

**Beds & Bars Limited**

**Company Number 05500765**

**(the "Company")**

**Written Resolutions**

**Circulation Date:** 16<sup>th</sup> April 2012

**(the "Circulation Date")**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolutions (the "Resolutions") set out below be passed in the case of resolution 1 as an ordinary resolution and in the case of resolutions 2 - 6 as special resolutions

**ORDINARY RESOLUTION**

**Authority to allot shares**

- 1 THAT subject to the passing of special resolution 6 below, the directors be and are generally and unconditionally authorised for the purposes of Section 551, Companies Act 2006 to allot B Ordinary Shares (having the rights set out in the Company's articles of association to be adopted pursuant to special resolution 6 below), or to grant rights to subscribe or convert securities into such B Ordinary Shares, up to a maximum nominal amount of £500,000 at any time or times during the period from the date of the passing of this resolution up to and including 30<sup>th</sup> April 2012 on which date this authority shall expire and this authority shall allow the Company to make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after the expiry of the authority

**SPECIAL RESOLUTIONS**

**Creation of a new class of share**

- 2 THAT, subject to the passing of special resolution 6 below, a new class of "B Ordinary Shares" of £0.01 each in the capital of the Company be created, having the rights set out in the Company's articles of association to be adopted pursuant to special resolution 6 below

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### **Re-classification of existing Ordinary Shares**

- 3 THAT, subject to the passing of special resolution 6 below, the existing class of Ordinary Shares of £1 00 each in the capital of the Company be re-classified as "A Ordinary Shares" of £1 00 each, having the rights set out in the Company's articles of association to be adopted pursuant to special resolution 6 below

### **Dis-application of pre-emption rights as contained in the Company's articles of association**

- 4 THAT, subject to the passing of special resolution 2 and 6, articles 2 3 - 2 5 (inclusive) of the Company's New Articles be dis-applied in relation to any allotment of B Ordinary Shares of £0 01 each pursuant to the terms of the convertible loan agreement to be entered into between the Company and C&C Group Plc on or about the date of this resolution

### **Amendment and adoption of new articles of association**

- 5 THAT, any provision regarding the authorised share capital of the Company contained in the Company's memorandum of association which, by virtue of Section 28 of the Companies Act 2006 are deemed to be provisions of the Company's articles of association, be deleted and the Company shall not have an authorised share capital
- 6 THAT, the draft articles of association attached be approved and adopted as the articles of association of the Company (the "New Articles"), in substitution for, and to the exclusion of, the existing articles of association of the Company

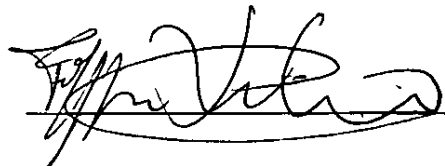
### **AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the resolutions

The undersigned, a person entitled to vote on the resolutions on the Circulation Date hereby irrevocably agrees to the resolutions

Signed by  
**Francisca Knowles**

Date

  
16<sup>th</sup> April 2012

Signed by  
**Andrew Searle**

Date

Signed by  
**Scottish & Newcastle Limited, acting by**

Timothy Sykes, our lawful attorney

Date

Keith Knowles, our lawful attorney

Date

Signed by  
**Timothy Sykes**

Date

Signed by  
**Mark Chitty**

Date

Signed by  
**Patricia Sykes**

Date:

Signed by  
**Keith Knowles**

Date:

Signed by  
**Francisca Knowles**  
Date


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Signed by  
**Andrew Searle**  
Date

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Signed by  
**Scottish & Newcastle Limited**, acting by

Timothy Sykes, our lawful attorney

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Date 16<sup>th</sup> April 2012

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Keith Knowles, our lawful attorney

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Date

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Signed by  
**Timothy Sykes**

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Date 16<sup>th</sup> April 2012

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Signed by  
**Mark Chitty**  
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Signed by  
**Patricia Sykes**  
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**Timothy Sykes**  
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**Mark Chitty**  
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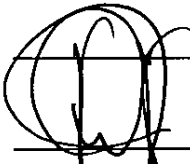
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Signed by  
**Patricia Sykes**  
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Signed by  
**Keith Knowles**  
Date:

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16th April 2012  
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Signed by

**Francisca Knowles**

Date

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Signed by

**Scottish & Newcastle Limited**, acting by

Timothy Sykes, our lawful attorney

Date

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Signed by

**Timothy Sykes**

Date

Signed by

**Mark Chitty**

Date

Signed by

**Patricia Sykes**

Date



16th April 2012

Signed by

**Keith Knowles**

Date.

## NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

**By Hand** delivering the signed copy to Martin Gleeson, Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP

**Post** returning the signed copy by post to Martin Gleeson, Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP

**By email** delivery a signed copy by email to [mgleeson@memerycrystal.com](mailto:mgleeson@memerycrystal.com)

If you do not agree to all of the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply

- 2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 3 Unless, within 28 days beginning with the Circulation Date, sufficient agreement has been received from the required majority of eligible members for the Resolutions to be passed, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us on or before this date
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

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**Articles of Association of  
Beds & Bars Limited  
Company Number 5500765  
(adopted by Special Resolution on 16 April 2012)**

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COMPANIES HOUSE



## **1 Interpretation**

1 1 Except for Regulations 73 to 80 (inclusive) the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 ("**Table A**") shall, together with the following regulations, constitute the Articles of association of the Company

1 2 In these Articles

1 2 1 headings are used for convenience only and shall not affect construction,

1 2 2 words and expressions which are defined in Table A shall bear the same meaning and, unless the context otherwise requires or save as otherwise provided, words and expressions shall bear the same meaning as in the Act (but excluding any statutory modification not in force when these Articles were first adopted by the Company),

1 2 3 in the event of there being any conflict or inconsistency between any provision in Table A which is applicable to the Company and any provision contained in these Articles the latter shall prevail,

1 3 The following words and expressions shall have the following meanings

**Act:** the Companies Act 2006 and every statutory modification or re-enactment and every relevant statutory instrument derived from it for the time being in force

**A Ordinary Shares** the A ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles

**Associate:**

(a) the Privileged Relation of the relevant person, or

(b) in relation to any body corporate any member of its Group

**Auditors:** the duly appointed auditors of the Company from time to time or, to the extent that there are none, the firm or chartered accountants appointed by the Company from time to time

**Available Profits:** profits of a company available for distribution in accordance with Part 23 of the Act

**Board:** the board of directors of the Company as a body, or a quorum of the Board present at a meeting of the Board

**B Interest Rate:** 5% per annum compounding daily

**B Ordinary Shares** the B ordinary shares of £0 01 each in the capital of the Company having the rights set and being subject to the restrictions set out in these Articles

**B Preference Dividend:** a dividend payable to the holder of a B Preference Share in accordance with Article 3 2 2

**B Preference Shares:** B Preference Shares of £1 each in the capital of the Company

**Exit:** a Sale or a Listing

**Group:** in relation to any body corporate, that body corporate, any subsidiary, its holding company or any subsidiary of its holding company (as such terms are defined by Section 1159 of the Act)

**Investor:** C&C Group plc (registered in Ireland under company number 383466) together with any Associate(s) thereof which hold(s) Shares transferred to it/them by C&C Group plc;

**Investor Director:** a director appointed pursuant to Article 5 10

**Issue Price:** the aggregate of the amount paid up (or credited as paid up) and any amount credited to the share premium account on the relevant Share

**Listing:**

- (a) both the admission of any of the Company's shares to the Official List of the Financial Services Authority becoming effective and the admission of any of the Company's shares to trading on the London Stock Exchange's market for listed securities, or
- (b) the admission to trading of any of the Company's shares on the Alternative Investment Market of the London Stock Exchange becoming effective, or
- (c) the equivalent admission to trading to or permission to deal on any other Recognised Investment Exchange (as defined by section 285 of the Financial Services and Markets Act 2000) becoming effective in relation to any of the Company's shares

**Ordinary Shareholder:** a holder of an Ordinary Share

**Ordinary Shares:** the A Ordinary Shares and the B Ordinary Shares

**Permitted Transferee:** any transferee of shares falling within article 8 2

**Privileged Relation:** the spouse, widow, widower, brother or sister of a Shareholder and the Shareholder's children and grandchildren (including step, illegitimate or adopted children and their issue),

**Sale:** the transfer (whether through a single transaction or a series of transactions) of 50 per cent or more of the Ordinary Shares in issue, to a person or to that person and any other person

- (a) who is connected with him, or

- (b) with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers

other than a person who is a Shareholder at the date of adoption of these Articles or who is a Permitted Transferee

**Shareholder:** any holder of Shares of whatever class

**Shares:** (unless the context does not so admit) the A Ordinary Shares, B Ordinary Shares and/or B Preference Shares and Share Capital shall be construed accordingly

- 1 4 A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Act

## **2 Share capital**

- 2 1 The share capital of the Company is divided into A Ordinary Shares, B Ordinary Shares and B Preference Shares. The A Ordinary Shares and the B Ordinary Shares shall constitute separate classes of shares, but save as otherwise specifically provided in these Articles, they shall rank *pari passu* for all purposes as if they constituted one class of share.
- 2 2 Shares which are comprised in the share capital of the Company as stated in Article 2 1 shall be under the control of the Board who may (subject to Section 551 of the Act and to this Article 2) allot, grant options over or otherwise dispose of them, to such people on such terms and in such manner as they think fit
- 2 3 All shares which the Board propose to issue shall first be offered to the Shareholders in proportion as nearly as may be to the number of the existing Shares held by them respectively. The offer shall be made by notice specifying the number of shares offered and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the aforesaid proportion to the persons who have, within the same period, accepted all the shares offered to them. Further offers shall be made on the same basis until all shares are allotted or all shareholders have declined to take up further shares, such further offers shall be made in like terms in the same manner and limited by a like period as the original offer
- 2 4 Any shares not accepted pursuant to such offer or further offer or not capable of being offered except by way of fractions shall be under the control of the Board, who may allot, grant options over or otherwise dispose of them to such people on such terms and in such manner as they think fit, provided that, in case of shares not accepted, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the Shareholders

2 5 The provisions of Articles 2 3 and 2 4 shall have effect subject to Section 551 of the Act

2 6 In accordance with Section 567 of the Act Sections 561 and 562 of the Act shall not apply to the Company

### **3 Dividend rights**

3 1 The rights as regards income attaching to each class of Shares shall be as set out in this Article

The Company shall without resolution of the Board or of the Company in general meeting and before application of any profits to reserve or for any other purpose pay in respect of each B Preference Share, a fixed non-cumulative preferential dividend at the annual rate of 5 per cent of the Issue Price per Share

3 2 B Preference Dividends shall be paid on 31 March in each year to the person registered as the holder of the relevant class of Share at that date and which shall accrue daily and be calculated in respect of the period to such date assuming a 365 day year

3 3 B Preference Dividends shall, provided the Company has sufficient Available Profits out of which to pay the same automatically become a debt due from and immediately payable by the Company on the date declared for payment If and to the extent that the debt so constituted is not paid in full on the payment date concerned, the unpaid amount shall carry interest at the B Interest Rate in respect of the period from and including the payment date concerned to the date of actual payment

3 4 Any Available Profits which the Board may determine to distribute in addition to the B Preference Dividends in respect of any financial year shall be applied

3 4 1 first, in or towards redeeming all B Preference Shares which have not been redeemed on or by the due date for redemption in accordance with article 6, and

3 4 2 subject thereto, any balance shall be distributed amongst the holders of the Ordinary Shares according to the amount paid up or credited as paid up on each such Share

3 5 The Company shall procure (so far as it is able) that each of its subsidiaries and each of its subsidiary undertakings which has Available Profits shall from time to time declare and pay to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or parent undertaking) such dividends as are necessary to permit lawful and prompt payment by the Company of the B Preference Dividends

### **4 Return of capital rights**

4 1 The rights as regards return of capital attaching to each class of Shares shall be as set out in this Article

4 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

4 2 1 first, in paying to each Shareholder in respect of each B Preference Share of which it is the holder, an amount equal to the Issue Price thereof, and

4 2 2 second, the balance of such assets (if any) shall be distributed on a *pro rata* basis amongst the holders of the Ordinary Shares

## **5 Voting and other rights**

5 1 Subject to any other provisions in these Articles concerning voting rights, the Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Ordinary Share shall carry one vote per share,

5 2 Where shares confer a right to vote, votes may be exercised

5 2 1 on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote), or

5 2 2 on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote for each such share held)

5 3 Shareholders holding B Preference Shares shall not by virtue of such holding be entitled to receive notice of general meetings nor to speak or vote thereat

5 4 Articles 5 5 - 5 9 (inclusive) shall only apply for as long as the Investor or its nominee is the holder of B Ordinary Shares in the share capital of the Company from time to time

5 5 Unless agreed otherwise by the Investor, the Company shall for each month prepare management accounts) containing

5 5 1 comparisons to budgets,

5 5 2 trading and profit and loss accounts,

5 5 3 balance sheets,

5 5 4 cash flow statements and forecasts,

5 5 5 business commentary (including details of any adverse events affecting the Company and, to profit and loss account and balance sheet and details of

any expression of interest or formal offer to acquire shares of or otherwise invest in the Company of which the Directors are aware),

5 5 6 key performance indicators, and

5 5 7 if there has been a change to the share capital of the Company or any warrants and/or options and/or convertible securities in the previous month, a schedule of the Company's issued share capital and any warrants and/or options to acquire shares and/or convertible securities, broken down by shareholder, option holder, warrant holder and convertible securities holder (as appropriate) and including the percentage of the fully diluted issue share capital held by each holder;

and shall deliver them to the Investor within 14 days after the end of each month. The first management accounts shall be delivered to the Investor and the Investor Director within 21 days after the end of the month in which the B Ordinary Shares shall be issued.

5 6 The Company shall at least 30 days prior to the end of each financial year prepare and deliver to the Investor a detailed operating and capital budget and cash flow forecast in respect of the next financial year in such form as the Investor shall reasonably require from time to time.

5 7 The statutory accounts of the Company in respect of each accounting period together with (if applicable) the relevant audit and management letters shall be delivered to the Investor within six months after the end of the accounting period to which such accounts relate.

5 8 The Company shall provide the Investor promptly with such other information concerning the Company and its business as the Investor may reasonably require from time to time.

5 9 If the Company does not comply with its obligations in 5 5 to 5 8, the Investor together with a firm of accountants nominated by the Investor at the Company's expense will be entitled to attend the Company's premises on reasonable notice and during normal working hours on a Business Day to examine the books and accounts of the Company and to discuss the Company's affairs, finances and accounts with its directors, officers and senior employees. The Company shall co-operate with any accountants or representatives appointed pursuant to this article 5 9.

5 10 The holder or holders from time to time of a majority of the B Ordinary Shares shall be entitled by notice in writing to the Company to appoint one person as director (the "Investor Director") and at any time by notice in writing to the Company to require the removal or substitution of any person so appointed as a director. Prior to the appointment of any director pursuant to this paragraph the holders proposing to effect the appointment shall inform the board of the Company of the identity of the proposed appointee and shall consult in good faith with the board as to the suitability of the proposed appointee for appointment as a director of the Company.

- 5 11 All appointments, removals and replacements pursuant to the foregoing provisions of this Article 5 shall be made in writing, signed by or on behalf of the relevant member(s) and deposited or sent by facsimile transmission to the office and shall take effect when so deposited or transmitted
- 5 12 Upon a poll being taken in connection with a resolution of the Company in general meeting to remove the Investor Director from office, the holders of the B Ordinary Shares as a class shall be entitled to exercise such total number of votes in respect of their holdings of B Ordinary Shares as shall equal twice the total number of votes cast on such resolution by all other members of the Company
- 5 13 If holders of B Ordinary Shares shall remove a director appointed pursuant to Article 5 10 from office the holders who shall have exercised that right shall jointly and severally indemnify the other members and the Company against any claim, whether for compensation for loss of office, wrongful dismissal or otherwise, which arises out of that director ceasing to hold office

## **6 Redemption Rights**

- 6 1 The B Preference Shares shall, subject to the Act, be redeemed as follows
- 6 1 1 the Company shall (unless directed to the contrary by the Investor) redeem all the B Preference Shares then in issue immediately prior to an Exit, and
- 6 1 2 the Company may, at any time on not less than 30 days' notice in writing to the holders of B Preference Shares, redeem, in multiples of not less than 500 B Preference Shares, such total number of B Preference Shares as is specified in such notice
- 6 2 Where B Preference Shares are to be redeemed in accordance with article 6 1, the Company shall give to the holders of the B Preference Shares falling to be redeemed prior notice in writing of the redemption ("**Company Redemption Notice**") The Company Redemption Notice shall specify the B Preference Shares to be redeemed and the date fixed for redemption In the case of a redemption pursuant to article 6 1 1, the Company Redemption Notice shall be conditional on the Exit occurring within one month of the date fixed for redemption, failing which the Company Redemption Notice shall be revoked
- 6 3 Notwithstanding article 6 1, the B Preference Shareholders may (subject to the Act) require the Company, by serving on it a notice ("**Shareholder Redemption Notice**"), to redeem such amount of B Preference Shares as is specified in the Shareholder Redemption Notice if, at any time
- 6 3 1 the Company has Available Profits but has not paid the B Preference Dividend within 30 days of the due date,
- 6 3 2 the Company has not redeemed any B Preference Shares in accordance with the requirements of this article within 30 days of the due date,

- 6 3 3      there has been proposed a resolution for the winding-up of the Company, a resolution for a reduction in the capital of the Company or a resolution varying any of the rights attaching to the B Preference Shares, or
- 6 3 4      the Company is in material breach of the provisions of these articles
- 6 4      The holders of the B Preference Shares shall be entitled to withdraw the Shareholder Redemption Notice if they serve the Company with written notice to that effect before the redemption takes place
- 6 5      Where a Shareholder Redemption Notice has been duly given, the Company shall be obliged, subject to having sufficient Available Profits with which to redeem the same, to redeem the B Preference Shares specified in the Shareholder Redemption Notice within 5 days of the receipt of such notice (which day shall be the date fixed for redemption)
- 6 6      If the Company is unable, because of having insufficient Available Profits, to redeem in full the relevant number of B Preference Shares on the date fixed for redemption, the Company shall redeem as many of such B 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
- 6 7      If the Company is at any time redeeming fewer than all the B 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 B Preference Shares then in issue *pro rata* according to the number of B Preference Shares held by them respectively at the date fixed for redemption
- 6 8      On the date fixed for redemption, each of the holders of the B 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 B 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
- 6 9      If any certificate delivered to the Company pursuant to article 6 8 includes any B Preference Shares not falling to be redeemed on the date fixed for redemption, 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 30 days thereafter)
- 6 10      There shall be paid on the redemption of each B Preference Share an amount equal to the Issue Price thereof and such amount shall, subject to the Company having Available Profits or other monies which may be lawfully applied for such redemption, at that time become a debt due from and immediately payable by the Company to the



holders of such B Preference Shares. If and to the extent that the debt so constituted is not paid in full on the due date, the unpaid amount shall carry interest at the B Interest Rate in respect of the period from and including the due date down to and including the date of actual payment.

- 6.11 If the Company is unable to pay the amounts referred to in article 6.10 in full on a date fixed for redemption by reason of having insufficient Available Profits or not having other monies which may be lawfully applied for such redemption, then the amount so unpaid shall be increased by an amount equal to the interest which would have accrued had interest on the unpaid amount been charged at the relevant rate in respect of the period from and including the due date down to and including the date of actual payment and shall be paid as soon thereafter as, and to the extent that, Available Profits or other monies that may lawfully be applied for such redemption have arisen.
- 6.12 If the Company fails or is unable to redeem any of the B Preference Shares in full on the date due for redemption for any reason whatsoever, all Available Profits (or other monies which may lawfully be applied for the purpose of redeeming Shares) shall be applied in the order of priority specified in article 3.4.

## **7 Rights on Exit**

- 7.1 The proceeds of an Exit shall be applied between the Shareholders as follows:
- 7.1.1 first, in paying to each B Preference Shareholder in respect of each B Preference Share not redeemed pursuant to article 6, an amount equal to the Issue Price thereof, and
- 7.1.2 second, the balance of the proceeds of the Exit shall be distributed on a *pro rata* basis among the Ordinary Shareholders in accordance with their holdings of Ordinary Shares.

## **8 Share Transfers**

- 8.1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of any Shares or any interest in or arising from any Shares (an option or other like right to acquire any Share being deemed to be an interest in any Shares for this purpose) shall be subject to the provisions contained in these Articles and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.
- 8.2 A Shareholder may at any time transfer any Shares ("**Permitted Transfer**")
- 8.2.1 to an Associate provided that
- (i) the Shares (including the full beneficial ownership and all other interests therein and rights attaching thereto) shall be re-transferred within seven days to the transferor if the transferee is not or shall

cease to be an Associate of the transferor failing which a Transfer Notice shall be deemed to have been served, and

- (ii) in the case of any transfer to a child any such transfer must be to a nominee (being more than 18 years of age) on behalf of such child,

8 2 2 to the trustees of a trust the only beneficiaries of which are the transferor and/or Associates of the transferor Where any shares have been so transferred, the trustees may transfer any of the same shares to the trustees for the time being of any other trust which complies with the terms of this Article 8 2 2 (whether on a change of trustee or otherwise) and/or back to the transferor or to any Privileged Relation of such transferor,

8 2 3 pursuant to Articles 10 or 11,

8 2 4 in the case of K C Knowles, F J J M Knowles, T R Sykes and P A Sykes (or the personal representatives of any of them), to any of K C Knowles, F J J M Knowles, T R Sykes and/or P A Sykes, or

8 2 5 on the death of all or any of K C Knowles, F J J M Knowles, T R Sykes or P A Sykes to their personal representatives in which case Regulation 30 of Table A shall apply

8 3 If, in relation to a transfer of Shares, the transferor is a party to any agreement between the Company and some or all of its Shareholders (being an agreement additional to these Articles) then the Board may

8 3 1 require the transferee of such Shares to enter into a written undertaking to be bound (to such extent as the Board may reasonably stipulate) by the provisions of such agreement, and

8 3 2 decline to register the transfer of such Shares unless and until the transferee has entered into such written undertaking

8 4 Any Shares held by the trustees of a trust which is within the provisions of Article 8 2 1 may be transferred to an Associate who is or becomes entitled thereto under the terms of the trust and is at the time of transfer aged at least 18 years

## **9 Pre-emption**

9 1 Except in the case of a Permitted Transfer, or 10 (Drag Along) or Article 11 (Tag Along), a Shareholder who wishes to transfer any Shares ("**Seller**") shall give notice in writing of such wish to the Company ("**Transfer Notice**") copied to the Investor Each Transfer Notice shall

9 1 1 relate to one class of Shares only,

9 1 2 specify the number and class of Shares which the Seller wishes to transfer ("**Sale Shares**"),

- 9 1 3 specify the identity of any person to whom the Seller wishes to transfer the Sale Shares ("**Proposed Transferee**"),
- 9 1 4 specify the price per Share ("**Sale Price**") at which the Seller wishes to transfer the Sale Shares, and
- 9 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

The appointment referred to in article 9 1 5 shall be irrevocable and is given by way of security for the performance of the obligations of the Seller under these Articles

- 9 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. 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
- 9 3 The Company shall not later than the 14<sup>th</sup> 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. The notice shall specify that the Shareholders shall have a period of 30 days from the date of such notice within which to apply for some or all of the Sale Shares
- 9 4 It shall be a term of the offer that the Sale Shares shall be treated as having been offered, first to all Shareholders (other than the Seller) and then, to the extent that all of the Sale Shares have not been applied for, to the Company
- 9 5 It shall be a further term of the offer that, if there is competition amongst the Shareholders for the Sale Shares treated as having been offered, such Sale Shares shall be treated as offered in proportion (as nearly as may be) to the Shareholders' existing holdings of Shares ("**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**")
- 9 6 In the event that the Shareholders are unwilling or unable to accept the offer for all the Sale Shares then the Company shall allocate the Sale Shares as follows
  - 9 6 1 if after 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
  - 9 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

- 9 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
- 9 8 The Company shall forthwith upon allocating any Sale Shares give notice in writing ("**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 7 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
- 9 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 9 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
- 9 10 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 9 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
- 9 11 If all the Sale Shares are not sold under the pre-emption provisions contained in Articles 9 1 to 9 10 (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

- 9 11 1 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
- 9 11 2 any such sale shall be a sale in good faith and the Investor 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, acting reasonably, the Investor is not so satisfied it may require the Company to refuse to register the transfer

## 10 **Drag along**

- 10 1 In these Articles a "**Qualifying Offer**" shall mean an offer in writing by or on behalf of any person ("**Offeror**") to the holders of the entire issued Share Capital to acquire all their Shares
- 10 2 If the holders of 75 per cent or more in nominal value of the Ordinary Share Capital then in issue (and for the purposes of this calculation, each B Ordinary Shares shall be deemed to have a nominal value of £1 00) ("**Accepting Shareholders**") wish to accept the Qualifying Offer, then the provisions of this Article shall apply
- 10 3 The Accepting Shareholders shall give written notice to the remaining Shareholders ("**Other Shareholders**") of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders in such written notice
- 10 4 If any Other Shareholder shall not, on or before the date specified in the written notice served by the Accepting Shareholders, execute and deliver transfers in respect of the Shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be deemed to be the duly appointed agent of that Other Shareholder with full power to execute, and to authorise and instruct such other 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. The appointment referred to in this Article 10 4 shall be irrevocable and is given by way of security for the performance of the obligations of the Other Shareholder under these Articles
- 10 5 Upon any person, following the issue of a notice pursuant to Article 10 3, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the company ("**New Shareholder**"), a notice shall be deemed to have been served upon the New Shareholder on the same terms as the previous notice who

shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article shall apply *mutatis mutandis* to the New Shareholder save that completion of the sale of such shares shall take place forthwith upon the notice being deemed served on the New Shareholder

## **11     Tag along**

- 11 1     If at any time one or more Shareholders ("**Proposed Sellers**") propose to sell, in one or a series of related transactions ("**Proposed Sale**"), Ordinary Shares comprising 5 per cent or more in nominal value of the Ordinary Shares in issue (and for the purposes of this calculation, each B Ordinary Shares shall be deemed to have a nominal value of £1 00) to any person (not being an Offeror for the purposes of Article 10 1) unless the sale is a Permitted Transfer the Proposed Sellers may only sell their Shares if they comply with the provisions of this Article
- 11 2     The Proposed Sellers shall give written notice ("**Proposed Sale Notice**") to the other Shareholders of such intended sale at least ten 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 ("**Proposed Buyer**"), the purchase price and other terms and conditions of payment, the proposed date of sale ("**Proposed Sale Date**") and the number of Shares proposed to be purchased by the Proposed Buyer ("**Proposed Sale Shares**")
- 11 3     Any other holder of Ordinary Shares shall be entitled, by written notice given to the Proposed Sellers within five days of receipt of the Proposed Sale Notice, to be permitted to participate in the Proposed Sale on a *pro rata* basis according to the number of Ordinary Shares held and otherwise on the same terms and conditions as those set out in the Proposed Sale Notice
- 11 4     If any other Shareholder 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

## **12     Directors**

- 12 1     A meeting of the Board or of a committee of the Board may consist of a conference between directors who are not all in one place, but where each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously, and the word "meeting" in these Articles shall be construed accordingly. A meeting where those present are in different locations shall be deemed to take place where the Chairman is, or otherwise where the largest group of those participating is assembled
- 12 2     A resolution in writing signed or approved by telegram, telefax or telex by all the directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like

form each signed by one or more Directors, but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity

- 12 3 A Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company, provided that he has disclosed to the Board the nature and extent of any material interest or duty
- 12 4 The chairman of the Company shall have a second or casting vote
- 12 5 Directors shall not be required to retire by rotation The office of a Director shall be vacated if he shall be removed from office by notice in writing served upon him signed by a majority of his co-Directors
- 12 6 The Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional director
- 12 7 The Directors shall be entitled to be reimbursed all expenses reasonably incurred by them in connection with the discharge of their duties as directors

### **13 Variation of class rights**

- 13 1 Consent to variation Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise
- 13 2 Variation the special rights attached to the B Ordinary Shares shall, subject to the consent of the holders of three quarters of the issued share capital of the B Ordinary Shares not to be unreasonably withheld or delayed in the case of articles 13 2 1 - 13 2 5 inclusive, be deemed to be varied at any time by any of the following
- 13 2 1 the alteration of the memorandum of association of the Company or these Articles,
- 13 2 2 any increase, reduction or other alteration to the share capital of the Company or any variation of the rights attaching to any class thereof (other than an alteration arising out of a conversion or redemption of shares under these articles) or any agreement (conditional or unconditional) to allot or issue any Shares,

- 13 2 3 the grant of any option or right (whether conditional or unconditional) to subscribe for shares in the Company or the issue of any securities or instruments convertible into shares in the Company,
- 13 2 4 any transfer which may lead to or result in a Sale,
- 13 2 5 any decision by the Board or the shareholders or any act or deed which may lead to a Listing, and
- 13 2 6 the institution of proceedings for, or the passing of any resolution for, the winding up or administration of the Company

#### **14 Proceedings at general meetings**

- 14 1 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote
- 14 2 A resolution in writing executed by or on behalf of all the Shareholders shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative

#### **15 Notices**

Notices shall be given to a Shareholder whose registered address is outside the United Kingdom

#### **16 Indemnity and insurance**

Subject to the provisions of the Act, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company out of its own funds for all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as 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