser to the member or members who have agreed to sell shares to him, subject as otherwise agreed in any Relevant Agreement.
- 11.3 On receiving an Offer Notice the other members may at any time prior to (i) the fortieth Business Day following an Offer Notice if no Holding Company Transfer Notice has previously been served under Article 10 or (ii) the fifth Business Day following an Offer Notice if a Holding Company Transfer Notice has previously been served under Article 10, jointly serve a counter notice on the Selling shareholders which must be accompanied by indicative evidence of funding and detailed offer terms ("**the Counter Notice**") requiring the Selling shareholders to transfer all their shares to them (or a corporate entity owned by them) at the specified price or otherwise on terms which are reasonably equivalent.

- 11.4 Completion of the sale of shares by the Selling shareholders pursuant to a Counter Notice shall take place at any time prior to the 60th Business Day following service of the relevant Counter Notice and if the other members shall have failed by that date to tender, in cleared funds, the full specified price for those shares to the Selling shareholders or fulfil the terms which are otherwise reasonably equivalent, the relevant Counter Notice and all obligations thereunder will lapse.
- 11.5 If no Counter Notice is served within the relevant period permitted under Article 11.3 or completion of the sale of shares pursuant to a Counter Notice does not take place prior to the 60<sup>th</sup> Business Day following service of a Counter Notice, then within a further period of 10 Business Days:
- 11.5.1 the Selling shareholders shall have the option (the "**Drag Along Option**") to require all the other members to transfer all their shares to the Third Party Purchaser (or as the Third Party Purchaser shall direct) at the specified price and otherwise on the terms set out in the Offer Notice provided that no exercise of the Drag Along Option is permitted in the case of members holding 'B' Shares until the second anniversary of the adoption of these Articles; or
  - 11.5.2 the other members shall have the option to jointly or severally serve a notice on the Selling shareholders (a "**Tag Notice**") requiring the Selling shareholders to procure the acquisition of their shares (the "**Tagged shares**") at the specified price and otherwise on the terms set out in the Offer Notice by the Third Party Purchaser
- 11.6 The Selling shareholders may exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") to all other members (the "**Dragged shareholders**"). A Drag Along Notice shall specify that the Dragged shareholders are required to transfer all their shares (the "**Dragged shares**") pursuant to Article 11 of these Articles, the specified price at which the Dragged shares are to be transferred (calculated in accordance with Article 11.2) and give reasonable detail of the terms of the offer received by the Selling shareholders, and the proposed date of transfer.
- 11.7 Where the Selling shareholders or any of them have served a Drag Along Notice or received a Tag Notice no transfer of all or any of the Selling shareholders' shares may take place until completion of the sale of all the Dragged shares or the Tagged shares.
- 11.8 If the Third Party Purchaser fails to tender, in cleared funds, the full specified price for the Dragged shares or Tagged shares by that date the relevant Drag Along Notice or Tag Notice and all obligations thereunder will lapse.
- 11.9 A member who sells shares under this Article 11 pursuant to a Drag Along Notice or Tag Notice or Counter Notice shall not be required to give any warranties (other than as to his title to sell his shares free from encumbrances) or indemnities to the purchaser of such shares.
- 11.10 Article 10.11 shall apply to any sale by Dragged shareholders or by Selling shareholders under this Article.

## 12. **Compulsory Transfers**

12.1 In this Article 11, a "**Transfer Event**" means, in relation to any member who is an individual:

12.1.1 becoming bankrupt or making any arrangement with his creditors generally or defaulting on any loan with the Holding Company; or

12.1.2 suffering from mental disorder and being admitted to hospital or becoming a patient for any purpose of any enactment relating to mental health; or

12.1.3 if he is an employee, consultant or director, ceasing to be engaged as an employee, consultant or director of the Company (and for this purpose the Transfer Event shall be the actual date that his employment or office is terminated or he ceases to provide consultancy services to the Company); or

12.1.4 attempting to deal with or dispose of any share or any interest in it otherwise than in accordance with Article 8 and the directors resolving within one month after becoming aware of it that such event is a Transfer Event in relation to that member; or

12.1.5 a member not giving a Transfer Notice in respect of any shares or transferring any shares (as the case may be) as required by these Articles and the directors resolving within one month after becoming aware of it that such event is a Transfer Event in relation to that member for the purposes of Article 10.

12.2 Upon the happening of any Transfer Event, the member in question and any other member who has acquired shares from him under a Permitted Transfer under Article 9 (directly or by means of a series of two or more Permitted Transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the shares then held by them (a "**Deemed Transfer Notice**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same shares except for shares which have then been validly transferred pursuant to that Transfer Notice.

12.3 Notwithstanding any other provision of these Articles, any member holding shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those shares between the date of the relevant Deemed Transfer Notice and the expiry of one month after the date of the Sale Notice given in respect of those shares.

12.4 The shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 10 as if they were Transfer Shares in respect of which a Transfer Notice had been given save that:

12.4.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of the first meeting of the directors at which details of the facts or circumstances giving rise to the Deemed Transfer Notice are tabled;

- 12.4.2 the Sale Price shall be a price per Sale share calculated pursuant to any Relevant Agreement or in default thereof agreed by a majority of the directors (excluding the member holding shares in respect of which the Deemed Transfer Notice has been given) or, if the Transfer Event was the member resigning or otherwise voluntarily ceasing to be an employee, consultant or director of the Company prior to 1 January 2009 or his employment being terminated on grounds of Gross Misconduct prior to 1 January 2009, the nominal value paid up on the Transfer Shares;
- 12.4.3 a Deemed Transfer Notice shall be deemed to contain a Total Transfer Condition and shall be irrevocable;
- 12.4.4 the Sale shares shall be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those shares after that date.
- 12.5 On a transfer of any shares in accordance with this Article 12 the Transferor shall repay all loans, loan capital, borrowings and indebtedness in the nature of borrowings outstanding to the Company from the Transferor (together with any accrued interest thereon).
- 12.6 Any Transfer of shares pursuant to this Article 12 shall be made free from any encumbrances whatsoever and with all rights attached to the shares.

### **13. 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.

### **14. Proceedings at General Meetings**

- 14.1 Notice of every general meeting shall be given to all members other than any who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company, and also to the auditors or, if more than one, each of them. The last sentence of regulation 38 of Table A shall not apply.
- 14.2 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote shall be a quorum. If and for so long as the Company has only one member entitled to vote, that member present in person or by proxy shall be a quorum. Regulation 40 shall not apply.
- 14.3 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place (or to such other day and at such other time and place as all the members may agree in writing). If at any adjourned meeting such a quorum is not present within half an hour from the time appointed for the adjourned meeting, the meeting shall be dissolved. Regulation 41 shall not apply.



- 14.4 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".
- 14.5 At any general meeting a poll may be demanded by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 14.6 An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.
- 14.7 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll on the election of a chairman and on a motion to adjourn the meeting.
- 14.8 Regulation 57 of Table A shall not apply.
- 14.9 The chairman of a general meeting shall be not be entitled to a second or casting vote. Regulation 50 shall not apply.

**15. Receipt of Proxies**

The appointment of a proxy must:

- 15.1 in the case of an appointment which is not contained in an electronic communication, be received at the office (or at such other place or by such person as may be specified or agreed by the directors) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote together with (if required by the directors) any authority under which it is made or a copy of the authority, certified notarially or in some other manner approved by the directors;
- 15.2 in the case of an appointment contained in an electronic communication, where an address has been specified or agreed by the directors for the purpose of receiving electronic communications, be received at such address before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. Any authority pursuant to which an appointment contained in an electronic communication is made or a copy of the authority, certified notarially or in some other manner approved by the directors, must, if required by the directors, be received at the office (or at such other place or by such person as may be specified or agreed by the directors) before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or
- 15.3 in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid before the time appointed for the taking of the poll, and an appointment of a proxy which is not received in a manner so permitted shall be invalid.
- 15.4 Regulation 62 of Table A shall not apply.

## 16. Written Resolutions

Any written resolution of the members may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

## 17. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors shall be not less than two and there shall be no maximum number.

## 18. Alternate directors

- 18.1 Any director (other than an alternate director) may at any time appoint any person (including another director) to be an alternate director and may at any time terminate such appointment. Any such appointment or termination of appointment shall be in writing signed by the appointor and (subject to any approval required) shall (unless the directors agree otherwise) only take effect upon lodgment thereof at the office or on delivery to a meeting of the directors or on delivery to the secretary. The same person may be appointed as the alternate director of more than one director.
- 18.2 The appointment of an alternate director shall determine on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases to be a director.
- 18.3 An alternate director shall be entitled to receive notices of meetings of the directors and of any committee of the directors of which his appointor is a member and shall be entitled to attend and vote as a director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director of the relevant class. It shall not be necessary to give notices of meetings to an alternate director who is absent from the United Kingdom. If an alternate director shall be himself a director or shall attend any such meeting as an alternate for more than one director, his voting rights shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present. If his appointor is from time to time absent from the United Kingdom or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. An alternate director shall not (save as aforesaid) have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles.
- 18.4 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions 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 an 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.
- 18.5 Regulations 65 to 69 shall not apply.

**19. Appointment and retirement of directors**

The directors shall not be subject to retirement by rotation and accordingly Regulations 73 to 75 shall not apply and all other references in the Regulations to retirement by rotation shall be disregarded.

**20. Directors' Gratuities and Pensions**

The directors may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the company or with a predecessor in business of the Company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company. Regulation 87 of Table A shall not apply.

**21. Power to provide for Employees**

The directors may by resolution exercise any power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

**22. Power to Receive Uncalled Moneys**

The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and remaining unpaid on any shares held by him.

**23. Proceedings of directors**

23.1 The chairman of any meeting of the directors or of any committee of the directors shall not be entitled to a second or casting vote. Regulation 88 shall be modified accordingly.

23.2 No business shall be transacted at any meeting of the directors unless a quorum of directors is present when the meeting proceeds to business. The quorum shall be three directors. In the event that at any duly convened meeting of the directors the meeting is not so quorate, the meeting shall be adjourned to the same day in the next week at the same time and place (or to such other day and at such other time and place as the directors may agree in writing) and at such adjourned meeting the quorum shall be any two directors. Regulation 89 shall not apply.

23.3 Unless otherwise agreed by the directors in any particular case, at least 14 clear days' notice in writing shall be given to each director of every meeting of the directors, except any absent from the United Kingdom from time to time who have:

23.3.1 (in the case of a director) nominated an alternate;

or

23.3.2 failed to furnish the Company with an address abroad to which such notices may be forwarded. The third sentence of Regulation 88 shall not apply to the Company.

23.4 It shall be necessary to give any such notice to any director absent from time to time from the United Kingdom.

23.5 *Appropriate complete minutes of each meeting of the directors shall be maintained by the Company and copies thereof distributed to the directors as soon as reasonably practicable after the meeting shall have been held.*

23.6 The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such person or persons (whether directors or not) as they think fit. Regulation 72 of Table A shall be modified accordingly and references in Table A to a committee of directors or to a director as a member of such a committee shall include a committee established under this article or such person or persons.

23.7 All or any of the members of the board of directors or any committee of the board may participate in a meeting of the board or that committee by means of conference telephones or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

23.8 A director who is in any way whether directly or indirectly interested in a transaction or arrangement or proposed transaction or arrangement with the Company may vote in respect of any such transaction or arrangement or proposed transaction or arrangement or any matter arising thereout and if he does so vote his vote shall be counted and he shall be capable of constituting a quorum at any meeting of the directors at which any such transaction or arrangement or proposed transaction or arrangement shall come before the board of directors for consideration and may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 97 shall not apply.

23.9 No director shall be required to retire or vacate his office, and no person shall be *ineligible for appointment as a director, by reason of his having attained any particular age.* No shareholding qualification for directors shall be required.

## 24. Notices

A notice sent by post shall be deemed to be given at the time when the same was posted. The second sentence of Regulation 115 shall not apply.

**25. Indemnity and insurance**

- 25.1 Subject to the provisions of and so far as may be permitted by law, 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 discharge of his duties or in relation thereto, including 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 judgment 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 to him by the Court. Regulation 118 shall not apply.
- 25.2 The Company may purchase and maintain for any officer or auditor of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

**26. Overriding provisions**

- 26.1 Notwithstanding the provisions of these Articles, the directors and members shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement.
- 26.2 Where the approval, agreement or consent of any member or director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

**27. Company seal**

The Company need not have a company seal and pursuant to section 36A of the Act may execute and deliver any document as a deed under the signature of any two directors or of one director and the secretary. A certificate in respect of any shares or other securities in the Company shall be validly issued if it is executed as a deed as aforesaid.

**28. Representatives**

These Articles shall be binding upon and (except as otherwise provided herein) shall enure for the benefit of each member's Representatives.