

Company No 06198898

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

RESOLUTION

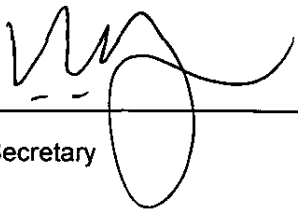
- of -

FINNCAP LTD (the "Company")

The following resolution was duly passed as a Special Resolution at the Annual General Meeting of the Company held at 4 Coleman Street, London EC2R 5TA at 5 p m on 2nd September 2010 -

Special Resolution

THAT the articles of association appended to this Resolution and initialled by the Chairman for identification be and hereby are adopted by the Company in substitution for the existing articles of association of the Company



Company Secretary

TUESDAY



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07/09/2010
COMPANIES HOUSE

No. 06198898

The Companies Acts 1985 and 2006

Company Limited by Shares

ARTICLES OF ASSOCIATION

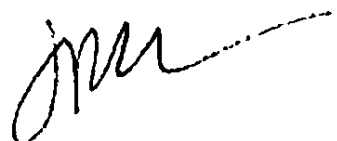
OF

finnCap Ltd

(Adopted by Special Resolution passed on 2 September 2010)

ROSENBLATT
9-13 St Andrew Street
London
EC4A 3AF
Tel: 020 7955 0880
Fax: 020 7955 0888

Ref: DPJF/JMF1-6

A handwritten signature in black ink, appearing to be 'JM', is written over the contact information of Rosenblatt.

No. 06198898

The Companies Acts 1985 and 2006

Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

finnCap Ltd

1 Preliminary

1.1 Except as otherwise provided in these Articles, the regulations contained or incorporated in Table A shall apply to the Company. Regulations 32 and 34 of Table A shall not apply to the Company

1.2 These Articles and the regulations incorporated in them shall take effect subject to the requirements of the 1985 Act and the 2006 Act and of every other statute for the time being in force affecting the Company.

1.3 In these Articles, unless the context otherwise requires, the following words and expressions shall have the following meanings

"**1985 Act**" means the Companies Act 1985 but so that any reference in these Articles to any provision of the 1985 Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

"**2006 Act**" means the Companies Act 2006 but so that any reference in these Articles to any provision of the 2006 Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

"**Acts**" means the 1985 Act and the 2006 Act.

"**Approved Offer**" means an arms' length bona fide offer in writing for all the Shares at the Approved Price and on equal terms as those offered by the Offeror and which:

- (a) is stipulated to be open for acceptance for at least 21 days;
- (b) includes an undertaking by the Offeror that neither it nor persons acting by agreement or understanding with it have entered into or have agreed more favourable terms with any other Shareholder for the purchase of Shares; and
- (c) provides for all arrears of dividend to be paid.

"Approved Price" means a sum equal to.

- (a) the consideration (in cash or otherwise) per Share equal to that offered by the Offeror; and
- (b) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Shareholders which, having regard to the substance of the transaction as a whole, can be reasonably regarded as an addition to the price paid or payable by the Offeror.

"Articles" means these articles of association as properly amended from time to time.

"Bad Leaver" means a Departing Employee Shareholder who is not a Good Leaver.

"Board" means the board of directors of the Company from time to time.

"Capital Adequacy Rules" means the general requirements for capital resources for investment firms set out in Chapter 2.2 of the General Prudential Sourcebook (GENPRU) of the Financial Services Authority Handbook (as may be amended from time to time).

"Chairman" means the chairman for the time being of the Company.

"Chargeholder" means the holder of any Encumbrance.

"Commencement Date" means the earlier of:

- (a) the date of commencement of the appointment, employment or engagement of a Shareholder, or
- (b) the date on which a Shareholder's details are entered into the Company's register of members.

"communication" includes a communication comprising sounds or images or both and a communication effecting a payment

"Company" means finnCap Ltd

"Competitor" means any person or body (whether or not a body corporate) who competes (directly or indirectly) with the business of the Group or the Company's holding Company.

"Controlling Interest" means an interest (within the meaning of sections 820 to 823 inclusive of the 2006 Act) in shares conferring in aggregate 50% or more of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue

"Departing Employee Shareholder" means an Employee Shareholder who ceases to be a consultant, a director or an employee of the Company or any other Group Company and does not continue as, or thereupon become, a consultant, a director or employee of any other Group Company

"Directors" means the directors from time to time of the Company.

"electronic communication" means a communication transmitted (whether from one person to another, from one device to another or from a person to a device and vice versa).

- (a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984), or
- (b) by any other means but while in electronic form.

"Employee Benefit Trust" means one or more trusts to be established by the Directors to encourage or facilitate the holding of shares in the Company by bona fide full-time employees of the Company or by any section of such employees, the trustees of which shall be such persons as the Directors shall agree.

"Employee Shareholder" means

- (a) a Shareholder who is or has been a consultant, a director and/or an employee of any Group Company; or
- (b) a person who is or has been a consultant, a director and/or an employee of any Group Company and whose Privileged Relation or Family Trust or nominee is a Shareholder

"Employees' Share Scheme" means any "employees' share scheme" (as that term is defined in section 1166 of the 2006 Act) adopted by the Directors or the Company.

"Encumbrance" means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect but excluding any Encumbrance arising solely by virtue of the provisions of these Articles

"Fair Price" means the price per Ordinary Share as calculated in accordance with Article 11.2.

"Family Trust" means a trust under which no immediate beneficial interest in the Shares in question is for the time being or may in the future be vested in any person other than the Shareholder concerned or a Privileged Relation of such Shareholder and no power of control over the voting powers conferred by such Shares is for the time being exercisable by or subject to the consent of any person other than the trustee or trustees or the Shareholder concerned or a Privileged Relation of such Shareholder

"Good Leaver" means a Departing Employee Shareholder whose cessation of employment, contract for services or appointment occurs due to

- (a) death, illness, disablement or retirement at normal retirement age (or retirement otherwise approved by the Directors), or
- (b) as a result of a dismissal held by a tribunal of competent jurisdiction to be

unfair or wrongful, or

- (c) the voluntary resignation of a consultant, a director or an employee who has been an employee for not less than 3 years and who has resigned to take up an appointment or employment with another employer who does not (and is not part of a larger group which) directly or indirectly compete(s) with the business of the Company, its holding company or any other subsidiary of such holding company

"Group" means the Company and its subsidiaries for the time being and **"Group Company"** means any of them

"Independent Expert" means an umpire, acting as an expert and not as an arbitrator nominated by the parties concerned and 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, save in the case of manifest error, be final and binding on the parties

"Listing" means the admission of any part of the equity share capital of the Company to the Official List of the UK Listing Authority or the grant of permission by the Financial Services Authority to deal in any of the Company's shares on the Alternative Investment Market of the London Stock Exchange or on any recognised investment exchange (as defined by section 285, Financial Services and Markets Act 2000) and such permission becoming effective

"Maximum" has the meaning ascribed to that term in Article 11.5

"Offered Shares" has the meaning ascribed to that term in Article 11.1

"Offeror" has the meaning ascribed to that term in Article 14.1

"Ordinary Shares" means ordinary shares of £0.01 each in the capital of the Company, having the rights and obligations set out in these Articles

"Preference Shares" means perpetual non-cumulative redeemable preference shares of £0.01 each in the capital of the Company, having the rights and obligations set out in these Articles.

"Privileged Relation" means in relation to a Shareholder, the spouse or widow or widower of the Shareholder and the Shareholder's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Shareholder's children

"Proposing Transferor" has the meaning ascribed to that term in Article 11.1

"Purchasers" has the meaning ascribed to that term in Article 11.6 and **"Purchaser"** has a corresponding meaning.

"Relevant Shares" means in relation to an Employee Shareholder all Shares in the Company held by

- (a) the Employee Shareholder in question, and
- (b) his Privileged Relations and Family Trusts other than those Shares held by Privileged Relations that the Directors are satisfied were not acquired directly or indirectly from the Employee Shareholder or by reason of their relationship with the Employee Shareholder.

"Restricted Shareholder" means a Departing Employee Shareholder and all Shareholders who are such Departing Employee Shareholder's Privileged Relations and/or trustees holding shares in the Company on behalf of the Departing Employee Shareholder's Family Trusts (other than in respect of Shares that the Directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Departing Employee Shareholder or (ii) by reason of their connection with the Departing Employee Shareholder).

"Restricted Shares" has the meaning ascribed to that term in Article 10.2.

"Shareholders" means the holders of Shares from time to time and **"Shareholder"** means any one of them

"Shares" means Ordinary Shares and Preference Shares in the capital of the Company and any reference to a **"Share"** shall mean to any one of them.

"Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 and as otherwise amended by all statutes or regulations coming in to force prior to the adoption of these Articles

"Tax-Approved Share Option Plan" means an Employees' Share Scheme approved by HM Revenue & Customs under Schedule 4, Income Tax (Earnings and Pensions) Act 2003.

"Termination Date" means

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee Shareholder dies, the date of his death,
- (d) where the Employee Shareholder concerned is a consultant and/or a director but not an employee, the date on which his contract for services or appointment with the Company is terminated, and
- (e) in any other case, the date on which the contract of employment is terminated.

"Transfer Notice" has the meaning given in Article 11.1

1 4 References in these Articles to:

- (a) **"employees"** shall (unless the context otherwise requires) be deemed to include consultants and Directors and contracts of, commencement or cessation of, employment shall include contracts of, commencement or cessation of, consultancy or directorship; and
- (b) **"subsidiary"** and **"holding company"** are as defined in section 1159 of the 2006 Act.

1.5 The headings to these Articles do not affect the construction of these Articles.

1.6 A person shall be deemed to be connected with another if that person is connected with another within the meaning of section 839, Income and Corporation Taxes Act 1988.

2. Limited Liability and Share capital

2 1 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.

2.2 The issued share capital of the Company at the date of adoption of these Articles is £1,300,000 divided into 100,000,000 Ordinary Shares and 30,000,000 Preference Shares

3. Issue of shares

3.1 Subject to Article 3.4, the Directors are generally and unconditionally authorised for the purposes of section 551 of the 2006 Act and generally to exercise any power of the Company to:

- (a) offer or allot,
- (b) grant rights to subscribe for or to convert any security into,
- (c) otherwise deal in, or dispose of,

any shares in the Company to such persons, on such terms and in such manner as they think fit, up to an aggregate nominal amount of £300,000 at any time or times during the period of five years from the date of the adoption of these Articles.

3.2 The authority contained in Article 3 1 shall enable the Directors to allot relevant securities after the expiry of this period of five years pursuant to an offer or agreement made by the Company before the expiry of this period.

3.3 Pursuant to section 570 of the 2006 Act, the Directors are hereby given power to allot equity securities (within the meaning of section 560 of the 2006 Act) pursuant to the general authority contained in Article 3 1 as if section 561 of the 2006 Act did not apply to the allotment provided that

- (a) the maximum number of equity securities that may be issued in each calendar year may not exceed 5% of the ordinary issued share capital of the Company as

at 1 January in the relevant calendar year; and

- (b) the authority and/or the restriction contained in this Article 3.3 may be varied or overridden in relation to any allotment or issue by a special resolution of the Company

3.4 Subject to Article 3.3 and Article 3.6, unless otherwise determined by the Company by special resolution, any Shares for the time being unissued shall, before they are issued, be offered to the existing holders of Shares in proportion, as nearly as may be practicable to the number of existing Shares held by them respectively. The offer shall be made by notice in writing to each such Shareholder specifying the number of Shares offered to him and the subscription price for them and inviting him to state in writing within such period as the Directors may prescribe (being not less than 21 days after the date of the notice) whether he wishes to accept any, and if so what number, of Shares offered to him and whether he wishes to subscribe for Shares offered in excess of his entitlement and, if so, what maximum number. If within such period, such Shareholders have expressed their willingness to accept all or any of the Shares offered to them, those Shares shall be so issued to them accordingly. Any Shares so offered to any such holder and not taken up within such period shall be issued to those Shareholders who have taken up their full entitlement of Shares and who have indicated a willingness to subscribe for excess Shares as aforesaid and such issue shall be in proportion, as nearly as may be practicable, to the number of excess Shares which they have each expressed a willingness to take up, but subject to the limitation that no Shares shall be issued to any such holder in excess of the maximum number which he has expressed a willingness to subscribe.

3.5 Any Shares not taken up pursuant to the offers set out in Article 3.4 and any Shares released from the provisions of that Article by any special resolution shall be under the control of the Directors who may allot, grant options over or otherwise dispose of them to such persons on no more favourable terms to the subscribers for them than the terms on which they were offered to the Shareholders.

3.6 For the avoidance of doubt, the rights of pre-emption contained in this Article 3 shall not apply.

- (a) in relation to the allotment of bonus shares,
- (b) to a particular allotment of equity securities if these are, or are to be, wholly or partly paid up otherwise than in cash, or
- (c) to the allotment of securities that would, apart from any renunciation or assignment of the right to their allotment, be held under an Employees' Share Scheme.

4. Rights attaching to Shares

4.1 *Income*

(a) *Ordinary Shares*

- (i) Subject always to Article 4.1(a)(ii), any profits which the Directors in

their sole discretion decide shall be distributed in any financial year or period shall be distributed by way of dividend amongst the holders of Ordinary Shares pro rata according to the amount for the time being paid up on them.

- (ii) The Company shall not make (and each holder of Ordinary Shares hereby acknowledges and agrees that the Company shall not make) any distribution at any time if any such distribution would breach any of the Capital Adequacy Rules.

(b) ***Preference Shares***

The holders of Preference Shares shall not be entitled to any dividend.

4.2 ***Capital***

On a return of assets on liquidation or capital reduction or otherwise (except upon the Redemption of Shares of any class or the purchase by the Company of its own shares), the assets of the Company available for distribution amongst Shareholders after payment of its liabilities shall be distributed amongst the holders of Preference Shares and Ordinary Shares pro rata according to the amount for the time being paid up on them.

4.3 ***Voting***

(a) ***Ordinary Shares***

Subject to Article 10 2, each holder of Ordinary Shares shall have the right to receive notice of and attend and vote at any general meeting of the Company. Each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll to one vote for each Ordinary Share held by him.

(b) ***Preference Shares***

Each holder of Preference Shares shall have the right to receive notice of and attend at any general meeting of the Company but shall not be entitled to vote.

4.4 ***Preference Shares Non-Redeemable***

- (a) Notwithstanding any previous terms of issue, the Preference Shares shall be non-redeemable with effect from the adoption of these Articles.

5 ***Changes to share capital***

5.1 The Company may increase the share capital by allotting new shares in accordance with Part 17 of the 2006 Act

5.2 The Company may by ordinary resolution

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares,

- (b) sub-divide its shares, or any of them, into shares of a smaller amount than its existing shares.

5.3 The Company may by ordinary resolution redenominate all or any of its shares in accordance with section 622 of the 2006 Act and by special resolution reduce its share capital in accordance with section 626 of the 2006 Act in connection with such a redenomination.

5.4 Subject to compliance with the Capital Adequacy Rules the Company may by special resolution reduce its share capital and any share premium account in accordance with Chapter 10 of Part 17 of the 2006 Act

6. Variation of class rights

Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with the consent in writing of the holders of 75% of the issued shares of that class

7 Lien and Encumbrances over Shares

7.1 The lien conferred by Regulation 8 of Table A shall attach also to fully paid-up Shares and the Company shall also have a first and paramount lien on all Shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company for all moneys presently payable by him or his estate to the Company.

7.2 A Shareholder may only permit any Encumbrance to be created over any of his shares or allow any Encumbrance to continue if:

- (a) he has previously notified the Company in writing of his intention to do so,
- (b) the Company has approved the granting of the Encumbrance: and
- (c) that Encumbrance is granted in favour of any Lender in respect of sums loaned to that Shareholder for the sole purpose of acquiring Shares in the Company.

In the event that any of these conditions is breached, then unless the Encumbrance is cancelled, discharged or otherwise removed within 14 days the Shareholder will immediately after the expiry of such 14 day period be deemed to have given a Transfer Notice in respect of all the Shares registered in his name at a price per share which is the lower of the Fair Price agreed (or adjudged by the Independent Expert in accordance with Article 11.2) and 5p per Ordinary Share.

8. Permitted transfers

8.1 *Transfers to family members, trusts and nominees*

- (a) Any Shareholder, being an individual, (or the legal personal representatives of a deceased Shareholder) may at any time transfer the Shares held by him to a Privileged Relation or to the trustees of his Family Trust

- (b) The trustees of a Family Trust may:
 - (i) on change of trustees, transfer Shares held by them in their capacity as trustees to the new trustees of that Family Trust, and
 - (ii) transfer any Shares held by them in that capacity to a person who has an immediate beneficial interest under the Family Trust.
- (c) Shares may be transferred by any Shareholder to a person to hold them as his nominee but any transfers by such nominees shall be subject to the same restrictions as though they were transfers by the original Shareholder himself
- (d) Shares may be transferred without restriction by a nominee to their beneficial owner or to another nominee of the beneficial owner.
- (e) If any trust whose trustees hold Shares ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and shall (at their discretion) either forthwith transfer the Shares held by them back to the original Shareholder or forthwith give a Transfer Notice in respect of those Shares and, if the trustees either fail to transfer such Shares to the original Shareholder or fail to give a Transfer Notice in accordance with this Article 8.1(e), they shall be deemed to have served the Company with a Transfer Notice in respect of those Shares. The provisions of Article 11 shall apply to any Transfer Notice given or deemed to have been given under this Article as if the Shares held by the Family Trust were Offered Shares.

8.2 *Transfers by corporate shareholders*

- (a) A corporate member may at any time transfer Shares to its ultimate holding Company or to any other subsidiary of its holding Company.
- (b) If a corporate member holding shares transferred to it under Article 8.2(a) ceases to be a member of the same group of companies as the original corporate member who held them, the corporate member then holding those shares shall without delay notify the Company that this event has occurred and either transfer the shares to the original corporate member or shall give a Transfer Notice in respect of all of its Shares. If the corporate member fails to give a Transfer Notice within 14 days of ceasing to be a member of the same group of companies, it shall be deemed to have served the Company with a Transfer Notice in respect of them within 14 days of the Company giving notice to the corporate member of the change in its group status.

8.3 *Transfers with Board approval*

Notwithstanding any other provision of these Articles, a transfer approved unanimously by the Board may be made of any Ordinary Shares without restriction as to price or otherwise and any such transfer shall be registered by the Directors

8.4 *Transfers to and from an Employee Benefit Trust*

Any Shareholder (or the legal personal representatives of a deceased Shareholder) may

at any time transfer Shares to the trustees of an Employee Benefit Trust and the trustees of an Employee Benefit Trust may transfer any Shares:

- (a) upon change of trustees, to the new or remaining trustee or trustees for the time being of such Employee Benefit Trust, and
- (b) to any bona fide employees of the Company on their becoming entitled to the same under the terms of such Employee Benefit Trust.

9. Deceased and bankrupt shareholder provisions

9.1 Regulations 29, 30 and 31 of Table A shall be applied subject to the provisions of Article 9.2 and Article 14.

9.2 A person entitled to Shares in consequence of the death or bankruptcy or other insolvency of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such Shares, and if such person fails to give a Transfer Notice within 7 days of being required to do so, he shall be deemed to have served the Company with a Transfer Notice on the date on which the Directors required the Transfer Notice to be given in respect of all of the Shares registered in his name. The provisions of Article 11 shall apply to any Transfer Notice given or deemed to have been given under this Article as if all of the Shares shown in his name in the Company's register of members were Offered Shares.

10. Compulsory transfers

10.1 *Mandatory transfer on cessation of employment*

- (a) If an Employee Shareholder becomes a Departing Employee Shareholder, the relevant Restricted Shareholder(s) shall (unless a minimum of 75% of the Board otherwise agrees) be deemed to have served a Transfer Notice on the relevant Termination Date in respect of all of his Relevant Shares and shall be treated as a Proposing Transferor for the purposes of Article 11.
- (b) Should a former employee, director or consultant of any Group Company become a Shareholder after cessation of his employment or appointment for any reason, such former employee, director or consultant will be treated as a Departing Employee Shareholder and, the Transfer Notice will be deemed to have been served on the date when the former employee, director or consultant acquired the Shares as opposed to the relevant Termination Date

10.2 *Restriction of voting rights*

- (a) All voting attached to Relevant Shares held by a Departing Employee Shareholder and his Privileged Relations and Family Trusts shall on the Departing Employee Shareholder's Termination Date forthwith be suspended
- (b) Such Relevant Shares whose voting rights are suspended pursuant to Article 10.1(a) ("**Restricted Shares**") shall confer on the holders the right to receive notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy provided always that immediately

prior to a Listing (but conditionally upon such Listing proceeding) all such voting rights shall be automatically restored. If a Restricted Shareholder transfers any Restricted Shares in the Company in accordance with these Articles to a person to whom the Directors declare themselves satisfied is not also a Restricted Shareholder, all voting rights attached to Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored and such Shares shall cease to be Restricted Shares.

10.3 Calculation of Share price in relation to Departing Employee Shareholders

- (a) If the Departing Employee Shareholder is a Good Leaver, the price at which his Relevant Shares shall be offered will be the Fair Price as at the date on which the Transfer Notice is served or deemed to have been served
- (b) In the event that the Departing Employee Shareholder is a Bad Leaver and (save for any Bad Leaver who has been grossly negligent or committed fraud in which case Articles 10.3(b)(ii)-(iv) inclusive shall not apply to that Bad Leaver):
 - (i) less than 4 years have elapsed from the date of issue of his Relevant Shares then the Restricted Shareholder(s) shall be entitled to receive, in respect of those Relevant Shares which are transferred in accordance with Article 11, the lower of 5p per Ordinary Share and the Fair Price agreed (or adjudged by the Independent Expert) as at his Termination Date,
 - (ii) a minimum of 4 years have elapsed from the date of issue of his Relevant Shares, then the Restricted Shareholder(s) shall be entitled to receive, in respect of any of his Relevant Shares which are transferred in accordance with Article 11

the aggregate of 5p per Ordinary Share and 50% of the difference (if any) between 5p and the Fair Price for his Relevant Shares agreed (or adjudged by the Independent Expert) as at his Termination Date
 - (iii) a minimum of 5 years have elapsed from the date of issue of his Relevant Shares, then the Restricted Shareholder(s) shall be entitled to receive, in respect of any of his Relevant Shares which are transferred in accordance with Article 11,

the aggregate of 5p per Ordinary Share and 75% of the difference (if any) between 5p and the Fair Price for his Relevant Shares agreed (or adjudged by the Independent Expert) as at his Termination Date
 - (iv) a minimum of 6 years have elapsed from the date of issue of his Relevant Shares then the Restricted Shareholder(s) shall be entitled to receive, in respect of any of his Relevant Shares which are transferred in accordance with Article 11,

the Fair Price for his Relevant Shares (agreed or adjudged by the Independent Expert) as at his Termination Date

- (c) In the event that the Fair Price of the Relevant Shares held by a Restricted Shareholder(s) where the Departing Employee Shareholder is a Bad Leaver is agreed or adjudged by the Independent Expert to be less than 5p he shall only receive the Fair Price.
- (d) For the avoidance of doubt, the Restricted Shareholder shall only be entitled to receive any sums for his Relevant Shares if Purchasers have been found for his shares in accordance with Article 11. In the event that some or all of his Relevant Shares are not taken up by any person in accordance with Article 11, then the Restricted Shareholder(s) shall remain a Shareholder but the rights attached to his Relevant Shares shall continue to be restricted in accordance with Article 10.2.
- (e) Irrespective of whether the Departing Shareholder is a Good Leaver or a Bad Leaver, in the event that there is an Encumbrance over any of the Shares held by the Restricted Shareholder(s) then the Board shall be entitled to require repayment in full of any indebtedness owed by the Restricted Shareholder(s) to the person having the benefit of the Encumbrance and to have received a duly signed deed of release from the person having the benefit of the Encumbrance (or other satisfactory form of release in the sole discretion of the Board) prior to any transfer of Shares being made. In the event that any Encumbrance is not released in full by any the person having the benefit of the Encumbrance in view of the outstanding indebtedness of the Restricted Shareholder(s), then the Board will be entitled to discharge that indebtedness out of any sums due to the Departing Employee Shareholder pursuant to this Article 10.3 or otherwise any due to him by any Group Company and accordingly any sums due to that Departing Employee Shareholder shall be reduced by the same amount

10.4 *Purported transfer of Shares*

If a Shareholder attempts to transfer any Share or the beneficial interest in any Share at any time other than as provided in Articles 8, 9, 11, 13 or 14 he shall be deemed to have forthwith given a Transfer Notice in respect of all the Shares registered in his name. The provisions of Article 11 shall apply to any Transfer Notice given or deemed to have been given under this Article as if the Shares held by the Shareholder were Offered Shares at 5p per Ordinary Share.

10.5 *Mandatory transfer on loan default*

If any Shareholder has received a loan in order to allow him to subscribe for Shares in the Company and (in accordance with Article 7.2) he has granted an Encumbrance over his Shares in respect of loaned amounts, in the event that any Shareholder defaults on the terms of his loan and the person having the benefit of the Encumbrance seeks to enforce that Encumbrance, then:

- (a) the Shareholder will immediately be deemed to have served a Transfer Notice in respect of all of his Shares at 5p per Ordinary Share, and

(b) the provisions of Article 10 3(e) above will apply.

11. Transfer Notice procedure

11.1 Save for transfers of Shares pursuant to Article 8 no Shareholder (or person entitled to Shares in the Company by transmission) wishing to transfer all or part of the Shares held by him (the "**Proposing Transferor**") may do so other than in accordance with the provisions of this Article 11. The Proposing Transferor shall make this offer by giving notice in writing to the Company (a "**Transfer Notice**") which shall specify the number of Shares offered (the "**Offered Shares**"). The Proposing Transferor shall only be entitled to offer the Shares at the Fair Price calculated in accordance with Article 11.2 below

11.2 Calculation of Fair Price

- (a) The Fair Price shall be such price as the transferor and the Board shall agree within ten Business Days of the date of the deemed Transfer Notice or, failing such agreement, such price as the Independent Expert shall determine pursuant to Article 11.2(b).
- (b) If the Fair Price falls to be determined by the Independent Expert:
 - (i) the Company shall immediately instruct the Independent Expert to determine the Fair Price on the basis which, in their opinion, represents a fair price for the Proposing Transferor's Shares at the date of the Transfer Notice as between a willing seller and a willing buyer and, in making such determination, the Independent Expert shall take account of whether the Proposing Transferor's Shares comprise a majority or minority interest in the Company and the fact that their transferability is restricted by these Articles (but, for the avoidance of doubt, ignoring the fact that such Proposing Transferor's Shares can be subject to the compulsory transfer requirements of Articles 10 (Compulsory transfers) and 15 (Drag Along Rights)),
 - (ii) the Independent Expert shall certify the Fair Price as soon as possible after being instructed by the Company and in so certifying the Independent Expert the Arbitration Act 1996 shall not apply;
 - (iii) the certificate of the Independent Expert shall, in the absence of manifest error, be final and binding; and
 - (iv) 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 Proposing Transferor
- (c) Notwithstanding any provisions of this Article 11, if the Transfer Notice is deemed to have been given in accordance with Article 10, the price at which the Shares are offered shall be determined by the status of the Proposing Transferor as a Good or Bad Leaver in accordance with Article 10.

- 11.3 The Transfer Notice shall constitute the Directors as the agent of the Proposing Transferor for the sale of the Offered Shares in accordance with the provisions of this Article 11. The Transfer Notice may not be revoked unless a minimum of 75% of the Directors so agree.
- 11.4 On receipt by the Company of the Transfer Notice or in the case of a deemed Transfer Notice, as soon as reasonably practicable after the Directors are aware that such a Transfer Notice is deemed to have been given, the Directors shall first offer the Shares that are the subject of the Transfer Notice to the Company for re-purchase and cancellation, but if the Company cannot buy back such Shares within 20 Business Days or does not wish to buy back such Shares, then unless the board unanimously decide otherwise they shall be offered to an Employee Benefit Trust. Any Shares not offered to an Employee Benefit Trust or not sold to an Employee Benefit Trust within 10 Business Days of their being offered to such Employee Benefit Trust shall unless the board unanimously decide otherwise be made available, in order of priority, to the Employee Shareholders, any other Shareholders and/or the Company and others as provided in the following Articles 11.5 to 11.13
- 11.5 As soon as the Offered Shares become available to be offered to Employee Shareholders, the Directors shall as soon as practicable give notice to all the Employee Shareholders (other than the Proposing Transferor) holding Shares of the number and description of the Offered Shares and the Fair Price. The notice shall invite each of the Employee Shareholders to state in writing to the Company within 30 days whether he is willing to purchase any, and if so what maximum number ("**Maximum**"), of the Offered Shares. The Directors shall at the same time give a copy of the notice to the Proposing Transferor.
- 11.6 On the expiration of the 30 day period referred to in Article 11.5 or the date (if earlier) on which all Employee Shareholders have responded the Directors shall allocate the Offered Shares to or amongst the Employee Shareholders who have indicated that they wish to purchase the Offered Shares ("**Purchasers**").
- 11.7 Each allocation of Shares shall in the case of competition be made pro rata to the nominal amount of Shares held by him but shall not exceed the Maximum which such holder shall have expressed a willingness to purchase.
- 11.8 If the Directors have not found Purchasers in respect of all the Offered Shares pursuant to Articles 11.4 and 11.6, then any remaining Offered Shares may, at the sole discretion of the Directors, for a further period of 30 days following the expiry of the 30 day period, referred to in Article 11.6, be offered first to any other Shareholders who are not Employee Shareholders.
- 11.9 On the allocation being made, the Directors shall give details of the allocation in writing to the Proposing Transferor and each Purchaser and, on the thirtieth day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchase price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made.

- 11.10 If the Directors have not found purchasers in respect of all the Offered Shares pursuant to Articles 11.4 to 11.8 (inclusive), then any remaining Offered Shares may be offered at any time, within a period of 90 days after the expiry of the 30 day period referred to in Article 11.9 above to any person nominated by the Board.
- 11.11 If the Proposing Transferor, after becoming bound to transfer Offered Shares, fails to do so the Company may receive the purchase price and the Directors may appoint a person to execute instruments of transfer (or any other documents required to give effect to these provisions) of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the register of members of the Company as the holders of the Offered Shares (or cause the purchase by the Company to be registered at Companies House as the case may be) and shall hold the purchase price in trust for the Proposing Transferor. The receipt of the Company shall be a good discharge to those Purchasers and, after their names have been entered in the register of members of the Company under this provision, the validity of the transactions shall not be questioned by any person.
- 11.12 For the avoidance of doubt, if any Offered Shares are not sold pursuant to this Article 11, then
- (a) the Company shall not be obliged to purchase any Offered Shares,
 - (b) if the Offered Shares are Restricted Shares they shall continue to be subject to the restrictions in Article 10.2 and remain the property of the Proposing Transferor until such time as the Board serves 1 month written notice upon the Proposing Transferor whereupon a Transfer Notice will be deemed to have been served at the expiry of such notice in respect of the Offered Shares still held by the Proposing Transferor at the Fair Price agreed or adjudged at the then date of such Transfer Notice;
 - (c) on expiry of the 90 day period referred to in Article 11.10 above, the Transfer Notice shall lapse and become ineffective and the Proposing Transferor if he wishes to sell the Offered Shares shall be required to serve a new Transfer Notice in respect of the Offered Shares at any time thereafter.
- 11.13 In the event that at any time there is more than one Departing Employee Shareholder then unless the Board otherwise unanimously agrees the Transfer Provisions in this Article 11 shall be applied to the Relevant Shares of the Departing Employee Shareholders in the following order of priority:
- (a) firstly to any Good Leavers;
 - (b) secondly to any Departing Employee Shareholder who holds less than 0.5% of the issued equity share capital of the Company; and
 - (c) finally to any Bad Leavers
- 12 **Registration of transfers**
- 12.1 The Directors shall refuse to register a proposed transfer not made under or permitted

by Articles 8, 9, 10, 11 or 14.

12.2 The Directors may also refuse to register a transfer of a Share on which the Company has a lien or where they are reasonably satisfied is to a transfer which is a Competitor.

12.3 A person executing an instrument of transfer of a Share is deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect of it

12.4 The first sentence of Regulation 24 of Table A shall not apply

13. **Drag Along Rights**

13.1 In this Article 13, a "**Qualifying Offer**" means a bona fide offer in writing on arm's length terms by or on behalf of any person (the "**Qualifying Purchaser**") to purchase more than 50% of the issued Ordinary Shares not already owned by the Qualifying Purchaser or persons connected with the Qualifying Purchaser.

13.2 If, in respect of a Qualifying Offer made the holders of more than 50% in nominal value of the Ordinary Shares then in issue (the "**Accepting Shareholders**") have indicated that they wish to accept the Qualifying Offer, then the provisions of this Article shall apply.

13.3 The Accepting Shareholders shall give written notice to the remaining holders of Shares (the "**Remaining Shareholders**") of their wish to accept the Qualifying Offer and the Remaining Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Qualifying Purchaser (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders

13.4 If any Remaining Shareholder shall not, within five Business Days of being required to do so, 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 entitled.

- (a) to transfer his Shares directly to the Qualifying Purchaser and Article 10.4 (Pre-emption) shall not apply to such transfer(s), and
- (b) to execute, or authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Other Shareholder's behalf, and
- (c) against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Shares, to deliver such transfer(s) and certificate(s) or indemnities to the Qualifying Purchaser (or his nominee) and register such Qualifying Purchaser (or his nominee) as the holder thereof.

and the validity of such proceedings shall not be questioned by any person.

13.5 While Article 13.4 applies to a Minority Shareholder's shares those shares may not be transferred otherwise than under this Article 13.

13.6 Article 11 does not apply to transfers of shares under this Article 13.

14 Limitation on transfer of control

- 14.1 Except in accordance with Article 13, no sale or transfer of any interest in any Shares which would result, if made and registered, in a person (or one or more persons as part of a single transaction or otherwise acting by agreement or understanding) or connected persons of that person (the "Offeror") obtaining a Controlling Interest in the Company shall be made or registered unless an Approved Offer is made.
- 14.2 Any transfer of Shares pursuant to an Approved Offer shall not be subject to the restrictions on transfer contained in these Articles
- 14.3 If any Shareholder fails to accept an Approved Offer in accordance with its terms by the first closing date of that Approved Offer and the holders of more than 50% of the Shares in issue at the time (including, for the avoidance of doubt, Shares in which the Offeror has an interest) have accepted, then the Directors may authorise some person to execute any forms of acceptance on behalf of that Shareholder in relation to the Approved Offer and/or transfers in favour of the Offeror (or as he may nominate) pursuant to the acceptance of the Approved Offer and the consideration may be received by the Company on behalf of that Shareholder. Upon the Company receiving such consideration and transfer (duly stamped) the Offeror or his nominee shall be entered in the register of members of the Company. The certificate(s) in respect of any Shares so transferred, in the name of the original Shareholder, shall be deemed to be cancelled and a new certificate shall be issued in the name of the Offeror or his nominee.
- 14.4 The receipt of the Company for the consideration shall be a good discharge to the Offeror who shall not be bound to see to the application of it, and after such registration in exercise of the above powers the validity of the proceedings shall not be questioned by any such person. The Company shall hold the said consideration on behalf of any such Shareholder in a separate bank account on trust for the relevant member pending delivery up of the cancelled certificate(s)

15 General meetings

- 15.1 The words "at least seven clear days' notice" shall be substituted for the words "at least fourteen clear days' notice" in regulation 38 of Table A
- 15.2 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the Chairman or by any Shareholder present in person or by proxy and entitled to attend and vote at such meeting. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn
- 15.3 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is

demanding shall not be entitled to a second or casting vote

16. Written resolutions

A resolution in writing signed by or on behalf of all the Shareholders for the time being entitled to vote shall be as effectual as if it had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more Shareholders entitled to vote. In the case of a corporation the resolution may be signed on its behalf by a director of it or by its duly appointed or duly authorised representative. Regulation 53 of Table A shall not apply.

17. Directors

17.1 The number of Directors shall not be less than 3 nor more than 8 and Regulation 64 of Table A shall not apply

17.2 The quorum necessary for the transaction of business of the Directors shall be determined by the Directors and unless and until otherwise determined shall be one half (rounded up to the nearest whole number) of the number of Directors for the time being holding office.

17.3 In the event of a quorum not being present within one hour of the scheduled start of the meeting or ceasing to be present, the meeting shall be adjourned to the same day in the next week at the same time and place and such Directors as may be present at the start of such adjourned meeting shall constitute a quorum

17.4 Any Director able to participate in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) which allows all the other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum

17.5 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that all meetings of the Directors shall be held within the United Kingdom. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Unless a majority of the Directors present in the United Kingdom shall agree to the holding of a meeting by shorter notice, at least 5 days notice of every meeting of Directors shall be given either in writing or by fax or other means of electronic communication to each Director, unless absent from the United Kingdom. Regulation 88 of Table A shall be amended accordingly.

17.6 A person may be appointed a Director notwithstanding that he shall have attained the age of 70 years and no Director shall be liable to vacate office by reason of his attaining that or any other age

17.7 At any meeting of the Directors each Director present at the meeting shall be entitled to one vote

- 17.8 In the case of an equality of votes at any meeting of the Directors the Chairman of such meeting shall be entitled to a second or casting vote. Regulation 88 of Table A shall be modified accordingly.
- 17.9 Subject to the provisions of section 177 of the 2006 Act, a Director may, with the consent of a majority of the Directors, contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. A Director shall also, with the consent of a majority of the Directors, be capable of voting in respect of such contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company or of the arrangement the terms of it and may be counted in the quorum at any meeting at which any such matters is considered Regulations 94 to 96 (inclusive) of Table A shall not apply.
- 17.10 In Regulation 79 of Table A there shall be inserted the words "shall then be eligible for re-election" in place of the words "shall not be taken into account in determining the directors who are to retire by rotation at the meeting".
- 17.11 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors. Regulation 93 of Table A shall not apply.
- 17.12 The Directors may by resolution exercise all the powers of the Company to make provision (in connection with the cessation or the transfer to any person of the whole or part of the undertaking of any Group Company) for the benefit of persons employed or formerly employed by any Group Company
- 17.13 A Director shall not be required to hold any Shares, but nevertheless shall be entitled to attend and speak at any general meeting of the Company.
- 18 **Retirement by rotation**
- The Directors shall not be subject to retirement by rotation
- 19 **Representative Directors**
- 19.1 Employee Shareholders together holding in aggregate at least 50% or more of the Ordinary Shares from time to time in issue may at any time by written notice on the Company
- (a) nominate any 2 persons to be directors of the Company (and any Group Company) (each a "**Manager Director**"); and
 - (b) remove any such persons from the office of **Manager Director** and appoint another person in his/her place.
- 19.2 If and for so long as the Employee Shareholders hold less than 25% of the issued Ordinary Shares then at any time by written notice serviced on the Company a majority of the Employee Shareholders may nominate such persons to be directors of the Company to ensure that collectively the Employee Shareholders have a pro-rata

number of directors on the Board equal to all of the Employee Shareholders' percentage of the issued Ordinary Shares (rounded up to the nearest number of directors).

- 19.3 Forthwith upon service of any notice under Article 19.1 or 19.2 the Company shall procure the appointment or removal (as appropriate) of the person who is the subject of any such notice

20. Alternate Directors

No Director shall have the right to appoint any Director or any other person to be an alternate director and Regulations 65 to 69 (inclusive) of Table A shall not apply

21. Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

22. Notices

- 22.1 Every Director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director shall not invalidate the proceedings at the meeting convened by such notice.

- 22.2 A notice may be given:

- (a) by the Company to any Shareholder or Director either personally or by sending it by first class post (airmail if abroad) or Royal Mail Special Delivery post or by fax or other means of electronic communication to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or
- (b) to the Company for the purpose of these Articles by like method at its registered office for the time being.

In this Article "address", in relation to electronic communications includes any number or address used for the purposes of electronic communication.

- 22.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. Where a notice is contained in an electronic communication, it shall be deemed to be effected at the time the electronic communication was sent

23. Indemnity

Subject to the provisions of the Acts but without prejudice to any indemnity to which a Director may otherwise be entitled every Director or other officer or auditor of the

Company shall be indemnified out of the assets of the Company against all or any part of any costs, charges, losses expenses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation to it Regulation 118 of Table A shall not apply.
