

NOTE:

> 75% written approval received on 26 June 2008

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

XYNOSTICS LIMITED

Company Number: 05947231

THURSDAY



Circulated on 26 June 2008

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolution 1 1 below is passed as an ordinary resolution and that resolution 2 1 below is passed as a special resolution

1 ORDINARY RESOLUTION

1 1 That 3,000 of the issued ordinary shares of £1 00 in the Company be reclassified as 3,000 'A' ordinary shares of £1 00 each

2 SPECIAL RESOLUTION

2 1 That the Articles of Association contained in the document attached to these resolutions and for the purposes of identification marked 'A' be and the same are approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the ordinary resolution and special resolution

The undersigned, a person entitled to vote on the Resolutions on 26 June 2008, hereby irrevocably agrees to the ordinary resolution and special resolution

DATE

Notes

- 1 If you agree with the Resolution, 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 Iain Rae at Grounds Farm, Hook Norton, Oxon OX15 5LR
 - **Post** returning the signed copy by post to Iain Rae at Grounds Farm, Hook Norton, Oxon OX15 5LR
 - **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to ianrae@btinternet.com Please enter "Written resolution dated 26 June 2008" in the e-mail subject box
- 2 If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the Resolution, you may not revoke your agreement
- 4 Unless, by 30 June 2008, sufficient agreement has been received for the Resolution to pass, it will lapse If you agree to the Resolution, please ensure that your agreement reaches us before or during this date
- 5 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
- 6 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

Dated

2008

**Articles of Association
of Xynostics Limited (previously known
as MassTag Technologies Limited)
(as adopted by special resolution on 26
June 2008)**



Seacourt Tower
West Way
Oxford OX2 0FB
Ref MCH301137 1

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ARTICLES OF ASSOCIATION

of

XYNOSTICS LIMITED

(the Company)

1 INTERPRETATION

1 1 In these Articles **Table A** means Table A as set out in the Companies (Table A-F) Regulations 1985 as amended prior to the date of adoption of these articles

1 2 Save as aforesaid any words or expressions contained in these Articles shall bear the same meaning as in the Companies Acts but excluding any statutory modification thereof not in force when these Articles became binding on the Company

1 3 Headings shall not affect the interpretation of these articles The provisions of the Schedules to these Articles shall form part of these Articles

2 DEFINITIONS

"Associate" means any person who in relation to a Shareholder is an Associated Company or Family Member,

"Associated Company" means any body corporate more than 50% of the equity share capital of which is owned directly or indirectly by the Shareholder in question,

"Business Days" means any day that is not a Saturday or Sunday or a Public Holiday in England,

CA 1985 means the Companies 1985 as amended, modified or replaced from time to time,

CA 2006 means the Companies Act 2006 including any statutory re-enactment or modification thereof from time to time in force,

"Cessation Date" means the first day on which a shareholder who is also a director and or employee of the Company ceases to hold such office or employment with the Company,

Companies Acts means CA 1985 and CA 2006,

"Exit" means either

(a) the completion of an agreement for the purchase of all the Shares to the extent not already owned by the buyer or persons connected to or acting in concert with the buyer, or the acceptance of an offer as a result of which the offeror becomes entitled or bound to acquire the remainder of such Shares in accordance with the CA 2006 or the Articles, or

(b) the sale of all or a substantial part of the business carried on by the Group

"Family Member" means the spouse (widow or widower) mother, father, grandmother, grandfather child or grandchild (including any step and adopted child and its issue) of any Shareholder who is a director or employee of any Group Company,

"Family Trust" means a trust established by a Shareholder (being an individual), who is a director or employee of any Group Company which only permits such Shareholder and his Family Members to be beneficiaries thereof,

"Group" means a Company and its subsidiaries, holding companies and Associates of its holding companies and **"Group Company"** means any of them,

"Share" means the share capital of the company, and

"Shareholder" means a person who is registered as a holder of a share

3 ADOPTION OF TABLE A

- 3 1 The Regulations contained in Table A, except where they are excluded or modified by these articles, shall apply to the Company and together with these articles shall constitute the articles of the Company

4 AUTHORITY TO ALLOT SHARE CAPITAL

- 4 1 The authorised share capital of the Company at the date of adoption of these articles is £20,000¹ divided into 17,000 ordinary shares of £1 00 each and 3,000 A ordinary shares of £1 00 each Save as expressly set out herein, the shares shall rank pari passu in all respects whether for voting, dividends or otherwise
- 4 2 Save for the allotment of the A ordinary shares any unissued shares in the capital of the Company shall, before they are issued, be offered to all Shareholders of the Company, initially pro-rata to their current shareholding in the Company, but if not all are taken up, then on a second and, if necessary, further occasions, pro rata to the holdings of those Shareholders wishing to take up shares until all shares have been taken up or there are no Shareholders wishing to take up further shares (whichever occurs first) Such offer shall be at the same price and on the same terms to each Shareholder and the provisions of section 90(1) to 90(6) shall apply to such offer
- 4 3 Subject to any direction to the contrary which may be given by the Company in general meeting, in respect of any shares not taken up pursuant to article 4 2 or not capable of being offered in accordance with article 4 2 except by way of fractions, the directors may allot, grant options over, or otherwise dispose of, such shares to such persons on such terms as they think fit provided that such shares shall not be disposed of on terms which are more favourable than the terms on which they were offered to the Shareholders in accordance with article 4 2
- 4 4 In accordance with section 80 of the CA 1985 the directors are unconditionally authorised for a period of five years from the date of adoption of these Articles to allot relevant securities of

¹ As amended by written resolution on 20 June 2008 On incorporation the share capital of the Company was £10,000 made up of 10,000 ordinary shares of £1 00 each

the Company up to the nominal amount of the Company's unissued share capital at the date of its incorporation or such other amount as is authorised in general meeting. The directors may make an offer or agreement pursuant to this article which may require relevant securities to be allotted after the expiry of such period.

4.5 The provisions of section 89 of the CA 1985 do not apply to the Company.

5 CESSATION OF A ORDINARY SHAREHOLDER AS A DIRECTOR AND /OR EMPLOYEE OF THE COMPANY

5.1 Where the holder of A ordinary shares ceases to be a director and or employee of the Company for any reason (save in respect of an Exit) within 5 years from the anniversary of the allotment of the A ordinary shares to him (the **Allotment**) the following shall apply:

5.1.1 for every full and complete 12 month period worked as a director and or employee of the Company an A ordinary shareholder will be entitled to keep 5% of the A ordinary shares owned by him and deal with them in accordance with the Company's articles of association. For example, where the A ordinary shareholder ceases to be a director and or employee at any time during 5 years from the Allotment his shares shall be dealt with as follows,

Where the Cessation Date falls between the following periods post Allotment	The A ordinary Shareholder shall be able to retain the following percentage shareholding of A ordinary shares: (%)	The A ordinary shareholder shall sell back the following percentage of A ordinary shares: (%)
0-1 year	0	100
>1-2 years	5	95
>2-3 years	10	90
>3-4 years	15	85
>4-5 years	20	80
>5 years	25	75

5.1.2 the Company shall, subject to having sufficient distributable reserves, have the first option to buy back the A ordinary shares from the A ordinary shareholder. Where the Company does not have sufficient distributable reserves to buy back the shares the ordinary shareholders shall be offered the shares on a pro rata basis to their ordinary shareholdings. The price to be paid by either the Company or the remaining shareholders for the A ordinary shares shall be cost price.

6 SHARES AND CERTIFICATES

6 1 The words "shall be sealed with the seal and" shall be deleted from regulation 6

7 LIEN

7 1 The lien conferred by regulation 8 of Table A shall attach to all shares including fully paid shares registered in the name of any person indebted to the Company (whether he shall be the sole registered holder or one of two or more joint holders) in respect of all moneys payable by him or his estate to the Company

8 TRANSFER OF SHARES

8 1 The provisions of the Schedule shall apply in relation to the transfer of shares in the Company

9 PROCEEDINGS AT GENERAL MEETINGS

9 1 No business shall be transacted unless a quorum is present Subject to article 9 3, 3 persons entitled to vote on the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation, shall be a quorum Regulation 40 of Table A shall be modified accordingly

9 2 If a quorum is not present or ceases to be present, the meeting shall be adjourned for 5 Business Days to the same time and place, and if 3 Shareholders cannot be present then the quorum shall be reduced to 2 Shareholders

9 3 If, and for so long as, the Company has only one Shareholder that Shareholder present in person or by proxy or, where that Shareholder is a corporation, its duly authorised representative shall be a quorum at any general meeting of the Company or of the holder of any class of shares

9 4 A Shareholder may participate in a meeting of the Shareholders by means of a conference telephone or any other equipment which allows all persons participating in the meeting to communicate with each other A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly A minute of the proceedings at any such meeting shall be sufficient evidence of such proceedings and compliance with all necessary formalities if certified as correct by the chairman of the meeting 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 is located for the meeting

9 5 A poll may be demanded at any general meeting by any Shareholder entitled to vote at it Regulation 46 of Table A shall be modified accordingly

9 6 On a show of hands or on a poll votes may be given either personally or by proxy

9 7 In the case of an equality of votes, whether on a show of hands or a poll, the chairman shall be entitled to a casting vote

10 PROXIES

- 10 1 The directors may at their discretion treat as valid and properly delivered an original or a faxed copy of an instrument appointing a proxy and any authority under which it is executed which is received prior to the meeting at such place and in such manner as the directors may approve Regulation 62 of Table A shall be modified accordingly

11 POWERS OF DIRECTORS

- 11 1 The directors may delegate (with power to sub-delegate) any of their powers to committees consisting of such persons as they think fit Regulation 72 of Table A shall be modified accordingly and references in Table A to a committee of directors shall include a committee established under this article or such person or persons
- 11 2 The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and subject (in the case of any security convertible into shares) to Section 80 of the CA 1985 to grant any mortgage, charge or other security over its undertaking or property or any part of its uncalled capital

12 APPOINTMENT AND REMOVAL OF DIRECTORS

- 12 1 Regulation 64 of Table A shall not apply to the Company
- 12 2 Any person who is willing to act may be appointed as a director (either to fill a vacancy or as an additional director) by the directors or by the Company by ordinary resolution
- 12 3 Any person who is willing to act may be appointed as a director (either to fill a vacancy or as an additional director) and any director may be removed from office (no matter how he was appointed) by notice in writing delivered to the registered office or tendered at a meeting of the directors and signed by any Shareholder or Shareholders holding shares entitling such Shareholder or Shareholders to exercise a majority of the votes at any general meeting of the Company
- 12 4 Regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply
- 12 5 There shall be no shareholding qualification for directors and no person shall be ineligible for appointment as a director or be required to retire or vacate his office by reason of his having attained any particular age

13 NOTICE OF BOARD MEETINGS

- 13 1 The quorum for the transaction of the business of the directors shall be 2 but if and for so long as the Company has a sole director he may exercise all the powers vested in the directors by these articles or Table A and Regulation 89 of Table A shall be modified accordingly
- 13 2 There shall be at least 8 board meetings held in each calendar year All board meetings shall be held in the United Kingdom unless otherwise previously agreed by all the directors of the Company

13 3 Five Business Days' notice of a board meeting must be given to the directors. Notice of a meeting of the directors shall be deemed to be properly given to a director if it is sent to him in writing or is given to him personally at his last known address in the United Kingdom or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given to a director who is absent from the UK. A director may waive notice of any meeting either prospectively or retrospectively. Regulation 88 of Table A shall be modified accordingly.

13 4 At any meeting of the directors, in the case of an equality of votes the Chairman shall have a second or casting vote.

14 DIRECTORS' INTERESTS

14 1 Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the CA 1985 a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. Regulations 94 and 95 of Table A shall not apply.

15 PARTICIPATION IN BOARD MEETINGS

15 1 Any or all of the Shareholders of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any other equipment which allows all persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. A minute of the proceedings at any such meeting shall be sufficient evidence of such proceedings and compliance with all necessary formalities if certified as correct by the Chairman of the meeting. 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 is located for the meeting.

16 RESOLUTION IN WRITING

16 1 A written resolution signed by all the directors or by all the Shareholders of a committee shall be as valid and effectual as a resolution passed at a meeting of the board or, as the case may be, of the committee, properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or Shareholders of the committee concerned and may be sent to each director personally or by post or facsimile. 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. Regulation 93 of Table A shall not apply.

17 NOTICES

17 1 Any notice or other document may be served on or delivered to any Shareholder by the Company either personally or by sending it by post addressed to the Shareholder at his registered address or by fax to a number provided by the Shareholder for this purpose, or by leaving it at his registered address, or by any other means authorised in writing by the

Shareholder concerned A Shareholder whose registered address is not in the United Kingdom and who shall not have given to the Company an address in the United Kingdom or valid fax number in the United Kingdom for the service of notices shall not be entitled to receive any notice from the Company In the case of joint holders of a share, service on or delivery to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders Regulations 111 and 112 of Table A shall not apply

- 17 2 Any notice or other document sent by the Company by post shall be deemed to have been served or delivered twenty-four hours after posting In proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and posted Any notice or other document left at a registered address or sent by fax or by any other means authorised in writing by the Shareholder concerned shall be deemed to have been served or delivered when it was so left or sent Regulation 115 of Table A shall not apply

18 INDEMNITIES

- 18 1 Every director, managing director, agent, secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him to the fullest extent permitted from time to time by the CA 1985 in relation to his conduct as an officer of the Company
- 18 2 Pursuant to sections 309A(5) and 310(3) of the CA 1985 the Company may purchase and maintain indemnity insurance cover for any director, officer or auditor of the Company

SCHEDULE
TRANSFER OF SHARES

1 GENERAL

1 1 In Regulation 23 of Table A the words "and, unless the share is fully paid, by or on behalf of the transferee" shall be deleted

1 2 The first sentence of Regulation 24 of Table A shall not apply

1 3 In this Schedule, any reference to a transfer of shares shall be deemed to include a transfer of a legal and / or beneficial interest in the shares or the grant of an option to acquire the legal and / or beneficial interest in the shares in each case whether made or purported to be made by a Shareholder or any other person entitled to an interest in the shares

1 4 No Shareholder (or other person entitled to transfer the shares registered in the name of a Shareholder) may transfer, create, grant or part with any shares or any interest in any shares in the Company unless and until the provisions of this Schedule are complied with

2 TRANSFERS

2 1 No Shareholder may transfer any shares, or any interest in shares, in the Company

2 1 1 to any person under the age of 21 years, or

2 1 2 (subject to paragraph 4) to any person without the prior written consent of all the Shareholders, unless the Shareholder has complied with the provisions of paragraph 3

3 TRANSFER NOTICE

3 1 Subject to paragraphs 4 (*Deemed Transfers*) and 5 (*Permitted Transfers*) any person (the **Seller**) proposing to transfer any shares or any interest in shares must give notice in writing (the **Transfer Notice**) to the Company that he wishes to transfer the same The Transfer Notice must specify

3 1 1 the number of shares he wishes to transfer (the **Sale Shares**), and

3 1 2 the price per share at which he is willing to sell (the **Sale Price**)

3 2 The Transfer Notice shall

3 2 1 subject to paragraph 9 5, be revocable only with the prior written consent of all the other Shareholders (the **Remaining Shareholders**),

3 2 2 be deemed to contain a provision that, unless all the Sale Shares are sold, none will be sold, and

3 2 3 be deemed to specify that the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them

3 3 Following service of the Transfer Notice, the provisions of paragraph 5 shall apply

4 DEEMED TRANSFERS

4 1 A Transfer Notice shall be deemed to have been served in respect of all Shares held by a Shareholder where that Shareholder

4 1 1 being an individual,

(a) is made bankrupt or proposes, or enters into, any arrangement with his creditors, or

(b) who is, at the date of adoption of these articles, or later becomes, an employee or Director of the Company, ceases to be so employed or hold office (and does not continue to be so employed or hold office) for any reason,

4 1 2 being a body corporate

(a) enters into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent reconstruction) or has a receiver, manager, administrative receiver or administrator appointed over all or any part of its assets or undertaking, or

(b) ceases to be controlled (as defined by section 416 of Income and Corporation Taxes Act 1988) by the person(s) who controlled such Shareholder on the date which it became a Shareholder of the Company or on the date of adoption of these Articles (whichever shall be the later),

(each a Deemed Transfer Event)

5 PERMITTED TRANSFERS

5 1 The restrictions on transfers contained in Article 2 (*Transfers*) and Article 3 (*Transfer Notice*) shall not apply to

5 1 1 any transfer of Shares by a Shareholder or his personal representatives to an Associate,

5 1 2 any transfer of Shares held by a Company to a Group Company, provided that if any such transferee ceases to be a Group Company it shall forthwith transfer the relevant Shares to the original Company or to another Group Company,

5 1 3 any transfer of Shares by a Shareholder to trustees of a Family Trust on its establishment by that Shareholder,

5 1 4 any transfer of Shares pursuant to an offer made in accordance with Article 7 (*Tag Along*) or 8 (*Drag Along*),

5 1 5 any transfer of Shares by trustees of a Family Trust in their capacity as trustees of that Family Trust on a change of trustees to the new trustees of that Family Trust,

- 5 1 6 any transfer of Shares by trustees of a Family Trust in their capacity as trustees of that Family Trust to a person who has an immediate beneficial interest under the Family Trust
- 5 2 If a Family Trust as constituted whose assets include Shares ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and shall give a Transfer Notice in respect of those Shares and, if the trustees fail to so notify the Company or to give a Transfer Notice, they shall be deemed to have served the Company with a Transfer Notice in respect of those Shares
- 5 3 No shares may be transferred under this Article 5 if they are the subject of a Transfer Notice given or deemed to be given pursuant to Article 4 1 1(b) or Article 5 2
- 6 PRE-EMPTION PROVISIONS**
- 6 1 The Company shall act as agent for the Seller for the sale of the entire legal and beneficial interest in all of the Sale Shares at the Sale Price or, if it has been certified in accordance with paragraph 9, the Value
- 6 2 The Company shall, within 21 days of
- 6 2 1 receipt of the Transfer Notice, or
- 6 2 2 the directors becoming aware of a Deemed Transfer Event,
- (whichever is applicable) serve notice in writing (the **Offer Notice**) to the Remaining Shareholders offering the Sale Shares for sale to them in proportion (or as nearly as may be) to the number of shares held by them respectively
- 6 3 The Offer Notice shall
- 6 3 1 state the Sale Price (or, if applicable, confirm that the independent accountants have been instructed to certify the Value),
- 6 3 2 invite each Remaining Shareholder to
- (a) accept the offer before the later of
- (i) the date specified in the Offer Notice, or
- (ii) if applicable, 14 days after the date on which a copy of the certificate of Value is given by the Company to the Shareholders in accordance with clause 9 4, and
- (b) invite each Remaining Shareholder to specify
- (i) how many of the Sale Shares offered to him he wishes to purchase, and
- (ii) in the event that all the Remaining Shareholders do not accept the offer in respect of their respective proportions in full,

whether he wishes to purchase in excess of his proportion and, if so, how many (the **Excess Claim**)

6 4 For the purposes of paragraph 6 3 2(b) an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. If all the Remaining Shareholders do not accept the offer in respect of their respective proportions in full, the shares not so accepted shall be used to satisfy the Excess Claims in proportion (or as nearly as may be) to the number of shares already held by them respectively, provided that no Remaining Shareholder shall be obliged to take more shares than identified in his own Excess Claim.

6 5 If any shares are not capable of being offered to the remaining shareholders in proportion to their existing holdings without involving fractions, the same shall be offered to the shareholders, or some of them, in such proportions, or in such manner, as may be determined by lots drawn and the lots shall be drawn in such manner as the remaining shareholders shall see fit.

6 6 If some or all of the Sale Shares are not accepted by the remaining shareholders then the Company may, within 14 days of the expiry of the appropriate period specified in paragraph 6 3 2, offer the Sale Shares not so accepted for sale to the following persons in the following order at the Sale Price or, if it has been certified pursuant to paragraph 7, the Value:

6 6 1 to itself for the purchase of its own shares (provided it may lawfully do so),

6 6 2 a third party or parties (the **Third Party(ies)**) approved by the board of directors of the Company and the holders of the whole of the issued voting share capital of the Company held by the Remaining shareholders,

and each such offer shall be open for acceptance by the relevant person for a period of 30 days from the date of the said offer.

6 7 If the Company has found buyers for all of the Sale Shares (but not some only) in accordance with paragraphs 6 2 to 6 6 the Company shall, not later than 7 days after the expiry of the appropriate offer periods specified in those paragraphs, give notice in writing (the **Sale Notice**) to the Seller specifying the remaining shareholders and the number of shares they wish to purchase and the Seller shall be bound, upon payment of the Sale Price or Value (as appropriate) to transfer the Sale Shares to the Remaining shareholders.

6 8 If the Seller defaults in his obligations under paragraph 6 7 the Company may receive the purchase monies on his behalf and may authorise some person to execute transfers of the Sale Shares in favour of the Remaining shareholders. The receipt of the Company for the purchase monies shall be a good discharge to the buyers. The Company shall pay the purchase monies into a separate bank account.

6 9 If the Company does not give a Sale Notice to the Seller within the time specified in paragraph 6 7, the Seller may, during the period of 60 days following the expiry of the time so specified, transfer all of the Sale Shares to any person or persons but so that such transfer shall not take place at less than the Sale Price or, if it has been certified pursuant to paragraph 7, the Value but only to person(s) approved by the directors which shall not be unreasonably withheld.

6 10 In the application of Regulations 29 to 31 (inclusive) of Table A to the Company, any person becoming entitled to a share in consequence of the death or bankruptcy of a Shareholder may elect to be registered as the Shareholder himself or execute any transfer of the shares, if

6 10 1 all the Remaining Shareholders agree, or

6 10 2 if the Company shall not have received acceptances for all the Sale Shares after the expiry of 120 days from the date on which that person became so entitled

7 TAG ALONG RIGHTS

7 1 If any Shareholder, on his own or acting in concert (within the meaning of the edition of the City Code on Take-overs and Mergers current at the relevant time) with one or more other shareholder, proposes to sell or transfer, in one or a series of related transactions, Shares greater than 50% of all the Shares in issue at the time of the proposed sale or transfer (the **Proposing Seller**) to any person other than another Shareholder or a permitted transferee pursuant to Article 5 the Proposing Seller shall procure, before the sale or transfer, that each proposed purchaser makes a bona fide written offer (**Tag Along Offer**) to each of the other Shareholder (each a **Non-selling Party**) to buy that proportion of each Non-selling Party's Shares which is equal to the proportion represented by the number of Shares which the Proposing Seller is proposing to sell as against all the Shares held by the Proposing Seller at the time of the proposed sale or transfer for the same price per Share and otherwise on the same terms and conditions as those applying to the proposed sale or transfer by the Proposing Seller of his Shares

7 2 Each Tag Along Offer shall specify

7 2 1 the price for the relevant Shares and any other principal terms and conditions of the proposed sale or transfer, and

7 2 2 the period (being not less than 25 days from service of the Tag Along Offer) for acceptance by each Non-selling Party

7 3 If within the period specified in each Tag Along Offer any Non-selling Party accepts the offer in writing, then the Proposing Seller shall procure that the sale by that Non-selling Party of his relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Proposing Seller's Shares

7 4 Any acceptance by a Non-selling Party of a Tag Along Offer shall be irrevocable, but no sale of that Non-selling Party's Shares pursuant to its acceptance shall take place unless and until the sale of the Proposing Seller's Shares is completed

8 DRAG ALONG RIGHTS

8 1 The provisions of this Article 8 shall apply if any Shareholder (on his own or acting in concert with one or more other Shareholders) (each a **Selling Shareholder**) proposes to sell or transfer Equity Shares (**Sale Shares**) that in aggregate constitute 60% or more of all the Equity Shares in issue at the time of the proposed sale or transfer as part of a bona fide

arm's length transaction to any person other than another Shareholder or a permitted transferee pursuant to Article 5

- 8 2 The Selling Shareholder may (but shall not be obliged to) give to the Company not less than 25 days' prior written notice of that proposed sale or transfer. That notice (**Sale Notice**) will include details of the Sale Shares and the proposed price per Sale Share to be paid by the proposed buyer (**Proposed Buyer**), details of the Proposed Buyer and the place, date and time of completion of the proposed purchase being a date not less than 25 days from service of the Sale Notice (the **Drag Along Completion**). Any Sale Notice received by the Company less than 25 days before the proposed date of the Drag Along Completion shall be ineffective.
- 8 3 Immediately upon receipt of a Sale Notice, the Company shall give notice in writing (**Drag Along Notice**) to each of the Shareholders (other than the Selling Shareholder) giving the details contained in the Sale Notice and requiring each of them to sell to the Proposed Buyer at the Drag Along Completion all Shares held by them (and any of their permitted transferees to which Shares have been transferred pursuant to Article 5), provided that the Selling Shareholder may withdraw a Sale Notice at any time prior to the Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect.
- 8 4 Each Shareholder who is given a Drag Along Notice shall, in the event of the proposed sale or transfer proceeding, sell (or procure the sale of) all the Shares referred to in his Drag Along Notice to the Proposed Buyer on the Drag Along Completion at the highest price per Sale Share proposed by the Proposed Buyer, or, if higher, at which Shares have been purchased by the Proposed Buyer or any person acting in concert with the Proposed Buyer during the period of six months prior to the date of the Sale Notice and otherwise on terms no less favourable than those applicable to the sale of Shares by the Selling Shareholder.
- 8 5 If any of the Shareholders or their permitted transferees pursuant to Article 5 (each a **Defaulting Shareholder**) shall fail to comply with the terms of Article 8 4 in any respect
- 8 5 1 the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his Shares (together with all rights then attached to those Shares) referred to in his Drag Along Notice in accordance with that notice,
- 8 5 2 the Board may authorise a Director to execute and deliver on behalf of each Defaulting Shareholder the necessary transfers,
- 8 5 3 the Company may receive the purchase money in trust for each Defaulting Shareholder and cause the Proposed Buyer to be registered as the holder of such Shares,
- 8 5 4 the receipt by the Company of the purchase money pursuant to those transfers shall constitute a good and valid discharge to the Proposed Buyer (who shall not be bound to see to the application of those monies),

- 8 5 5 after the Proposed Buyer has been registered in purported exercise of the powers in this Article 8 5, the validity of the proceedings shall not be questioned by any person, and
- 8 5 6 the Company shall not pay the purchase monies to a Defaulting Shareholder until he shall, in respect of the shares subject to the Drag Along Notice, have delivered a share certificate or a suitable indemnity and the necessary transfers to the Company
- 8 6 The expression **price per Sale Share** used in Articles 8 2 and 8 4 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the specified Shares, and in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding
- 9 VALUE**
- 9 1 Any Shareholder may, not later than 7 days after the date of the Offer Notice, serve on the Company a notice in writing requesting that the independent accountants for the time being of the Company certify the value (the **Value**) of the Sale Shares in accordance with paragraph 9 2
- 9 2 The Company shall, on receipt of a notice pursuant to paragraph 9 1 and otherwise upon the directors becoming aware of a Deemed Transfer Event, instruct its independent accountants to certify the Value using the following principles
- 9 2 1 on the assumption that the Sale Shares are sold on an arms length basis between a willing seller and a willing buyer free of all restrictions, liens, charges and other encumbrances,
- 9 2 2 valuing all assets owned by the Company at their current market value at the date used for valuation in paragraph 9 2 4 (based on continuing use for the purpose for which they are then used by the Company),
- 9 2 3 having regard to the value of the business of the Company and its subsidiaries (if any) but without taking into account (if it be the case) that the Sale Shares constitute a majority or minority interest but on the basis that each share shall be valued by adopting the value of the Company calculated in accordance with this paragraph 9 2 and dividing such value by the total number of issued shares in the capital of the Company, and
- 9 2 4 on the assumption that the sale is taking place on the date of the Transfer Notice or, if applicable, the date of the Deemed Transfer Event

- 9 3 The independent accountant shall be regarded as acting as expert and not arbitrator and in the absence of fraud or manifest error, his written determination will be binding upon all parties and he will be under no liability to any person by reason of the determination or for anything done or omitted to be done by him for the purpose of it or in connection with it
- 9 4 The Company shall, within 7 days of receipt of the same, serve on all the Shareholders (including the Seller) a copy of the certificate of Value produced by the independent accountant
- 9 5 The Seller may, except where the Transfer Notice is deemed given under paragraph 4, within 7 days of service of a copy of the certificate of Value on the shareholders, withdraw the Transfer Notice by notice in writing to the Company

