

THE COMPANIES ACT 1985 AND THE COMPANIES ACT 1989

MEMORANDUM OF ASSOCIATION

OF

CENKOS SECURITIES PLC

1. The Company's name is "Cenkos Securities plc".
2. The Company's Registered Office is to be situated in England and Wales.
3. The Company is to be a public company
4. The Company's objects are:-

(A) (i) To carry on all or any of the businesses of general merchants and traders, manufacturers, assemblers, distributors, importers, exporters, merchants, factors and shippers of and wholesale and retail dealers in goods, wares, produce, products, commodities, fancy goods, handicrafts, and merchandise of every description, to act as agents for and to enter into agreements and arrangements of all kinds on behalf of such persons, firms or companies as may be thought expedient, and to negotiate, assign and mortgage or pledge for cash or otherwise, any such agreements and the payments due thereunder and any property the subject thereof, to carry on all or any of the businesses of mail order specialists, credit and discount traders, cash and carry traders, manufacturers' agents, commission and general agents, brokers, factors, warehousemen, and agents in respect of raw and manufactured goods, of all kinds, and general railway, shipping and forwarding agents and transport contractors; to create, establish, build up, and maintain an organisation for the marketing, selling, retailing, servicing, advertisement, distribution or introduction of the products, merchandise, goods, wares, and commodities dealt in or services rendered by any persons, firms or companies, and to participate in, undertake, perform, and carry out all kinds of commercial, trading and financial operations and all or any of the operations ordinarily performed by import, export and general merchants, factors, shippers, agents, traders, distributors, capitalists, and financiers, either on the Company's own account or otherwise; and to open and establish shops, stalls, stores, markets and depots for the sale, collection and distribution of the goods dealt in by the Company.

(ii) To carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with the objects specified in Sub-Clause (A)(i) hereof or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.

(iii) to carry on business as a general commercial company.



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(B) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.

(C) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, factories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above.

(D) To borrow or raise or secure the payment of money in such manner as the Company shall think fit for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society.

(E) For the purposes of or in connection with the business of the Company to mortgage and charge the undertaking and all or any of the real and personal property and assets, present and future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurances. To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly.

(F) To receive money on deposit or loan upon such terms as the Company may approve.

(G) To lend money to any company, firm or person and to give all kinds of indemnities and either with or without the Company receiving any consideration or advantage, direct or indirect, for giving any such guarantee, and whether or not such guarantee is given in connection with or pursuant to the attainment of the objects herein stated to guarantee either by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital of the Company or by both such methods, the performance of the obligations and the payment of the capital or principal (together with any premium) of and dividends or interest on any debenture, stocks, shares or other securities of any company, firm or person and in particular (but without limiting the generality of the foregoing) any company which is for the time being the Company's Holding or Subsidiary company or otherwise associated with the Company in business.

(H) To establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, or emoluments to any persons who are or were at any time in the employment or

service of the Company, or of any company which is for the time being the Company's Holding or Subsidiary company or otherwise associated with the Company in business or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object; and to establish, set up, support and maintain share purchase schemes or profit sharing schemes for the benefit of any employees of the Company, or of any company which is for the time being the Company's Holding or Subsidiary company and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

(I) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.

(J) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined.

(K) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

(L) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.

(M) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company, and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company.

(N) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company, and to acquire and hold or dispose of shares, stock or securities and

guarantee the payment of dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.

(O) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

(P) To sell, improve, manage, develop, turn to account, exchange, let on rent, grant royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.

(Q) To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.

(R) To subscribe for, purchase or otherwise acquire, and hold shares, stock, debentures or other securities of any other company.

(S) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

(T) To give such financial assistance directly or indirectly for the purpose of the acquisition of shares in the Company or the Company's Holding company or for the purpose of reducing or discharging any liability incurred by any person for the purpose of the acquisition of shares in the Company or the Company's Holding company as may be lawful.

(U) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.

(V) To do all such things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that, save as otherwise expressly provided, each of the paragraphs of this Clause shall be regarded as specifying separate and independent objects and accordingly shall not be in anywise limited by reference to or inference from any other paragraph or the name of the Company and the provisions of each such paragraph shall, save as aforesaid, be carried out in as full and ample a manner

and construed in as wide a sense as if each of the paragraphs defined the objects of a separate and distinct company.

5. The liability of the Members is limited.

6. The Company's share capital is £1000 divided into 1000 shares of £1.00 each.

WE, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of Shares shown opposite our respective names.

NAMES AND ADDRESSES OF SUBSCRIBERS	Number of Shares taken by each Subscriber
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TRAVERS SMITH SECRETARIES LIMITED
10 SNOW HILL
LONDON
EC1A 2AL
UK

No of shares

1

TRAVERS SMITH LIMITED
10 SNOW HILL
LONDON
EC1A 2AL
UK

No of shares

1

Total Shares taken

2

Dated 19 August 2004

THE COMPANIES ACTS 1985 TO 1989

NEW

ARTICLES OF ASSOCIATION

-of-

CENKOS SECURITIES PLC

(Incorporated in England and Wales under Registered No. 5210733)

(Adopted by Special Resolution passed on 8 MARCH 2005)

(Amended by written resolution dated 5 JUNE 2006)

(amended by written resolution dated 19 october 2006)

CONTENTS

Article	Page
Preliminary	
1. Table A	1
2. Definitions and Interpretation	1
3. Share Capital	6
Share Rights	
4. Dividend Rights	6
5. Return of Capital Rights	7
6. The B Shares	7
7. Voting Rights	10
8. Redemption Rights	11
9. Rights on Sale	12
10. Lien	12
Share Transfers	
11. Prohibited Transfers	13
12. Permitted Transfers	14
13. Pre-emption	15
14. Leavers	18
15. Come Along	22
16. Tag Along	22
Shareholder Meetings	
17. Annual General Meetings	23
18. Proceedings of Shareholders	23
Directors	
19. Number of Directors	24
20. Appointment and Removal of Directors	24
21. Alternate Directors	25
22. Proceedings of Directors	25
23. Retirement by Rotation	26
Miscellaneous	
24. Indemnity	26

PRELIMINARY

1. TABLE A

- 1.1 The articles of association of the Company (the "**Articles**") shall comprise the regulations contained herein together with the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (the "**Regulations**"), save insofar as they are excluded or modified by, or are inconsistent with, the regulations contained herein.
- 1.2 The whole of Regulations 2, 24, 25, 40, 41, 46, 50, 51, 52, 54, 64, 65, 73, 74, 75, 76, 77, 80, 82, 87, 89, 96, 101 and 118, the third and fifth sentences of Regulation 88 and the last sentence of Regulation 112 of Table A shall not apply to the Company.

2. DEFINITIONS AND INTERPRETATION

- 2.1 In these Articles the following expressions shall have the following meanings:

Accepting Shareholders shall be as defined in Article 15.2.

Accounts shall mean the audited accounts of the Company for the relevant financial year.

Act means the Companies Act 1985.

Articles shall be as defined in Article 1.1.

AS Director shall mean the director (if any) appointed by Andrew Stewart pursuant to Article 20.2.

Auditors means the auditors of the Company from time to time.

Available Profits means profits available for distribution within the meaning of the Act.

Bad Leaver shall be as defined in Article 14.6.2.

Board means the board of directors of the Company (or any duly authorised committee thereof) from time to time.

B Share Event means the earlier of (i) immediately prior to completion of an agreement or agreements for a Sale, in accordance with the terms of any such agreement(s); (ii) the proposing in writing (including by means of a circular to shareholders) by the Company to holders of Shares of any class of any scheme of arrangement, reconstruction or amalgamation as a result of which the Company would come under the control of any person (iii) any person becoming bound or entitled to acquire Shares of any class under sections 428 to 430F of the Act (or any statute or statutory provision which modifies, re-

enacts or extends such provisions);and (iv) provided no Insolvency Event shall have occurred prior to such date, 1 July 2011.

B Shares means the B ordinary shares of 10p each in the capital of the Company.

B Shareholder means any holder of any B Share from time to time.

Business Day means any day other than a Saturday, Sunday or English bank or public holiday.

control means control as defined in section 840 of the Income and Corporation Taxes Act 1988.

Defaulting Shareholder shall be as defined in Article 11.4.

Designated Employee Shareholder means any employee of the Company or any member of the Group who is an Ordinary Shareholder and who has been designated as a Designated Employee Shareholder in writing by the Company for the purposes of these Articles.

Employee Trust means any trust established to enable or facilitate the holding of Shares by, or for the benefit of, all or most of the bona fide employees of any Group Company.

Extra Shares shall be as defined in Article 13.5.

Fair Price shall be as defined in Article 14.6.3.

Financial Services Authority means the Financial Services Authority or any body with responsibility under legislation replacing the FSMA for carrying out regulatory actions.

FSMA means the Financial Services and Markets Act 2000.

Good Leaver shall be as defined in Article 14.6.1.

Group means the Company and any company which is a subsidiary undertaking of the Company from time to time and references to "**Group Company**" and "**members of the Group**" shall be construed accordingly.

Independent Expert means a partner of at least 10 years' standing at a leading UK firm of accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales.

Insolvency Event shall mean the occurrence of one or more of the following:

- (a) the appointment of a receiver or an administrative receiver over the whole or any part of the assets or undertaking of the Company; or
- (b) the making of an administration order in respect of the Company; or
- (c) the approval of a voluntary arrangement or scheme of arrangement with the Company's creditors (or any class of them); or
- (d) the making of an order for the winding-up of the Company; or
- (e) the passing of a resolution for the appointment of a liquidator of the Company where the liquidation is a creditors voluntary liquidation (as defined in section 90 of the Insolvency Act 1986); or
- (f) the completion of a Sale immediately or shortly before, and in contemplation of, the occurrence of an Insolvency Event as defined in (a) to (e) inclusive.

Issue Price means the price at which the relevant Share is issued, being the aggregate of the amount paid up or credited as paid up in respect of the nominal value thereof and any share premium thereon, save that the Issue Price shall be adjusted in such manner as the Company considers (in its absolute opinion) to be fair and reasonable upon the occurrence of any capitalisation issue or upon any sub-division, reduction or consolidation of the capital of the Company after the date of issue of the relevant Share.

Leaver shall be as defined in Article 14.2.2.

Leaver's Shares means all of the Shares held by a Leaver, or to which he is entitled, on the Leaving Date and any Shares acquired by a Leaver after the Leaving Date under an employee share scheme.

Leaving Date means the date on which the relevant person becomes a Leaver.

LLP means Cenkos LLP, a limited liability partnership established in England and Wales and whose registered office is 6. 7. 8 Tokenhouse Yard, London EC2R 7AS.

Major Shareholders shall mean NewSmith Capital Partners LLP (or any person to whom it has transferred shares pursuant to Article 12 (Permitted Transfers)) and Andrew Stewart for as long as he works full time for the Group.

Minimum Transfer Condition shall be as defined in Article 13.2.

NewSmith Director shall mean any director appointed by the NewSmith Capital Partners LLP pursuant to Article 20.1.

NewSmith Group means NewSmith Capital Partners LLP and its subsidiary undertakings or, as the case may be, NewSmith Capital Partners LLP, any parent undertaking, whether direct or indirect, and any other subsidiary undertaking of any such parent undertaking from time to time and references to "**member**" and "**members**" of them or "**NewSmith Group**" shall be construed accordingly.

Offeror shall be as defined in Article 15.1.

Ordinary Shareholder means any holder of any Ordinary Share from time to time.

Ordinary Shares means the ordinary shares of 10p each in the capital of the Company.

Other Shareholders shall be as defined in Article 15.3.

Preference Shares means the cumulative redeemable preference shares of £1 each in the capital of the Company.

Proportionate Allocation shall be as defined in Article 13.5.

Proposed Buyer shall be as defined in Article 16.2.

Proposed Sale Notice shall be as defined in Article 16.2.

Proposed Sellers shall be as defined in Article 16.1.

Proposed Transferee shall be as defined in Article 13.1.3.

Prospectus Rules means the latest edition from time to time of the "Prospectus Rules" made by the Financial Services Authority under Part VI of the FSMA.

Qualifying Offer shall be as defined in Article 15.1.

Quotation means the admission of the whole of any class of the issued share capital of the Company (or any holding company of the Company) to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities or to trading on AIM, a market operated by the London Stock Exchange or on any other recognised investment exchange (as defined in section 285(1) of the FSMA).

Regulations shall be as defined in Article 1.1.

Relevant Person shall be as defined in Article 14.2.1.

Relevant Shares shall be as defined in Article 11.4.

Required Premium means the amount per B Share as determined in accordance with Article 6.3.

Sale means the sale of the whole of the issued equity share capital of the Company (or any holding company of the Company) to a single buyer or to one or more buyers as part of a single transaction (but shall exclude any transfer of the whole of the issued equity share capital of the Company to a new holding company to be owned by the Shareholders in proportion to their existing holdings of Shares where such transfer is made in preparation for a Quotation).

Sale Notice shall be as defined in Article 13.8.

Sale Price shall be as defined in Article 13.1.4.

Sale Shares shall be as defined in Article 13.1.2.

Security Interest means any mortgage, charge, lien, pledge or other security interest of any kind.

Seller shall be as defined in Article 13.1.

Share means any share in the capital of the Company from time to time.

Shareholder means any holder of any Share from time to time.

Shareholder Director shall mean any director appointed by one of the Major Shareholders pursuant to Article 20.

Substantial Holding shall be as defined in Article 16.1.

Transfer Notice shall be as defined in Article 13.1.

UK Listing Authority means the Financial Services Authority acting in its capacity as competent authority for the purposes of the FSMA.

2.2 Unless the context otherwise requires, words and expressions defined in or having a meaning provided by the Act as at the date of adoption of these Articles shall have the same meaning in these Articles. The term "**connected person**" shall have the meaning attributed to it at the date of adoption of these Articles by section 839 of the Income and Corporation Taxes Act 1988 and the words "**connected with**" shall be construed accordingly. The term "**acting in concert**" shall have the meaning attributed to it at the date of adoption of these Articles by the City Code on Takeovers and Mergers.

2.3 Unless the context otherwise requires, references in these Articles to:

- 2.3.1 any of the masculine, feminine and neuter genders shall include other genders;
- 2.3.2 the singular shall include the plural and vice versa;
- 2.3.3 a person shall include a reference to any natural person, body corporate, unincorporated association, partnership, firm or trust;
- 2.3.4 save where used in the definition of "Employee Trust", employees shall be deemed to include consultants, and references to contracts of employment and to commencement or cessation of employment shall be deemed to include contracts for consultancy and commencement or cessation of consultancy;
- 2.3.5 any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- 2.3.6 a "Shareholder Consent" or a "Shareholder Direction" shall mean the giving of a written consent or direction by each of the Major Shareholders, provided that:
- (a) for so long as there is one or more NewSmith Director, NewSmith Capital Partners LLP's consent or direction may be validly given if given by any one of the NewSmith Directors; and
 - (b) for as long as there is an AS Director who is not Andrew Stewart himself, Andrew Stewart's consent or direction may be validly given if given by the AS Director.

2.4 The headings in these Articles are for convenience only and shall not affect their meaning.

2.5 In construing these Articles, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

3. SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £1,900,000, divided into:

400,000 Preference Shares;
12,000,000 Ordinary Shares; and

3,000,000 B Shares.

SHARE RIGHTS

4. DIVIDEND RIGHTS

- 4.1 The rights as regards income attaching to each class of Shares shall be as set out in this Article.
- 4.2 Subject to the Board recommending payment of the same, any Available Profits which the Company may determine to distribute shall be applied in paying to the holders of the Ordinary Shares and the holders of the B Shares a dividend on each such share (*pari passu* as if the same constituted one class of share and taking no account of the fact that the Required Premium remains unpaid on the B Shares).
- 4.3 The Preference Shares shall not entitle the holders to any dividend.

5. RETURN OF CAPITAL RIGHTS

- 5.1 The rights as regards return of capital attaching to each class of Shares shall be as set out in this Article.
- 5.2 On a return of capital on liquidation or otherwise (except on a redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:
- 5.2.1 first, in paying to each holder of Preference Shares in respect of each Preference Share of which it is the holder, an amount equal to 100% of the Issue Price thereof;
 - 5.2.2 second, in paying to the Ordinary Shareholders the subscription price for the Ordinary Shares (including any premium);
 - 5.2.3 third, in paying to the B Shareholders the nominal value of the B Shares; and
 - 5.2.4 fourth, in distributing the balance of such assets (if any) amongst the holders of the Ordinary Shares according to the number of Shares held by such holder.

6. THE B SHARES

- 6.1 The subscription price for the B Shares shall be nominal value plus (subject as provided in the remainder of this Article 6) the Required Premium (as such term is defined in 6.3 below).

- 6.2 The B Shareholders shall be obliged to pay the nominal value of each B Share upon the issue of such B Share and, subject to Article 6.7, shall become contractually obliged to pay the Required Premium only upon the Required Premium becoming due and payable pursuant to Article 6.4 (and in such case a call will be deemed to have been made in the amount of the Required Premium on the relevant B Shares).
- 6.3 The Required Premium shall be as determined by a direction of the Board and notified to the proposed B Shareholder immediately prior to the allotment of the relevant B Share.
- 6.4 The Company shall notify each of the B Shareholders in writing of the occurrence of a B Share Event. Subject to Article 6.7, the Required Premium shall become due and payable only (but immediately) upon the occurrence of a B Share Event at the time and place notified to the B Shareholders by the Company (and in such case a call will be deemed to have been made in the amount of the Required Premium). For the avoidance of doubt, the Required Premium shall in no circumstances become payable on the occurrence of an Insolvency Event.
- 6.5 Following the payment of the Required Premium in respect of a B Share upon the occurrence of a B Share Event or otherwise pursuant to this Article 6, such B Share shall, on such date as the Board may determine (being not more than twenty Business Days after the payment of the Required Premium), automatically be converted into one Ordinary Share which shall rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after the date of such conversion and will otherwise rank *pari passu* in all respects with the other Ordinary Shares then in issue.
- 6.6 Where a call (including a deemed call) is made in respect of any B Share pursuant to Article 6.4 and remains unpaid for ten Business Days after it has become due and payable, any B Share on which the call or deemed call, as the case may be, remains unpaid shall, without prejudice to the rights of the relevant B Shareholder to pay the Required Premium, be automatically forfeited forthwith (without any requirement for the Board to give prior notice of such forfeiture).
- 6.7 If a B Shareholder shall create or purport to create any mortgage, charge, security interest or other third party right over any B Share, the Required Premium on each such B Share shall become due and payable immediately, and a call shall be deemed to have been made in respect of each such B Share. If the Required Premium on any such B Share is not paid in full within two hours of it becoming due and payable such B Share shall, without prejudice to the rights of the relevant B Shareholder to pay the Required Premium, be automatically forfeited.
- 6.8 Subject to the provisions of the Act, a B Share forfeited under this Article 6 may be sold, re-allotted or otherwise disposed of on such terms (for such consideration (if any)) and in such manner as the Board may determine to any person (but excluding the person who was,

before the forfeiture, the holder of such B Share) and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board considers fit. Where, for the purposes of its disposal, a forfeited B Share is to be transferred to any person, such transferee shall (if the Board considers it appropriate) be obliged to pay the Required Premium and the Board may authorise any person to execute an instrument of transfer of the relevant B Share to that person.

- 6.9** A person any of whose B Shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the B Shares forfeited.
- 6.10** Regulation 12 in Table A shall be amended by inserting "other than any B Shares" after "any moneys unpaid on their shares" in such Regulation and by deleting the words "at least fourteen clear days" from the first sentence.
- 6.11** Regulation 16 in Table A shall be amended by inserting "or immediately following" in front of "any fixed date" in such Regulation.
- 6.12** Except as required by law, it shall not be necessary for the Company or the Board to give fourteen days' notice requiring payment of any call before such share shall become liable to forfeiture.
- 6.13** Regulations 18-22 in Table A shall be subject to this Article 6.
- 6.14** If the consent of Ordinary Shareholders is given to a Sale or a Quotation and to implement such Sale or Quotation would otherwise require the sanction of a resolution passed at a separate meeting of the holders of B Shares, the holders of the B Shares covenant and undertake with the Company and the holder(s) of the Ordinary Shares that they will in accordance with a Shareholder Direction give their written consent or exercise their votes at any such separate meeting and give their consent to any such separate meeting being held on short notice and each B Shareholder hereby irrevocably and as security for its obligations under this Article 6.15 appoints the Company for that purpose as its attorney to execute on its behalf any document (including, but without limitation, any resolution, consent to short notice or form of proxy) and to do any act, matter or thing for the purpose of complying with such directions as may be given by the Board (which shall give directions in accordance with any Shareholder Direction).
- 6.15** No B Shares shall be allotted unless at the date of subscription the proposed allottee of such B Shares is a director, officer, employee or a prospective employee of a Group Company or a member of the LLP.
- 6.16** The Board may, with Shareholder Consent, (but shall not be obliged to) accept from any member the whole or any part of the amount remaining unpaid on any share held by him

notwithstanding that no part of that amount has been called up.

7. VOTING RIGHTS

7.1 The voting rights attached to each class of Shares shall be as set out in this Article:

7.1.1 on a show of hands, every Shareholder holding one or more Ordinary Shares or B Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote; and

7.1.2 on a poll, every Shareholder holding one or more Ordinary Shares or B Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote for each Ordinary Share or B Share (as applicable) of which he is the holder,

provided that, if the Ordinary Shares held by the Major Shareholders do not carry the majority of the votes necessary to pass any resolution proposed at any Shareholders' meeting, those Ordinary Shares shall carry such number of additional votes so the votes cast by the Major Shareholders do constitute the necessary majority of the votes cast (such additional votes to be apportioned between the Major Shareholders pro rata to the number of Ordinary Shares held by each of them).

7.2 The Preference Shares will entitle the holders thereof to receive notice of all general meetings but will not entitle the holders to attend or vote at any general meeting.

7.3 The provisions of Article 7.4 shall apply if at any time (without Shareholder Consent):

7.3.1 any Shareholder is in material breach of the provisions of these Articles (without prejudice to the provisions of Article 11.4);

7.3.2 any person becomes a Leaver;

7.3.3 any Shareholder who is a member of the NewSmith Group enters receivership, administrative receivership, administration, liquidation or other arrangement for it winding-up (whether solvent or insolvent) other than as part of a bona fide solvent group reorganisation; or

7.3.4 in the case of Andrew Stewart only, he ceases to work full time for the Group.

7.4 If the provisions of this Article apply:

7.4.1 the Shares which such person holds or to which he is entitled; and

7.4.2 any Shares formerly held by such person which have been transferred either in breach of the provisions of these Articles or in accordance with Article 12 (Permitted Transfers)

shall immediately cease to entitle the holders thereof to attend and vote (whether on a show of hands or on a poll) at any general meeting or at any separate class meeting of the Company.

7.5 The provisions of Article 7.4 shall continue:

7.5.1 in the case of Article 7.3.1, for so long as such breach subsists;

7.5.2 in the case of Article 7.3.2, until such time as the provisions of Article 14 (Leavers) cease to apply;

7.5.3 in the case of Article 7.3.3, until such time as the Shares held by the relevant Shareholders are sold to another Shareholder; or

7.5.4 in the case of Article 7.3.4, until such time as Andrew Stewart sells his Shares.

8. REDEMPTION RIGHTS

8.1 The Preference Shares shall, subject to the Act, be redeemed as follows:

8.1.1 the Company shall redeem all the Preference Shares at the earliest time when, in the opinion of the Board (acting reasonably) the Company has the cash to do so and such redemption would not reduce the issued share capital of the Company below the minimum requirement set by the Financial Services Authority; and

8.1.2 the Company shall redeem all the Preference Shares then in issue immediately prior to either a Sale or a Quotation.

8.2 Where Preference Shares are to be redeemed in accordance with Article 8.1, the Company shall give to the holders of the Preference Shares falling to be redeemed prior notice in writing of the redemption (a "Company Redemption Notice"). The Company Redemption Notice shall specify the date fixed for redemption (which, in the case of a redemption pursuant to Article 8.1.2, shall be the expected date for redemption) and shall be given not less than 5 nor more than 20 Business Days prior to the date fixed for redemption. In the case of a redemption pursuant to Article 8.1.2, the Company Redemption Notice shall be conditional on such Sale or Quotation occurring within one month of the date fixed for redemption, failing which the Company Redemption Notice shall be revoked.

- 8.3 If the Preference Shares are not to be redeemed out of a new issue of shares and the Company is unable, because of having insufficient Available Profits, to redeem in full the relevant number of Preference Shares on the date fixed for redemption, the Company shall redeem as many of such Preference Shares as can lawfully and properly be redeemed and the Company shall redeem the balance as soon as it is lawfully and properly able to do so.
- 8.4 If the Company is at any time redeeming less than all the Preference Shares from time to time in issue, the number of Shares to be redeemed shall (subject to any contrary requirement in a Shareholder Redemption Notice) be apportioned between those holders of the Preference Shares then in issue pro rata according to the number of Preference Shares held by them respectively at the date fixed for redemption.
- 8.5 On the date fixed for redemption, each of the holders of the Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of any joint holders, to the holder whose name stands first in the Company's register of members in respect of such Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the redemption monies.
- 8.6 If any certificate delivered to the Company pursuant to Article 8.5 includes any Preference Shares the Company is unable to redeem because of having insufficient Available Profits, a new certificate in respect of those Shares shall be issued to the holder(s) thereof as soon as practicable thereafter (and, in any event, within 20 Business Days thereafter).
- 8.7 There shall be paid on the redemption of each Preference Share an amount equal to the Issue Price thereof.

9. RIGHTS ON SALE

In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale, upon a Shareholder Direction, the selling Shareholders immediately prior to such Sale shall procure that the consideration (whenever received) shall be placed in a designated trustee account and shall be distributed amongst such selling Shareholders in such amounts and in such order of priority as would be applicable on a return of capital (pursuant to Article 5 (Return of Capital Rights)).

10. LIEN

The lien conferred by Regulation 8 shall attach to all Shares of any class, whether fully paid or not, and to all Shares registered in the name of any person indebted or under liability to the Company, whether he be the sole registered holder thereof or one of two or more joint holders. Regulation 8 shall be modified accordingly.

SHARE TRANSFERS

11. PROHIBITED TRANSFERS

- 11.1** Any person who holds, or becomes entitled to, any Share (other than a B Share) shall not, without Shareholder Consent, effect a transfer, except a transfer in accordance with Article 12 (Permitted Transfers), Article 13 (Pre-emption and subject to Article 11.2), Article 14 (Leavers), Article 15 (Come Along) or Article 16 (Tag Along), of such Shares. Any person who holds, or becomes entitled to, any B Share shall not, without the written consent of the Board, effect a transfer, except a transfer in accordance with Article 14 (Leavers), Article 15 (Come Along) or Article 16 (Tag Along), of such B Shares.
- 11.2** Any person who holds, or becomes entitled to, any Share other than a Major Shareholder shall, not without Shareholder Consent, serve a Transfer Notice under Article 13 (Pre-emption).
- 11.3** The reference in Article 11.1 to the transfer of a Share or a B Share (as applicable) shall mean the transfer of either or both of the legal and beneficial ownership in such Share or B Share (as applicable) and/or the grant of an option to acquire either or both of the legal and beneficial ownership in such Share or B Share (as applicable) and the following shall be deemed (but without limitation) to be a transfer of a Share or B Share (as applicable):
- 11.3.1** any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or issue of any Share or B Share (as applicable) that such Share or B Share (as applicable) be allotted or issued to some person other than himself;
 - 11.3.2** any sale or other disposition of any legal or equitable interest in a Share or B Share (as applicable) (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing; and
 - 11.3.3** any grant of a legal or equitable mortgage or charge over any Share or B Share (as applicable).
- 11.4** For the purpose of ensuring compliance with Article 11.1, the Company shall immediately on a Shareholder Direction and may with Shareholder Consent require any Leaver or other Shareholder to procure that (i) he or (ii) any Proposed Transferee or (iii) such other person as is reasonably believed to have information and/or evidence relevant to such purpose provides to the Company any information and/or evidence relevant to such purpose and failing such information and/or evidence being provided the Board shall forthwith upon receipt of a Shareholder Direction, or otherwise with Shareholder Consent, notify the relevant Leaver or Shareholder (the "**Defaulting Shareholder**") that a breach of the transfer provisions of these Articles is deemed to have occurred, whereupon:

11.4.1 the Company shall refuse to register any transfer of the Relevant Shares (otherwise than with a Shareholder Consent);

11.4.2 the Relevant Shares shall cease to confer on the holder thereof (or any proxy thereof) any rights:

- (a) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question); or
- (b) to receive dividends or other distributions (other than the Issue Price of the Relevant Shares upon a return of capital)

otherwise attaching to the Relevant Shares or to any further Shares issued in right of the Relevant Shares or in pursuance of an offer made to the relevant holder; and

11.4.3 if the Defaulting Shareholder is not a Leaver, he shall (upon a Shareholder Direction) forthwith be treated as a Leaver, or if no such Shareholder Direction is made, he may be required at any time following such notice to transfer (or procure the transfer of) some or all of the Relevant Shares to such person(s) at a price determined by the Board with Shareholder Consent or as directed by a Shareholder Direction.

The rights referred to in Article 11.4.2 may be reinstated by the Board (with Shareholder Consent) or, if earlier, upon the completion of the transfer of the Leaver's Shares as contemplated by Article 11.4.3. The expression "**Relevant Shares**" shall mean the Shares which the Defaulting Shareholder holds or to which he is entitled (beneficially or otherwise) and any Shares formerly held by him which have been transferred in breach of Article 11.1 or in accordance with Article 12 (Permitted Transfers).

11.5 Each Shareholder hereby irrevocably appoints the Company as his attorney (with the power to appoint any member of the Board as a substitute and to delegate to that substitute all or any powers hereby conferred, other than this power of substitution, as if he had been originally appointed by this Power of Attorney) to give effect to the provisions of these Articles.

12. PERMITTED TRANSFERS

12.1 Notwithstanding the provisions of Article 13 (Pre-emption), Article 14 (Leavers), Article 15 (Come Along) and Article 16 (Tag Along):

12.1.1 any Shareholder who is a trustee of an Employee Trust may at any time transfer

any Share to:

- (a) the new or remaining trustees of the Employee Trust upon any change of trustees; and
- (b) any beneficiary of the Employee Trust;

12.1.2 any member of the NewSmith Group may transfer Shares (other than any B Shares) to:

- (a) any other member of the NewSmith Group; or
- (b) any member of NewSmith Capital Partners LLP; or
- (c) any funds managed by any member of the NewSmith Group;

12.1.3 any Shareholder holding Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Shareholder was a permitted transferee under the provisions of this Article may at any time transfer any Share to the person who originally transferred such Shares (or to any other permitted transferee of such original transferor); and

12.1.4 any Shareholder (other than a B Shareholder) may transfer any Shares to any person with Shareholder Consent.

12.2 Subject to Article 11.4, the Company shall be obliged to register any transfer made pursuant to the above provisions.

13. PRE-EMPTION

13.1 Except in the case of a transfer pursuant to Article 12 (Permitted Transfers), Article 14 (Leavers), Article 15 (Come Along) or Article 16 (Tag Along), a Shareholder (other than a B Shareholder or a Designated Employee Shareholder) who wishes to transfer any Shares (the "**Seller**") shall give notice in writing of such wish to the Company (the "**Transfer Notice**") copied to each Major Shareholder (other than the Seller if he is a Major Shareholder). Each Transfer Notice shall:

13.1.1 relate to one class of Shares only;

13.1.2 specify the number and class of Shares which the Seller wishes to transfer (the "**Sale Shares**");

13.1.3 specify the identity of any person to whom the Seller wishes to transfer the Sale Shares (the "**Proposed Transferee**");

- 13.1.4 specify the price per Share (the "Sale Price") at which the Seller wishes to transfer the Sale Shares;
- 13.1.5 be deemed to constitute the Company as the Seller's agent for the sale of the Sale Shares at the Sale Price in the manner prescribed by these Articles; and
- 13.1.6 not be varied or cancelled (without Shareholder Consent).
- 13.2 The Seller may provide in the Transfer Notice that unless buyers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such Shares ("**Minimum Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this Article, if the Transfer Notice contains a Minimum Transfer Condition, the Company may not make any allocation of Sale Shares unless and until it has found buyers for the minimum number specified in the Minimum Transfer Condition.
- 13.3 The provisions of this Article shall apply to any transfer of any Shares by any Shareholder other than a Major Shareholder. The Major Shareholders may, within five Business Days of receipt of the Transfer Notice, direct the Company by a Shareholder Direction immediately to offer at the Sale Price such number of Sale Shares to such person as may be specified in the Shareholder Direction (including, for the avoidance of doubt, the Company and/or any Employee Trust). If the offeree of the Sale Shares applies for any of them within four Business Days of the date of such offer, the Company shall (with Shareholder Consent) allocate to the offeree the number of Sale Shares applied for on the tenth Business Day following receipt of the Transfer Notice. If all of the Sale Shares are so allocated, the provisions of Articles 13.4 to 13.7 (inclusive) shall not apply. If none or some only of the Sale Shares are so allocated, the remaining provisions of this Article shall have effect as if references to Sale Shares shall mean those not allocated in accordance with this Article.
- 13.4 The Company shall, on the tenth Business Day following receipt of the Transfer Notice, give notice in writing to each of the Shareholders (other than the Seller) offering for sale the Sale Shares at the Sale Price, provided that if the Board considers that the provisions of this Article could mean that the offer of the Sale Shares would require a prospectus in accordance with the Prospectus Rules, the Board shall (with Shareholder Consent) be entitled to devise such other method of offering such Sale Shares which does not require a prospectus (including, but without limitation, offering the Sale Shares to a limited number of Shareholders selected by such method as the Board shall (with Shareholder Consent) determine). The notice shall specify that the Shareholders shall have a period of 25 Business Days from the date of such notice within which to apply for some or all of the Sale Shares. It shall be a term of the offer that if Shareholders of more than one class apply for some or all of the Sale Shares, the Sale Shares shall be treated as having been offered first to all persons (other than the Seller) holding Shares of the same class as the Sale Shares in priority to all other classes of Shareholder.

- 13.5 It shall be a further term of the offer that if there is competition within any class of Shareholder for the Sale Shares treated as having been offered to that class, such Sale Shares shall be treated as offered among such class of Shareholder in proportion (as nearly as may be) to their existing holdings of Shares of the class to which the offer is treated as having been made (the "**Proportionate Allocation**"). However, in his application for Sale Shares a Shareholder may, if he so desires, indicate that he would be willing to purchase a particular number of Shares in excess of his Proportionate Allocation ("**Extra Shares**").
- 13.6 In respect of each of the categories of offeree referred to in Article 13.4, the Company shall allocate the Sale Shares as follows:
- 13.6.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each Shareholder shall be allocated the number applied for in accordance with his application; or
- 13.6.2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each Shareholder shall be allocated his Proportionate Allocation or such lesser number of Sale Shares for which he has applied and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the Shares of the same class held by such Shareholders.
- 13.7 Allocations of Sale Shares made by the Company pursuant to this Article shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares that he has indicated to the Company he is willing to purchase.
- 13.8 The Company shall forthwith upon allocating any Sale Shares give notice in writing (a "**Sale Notice**") to the Seller and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable therefor. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within five Business Days of the date of the Sale Notice whereupon the Seller shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and deliver the relevant Share certificates.
- 13.9 Save in the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 13.8, the Company may receive such purchase money and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause the name of the proposed transferee to be entered in the register of members as the holder of such Sale Shares and shall hold the

purchase money on trust (without interest) for the Seller. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 13.8, the Company may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Seller.

13.10 If all the Sale Shares are not sold under the pre-emption provisions contained in Articles 13.1 to 13.9 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller and the Seller may at any time, within three calendar months after receiving such notification, transfer to the Proposed Transferee any unsold Sale Shares at any price not less than the Sale Price, provided that:

13.10.1 the Major Shareholders may (by Shareholder Direction) require the Company to refuse registration of any Proposed Transferee if the Major Shareholders reasonably believe the Proposed Transferee to be a competitor of the Group or a person connected with such a competitor (or a nominee of either);

13.10.2 if the Seller stipulated in the Transfer Notice a Minimum Transfer Condition which has not been satisfied, the Seller shall not be entitled to sell any Sale Shares unless he complies with such Minimum Transfer Condition; and

13.10.3 any such sale shall be a sale in good faith and the Major Shareholders may require to be satisfied (in such manner as they may reasonably think fit) that the Sale Shares are being sold for not less than the Sale Price without any deduction, rebate or allowance whatsoever and if not so satisfied may (by Shareholder Direction) require the Company to refuse to register the transfer.

14. LEAVERS

14.1 The provisions of this Article shall apply to any Leaver and to any Leaver's Shares.

14.2 In these Articles:

14.2.1 a "Relevant Person" shall mean:

- (a) an employee of the Company or any other Group Company;
- (b) a director of the Company or any other Group Company (other than a Shareholder Director); and/or

- (c) a member of the LLP.

14.2.2 a "Leaver" shall mean:

- (a) any Shareholder (other than a B Shareholder or a Designated Employee Shareholder) who ceases, or has ceased, to be a Relevant Person;
- (b) any Shareholder holding Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such Shareholder was a permitted transferee under the provisions of Article 12 (Permitted Transfers) who ceases to be a permitted transferee in relation to such person, including, without limitation, any Shareholder who ceases to be the spouse of a Relevant Person;
- (c) any person who becomes entitled to any Shares:
 - (i) on the death of a Shareholder;
 - (ii) on the bankruptcy of a Shareholder (if an individual) or the receivership, administrative receivership, administration, liquidation or other arrangement for the winding-up (whether solvent or insolvent) of a Shareholder (if a company) other than a member of the NewSmith Group; or
 - (iii) on the exercise of an option after ceasing to be a Relevant Person; or
- (d) any Shareholder holding Shares as a nominee for any person who ceases, or who has ceased, to be a Relevant Person in respect of the Shares held on behalf of such person.

14.3 Within the period commencing on the relevant Leaving Date and expiring at midnight on the first anniversary of such date, the Major Shareholders may direct the Company by a Shareholder Direction immediately to serve a notice on the Leaver notifying him that he is, with immediate effect, deemed to have served one or more Transfer Notices in respect of such number and class of his Leaver's Shares as is specified in the Shareholder Direction.

14.4 The provisions of Articles 13.1 to 13.9 (inclusive) shall apply to any such Transfer Notice, provided that for these purposes:

14.4.1 the Sale Shares shall comprise the above-mentioned Shares;

- 14.4.2 no Proposed Transferee shall be specified in the Transfer Notice;
- 14.4.3 the Sale Price shall be determined by Article 14.5;
- 14.4.4 there shall be no Minimum Transfer Condition;
- 14.4.5 references to "receipt of the Transfer Notice" in Articles 13.3 and 13.4 shall be replaced by "the date of determination of the Fair Price" if a Fair Price falls to be determined, or otherwise, by "the date on which a Transfer Notice is deemed to have been served pursuant to Article 14.3"; and
- 14.4.6 if, following the deemed service of a Transfer Notice in respect of Leaver's Shares there are still Leaver's Shares unsold upon the provisions of Articles 13.1 to 13.9 (inclusive) having been applied and exhausted, the Company shall forthwith serve on the Leaver a notice specifying the number of Leaver's Shares unsold and that he is, with immediate effect, deemed to have served a further Transfer Notice in respect of such Shares, and the provisions of this Article 14.4 shall apply.

14.5 The Sale Price shall be:

- 14.5.1 in the case of a Good Leaver, the Fair Price;
- 14.5.2 in the case of a Bad Leaver, the lower of the Issue Price and the Fair Price,

provided that, in the case of any Leaver's Shares which were originally acquired by that Leaver by way of transfer rather than allotment, references to the Issue Price in this Article 14.5 shall, in relation to these Shares, be deemed to be references to the lower of the Issue Price and the amount paid by such Leaver on such transfer.

14.6 In these Articles:

- 14.6.1 a Shareholder shall be deemed to be a "Good Leaver" in circumstances where the relevant person:
 - (a) dies;
 - (b) suffers a physical or mental deterioration which, in the opinion of the Major Shareholders, is sufficiently serious to prevent the relevant person from following his normal employment or which seriously prejudices his earning capacity; or
 - (c) is designated a Good Leaver by a Shareholder Direction;

14.6.2 a Shareholder shall be deemed to be a "**Bad Leaver**" in circumstances where the relevant person:

- (a) resigns;
- (b) is dismissed for poor performance (in the opinion of the Board) or gross misconduct; or
- (c) is not otherwise a Good Leaver; and

14.6.3 the "**Fair Price**" shall be such price as the transferor and (with Shareholder Consent) the Company shall agree within 25 Business Days of the date of the deemed Transfer Notice or, failing such agreement, such price as the Auditors (or, if the Auditors are unable or unwilling to act for any reason, an Independent Expert) shall determine pursuant to Article 14.7.

14.7 If the Fair Price falls to be determined by the Auditors (which expression shall, for the purposes of this Article 14.7, be deemed to include a reference to the Independent Expert if the Auditors are unable or unwilling to act):

14.7.1 the Company shall immediately instruct the Auditors to determine the Fair Price on the basis which, in their opinion, represents a fair price for the Leaver's Shares at the Leaving Date as between a willing seller and a willing buyer;

14.7.2 the Auditors shall certify the Fair Price as soon as possible after being instructed by the Company and, in so certifying, the Auditors shall be deemed to be acting as experts and not as arbitrators and the Arbitration Act 1996 shall not apply;

14.7.3 the certificate of the Auditors shall, in the absence of manifest error, be final and binding; and

14.7.4 the Company shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company unless (i) such an arrangement would not be permitted by the Act or (ii) the Fair Price as determined by the Auditors is more than 100% of that price (if any) which the Company had previously notified to the Leaver as being in its opinion the Fair Price, in which event the cost shall be borne by the Leaver.

15. COME ALONG

15.1 In these Articles a "**Qualifying Offer**" shall mean a bona fide offer in writing on arm's length terms by or on behalf of any person (the "**Offeror**") for the entire equity share

capital in the Company not already owned by the Offeror or persons connected with the Offeror.

- 15.2 If the Major Shareholders (including, for the purposes of this Article 15 only, Andrew Stewart notwithstanding the fact he may have ceased to work full time for the Group) (the "Accepting Shareholders") have indicated that they wish to accept the Qualifying Offer, then the provisions of this Article shall apply.
- 15.3 The Accepting Shareholders shall give written notice to the remaining holders of the equity share capital (the "Other Shareholders") of their wish to accept the Qualifying Offer and shall, notwithstanding the provisions of Article 13 (Pre-emption), thereupon become entitled to transfer their Shares to the Offeror (or his nominee) and the Other Shareholders shall, notwithstanding the provisions of Article 13 (Pre-emption), thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee) with full title guarantee and free from all Security Interests on the date specified by the Accepting Shareholders provided the consideration payable to the Other Shareholders is the same as or not lower in value (as certified by an independent financial adviser) than that being offered to the Accepting Shareholders.
- 15.4 If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person. Furthermore, if any Other Shareholder who is a B Shareholder does not pay the Required Premium in respect of all of the B Shares in which he is interested within five Business Days of receipt of a notice from the Accepting Shareholders in accordance with Article 15.3, any B Share on which the Required Premium remains unpaid shall be automatically forfeited forthwith (without any requirement for the Board to give prior notice of such forfeiture).

16. TAG ALONG

- 16.1 If at any time one or more Shareholders (the "Proposed Sellers") propose to sell, in one or a series of related transactions, 25 per cent or more in nominal value of the Ordinary Shares (the "Substantial Holding") to any person (not being an Offeror for the purposes of Article 15.1) other than pursuant to Article 12 (Permitted Transfers), the Proposed Sellers may only sell the Substantial Holding if they comply with the provisions of this Article.
- 16.2 The Proposed Sellers shall give written notice (the "Proposed Sale Notice") to the other

holders of the equity share capital in the Company of such intended sale at least 10 Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (the "**Proposed Buyer**"), the purchase price and other terms and conditions of payment, the proposed date of sale and the number of Shares proposed to be purchased by the Proposed Buyer.

- 16.3** If any other holder of equity share capital in the Company (other than a B Shareholder in relation to any B Shares in respect of which has not paid the Required Premium) serves written notice upon the Proposed Seller within five Business Days of receipt of the Proposed Sale Notice that he wants to sell all or any of his Shares to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice, then no transfer of Shares can be made to the Proposed Buyer, whether by the Proposed Seller or any other holder of equity share capital, unless the Proposed Sellers procure that the Proposed Buyer also makes an offer to acquire the Shares of the remaining Shareholders who serve notice to sell any of their Shares pursuant to this Article 16.3, in which event such Shareholders shall become bound to transfer their Shares the Offeror (or his nominee) with full title guarantee and free from all Security Interests upon payment by the Offeror of the purchase price stipulated in the Proposed Sale Notice.
- 16.4** If any other holder of equity share capital in the Company is not given the rights accorded him by the provisions of this Article, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.

SHAREHOLDER MEETINGS

17. ANNUAL GENERAL MEETINGS

- 17.1** The Board shall procure that the Annual General Meeting in respect of each financial year of the Company shall be convened to take place not later than 30 Business Days after the date of the Auditors' report relating to the Accounts for the relevant financial year.
- 17.2** The Board shall cause to be laid before each such Annual General Meeting the Accounts for the relevant financial year, together with the respective reports therein of the directors and the Auditors.

18. PROCEEDINGS OF SHAREHOLDERS

- 18.1** No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business and, subject to Article 18.2, for its duration. Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation (and at least one of whom shall be, or be proxy for, or a duly authorised representative of,

the NewSmith Group and at least one of whom shall be, or be proxy for, or a duly authorised representative of, Andrew Stewart) shall be a quorum.

- 18.2** If within half an hour from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present for a period exceeding 10 minutes, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the Shareholders present may decide and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholder or Shareholders present shall constitute a quorum.
- 18.3** A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded at any general meeting by the chairman, or by any Shareholder present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a Shareholder entitled to vote.
- 18.4** The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting or to the place of the meeting at any time before the time appointed for the holding of the meeting, and Regulation 62 shall be modified accordingly.
- 18.5** When a poll has been demanded, it shall be taken immediately following the demand.
- 18.6** The Chairman of the meeting shall not, in the case of an equality of votes, whether on a show of hands or on a poll, be entitled to exercise any second or casting vote.
- 18.7** With respect to any such resolution in writing as is referred to in Regulation 53, in the case of a corporation which holds a Share, the signature of any director or the secretary thereof shall be sufficient for the purposes of Regulation 53, and Regulation 53 shall be modified accordingly.
- 18.8** The provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, with the necessary changes being made, apply to every separate meeting of the holders of any class of Share, except that the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of that class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, then the provisions of Article 18.2 shall apply).

DIRECTORS

19. NUMBER OF DIRECTORS

The number of directors (excluding alternate directors) shall not be less than two in number.

20. APPOINTMENT AND REMOVAL OF DIRECTORS

20.1 NewSmith Capital Partners LLP shall be entitled at any time to appoint any two persons as directors to the Board, to remove either or both of such persons for any reason whatsoever and to appoint another person in place of any such person so removed.

20.2 For as long as he works full time for the Group, AS shall be entitled at any time to appoint any one person as a director to the Board, to remove such person for any reason whatsoever and to appoint another person in his place.

20.3 Each appointment and removal pursuant to Articles 20.1 20.2 shall be made by notice in writing served on the Company and shall take effect at the time the notice is served on the Company or on a later date specified in the notice.

21. ALTERNATE DIRECTORS

21.1 A director (other than an alternate director) may appoint any other director or (in the case of a Shareholder Director) any other person whomsoever, to be an alternate director and may remove from office an alternate director so appointed.

21.2 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

21.3 Any director who is appointed an alternate director shall be entitled to vote at a meeting of the Board on behalf of the director so appointing him in addition to being entitled to vote in his own capacity as a director and shall also be considered as two directors for the purpose of making a quorum of directors unless he is the only individual present.

22. PROCEEDINGS OF DIRECTORS

22.1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Any two directors (at least one of whom shall be the AS Director (for as long as there is an AS Director) and one of whom shall be a NewSmith Director) shall constitute a quorum and a quorum of directors must be present throughout all meetings of the Board. The Chairman of the meeting shall not have a second or casting vote, in the case of an equality of votes.

22.2 Any director or alternate director may validly participate in a meeting of the Board through

the medium of conference telephone or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall, for the purpose of these Articles, be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board, notwithstanding that a quorum of directors is not physically present in the same place. 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. RETIREMENT BY ROTATION

The directors shall not be liable to retire by rotation and the words "by rotation or otherwise" and "and deemed to have been reappointed" in Regulation 67, "and may also determine the rotation in which any additional directors are to retire" in Regulation 78, the last two sentences of Regulation 79 and the last sentence of Regulation 84 shall not apply to the Company.

MISCELLANEOUS

24. INDEMNITY

Subject to the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.