

Company number **06751125**

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of **RAILSIMULATOR.COM LIMITED (Company)**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following resolutions were passed as special resolutions of the Company on 20 January 2009:-

SPECIAL RESOLUTIONS

1. That the Directors of the Company be and they are hereby authorised generally and unconditionally for the purposes of Section 80 of the Companies Act 1985 to allot relevant securities (as defined in sub-section 2 of the said Section 80) up to the total amount of the authorised share capital of the Company for the time being remaining unissued at any time or times for the period of five years from the date of passing of this Resolution and the aforesaid authority shall allow the Company to make an offer or agreement before the expiry thereof which would or might require relevant securities (as so defined) to be allotted after the authority has expired.
2. That the Directors of the Company be and they are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by the previous resolution as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment.
3. That the existing Articles of Association of the Company be deleted and the regulations attached to this resolution and for identification purposes signed by a directors be and are hereby adopted as the new Articles of Association of the Company with immediate effect.

Signed for and on behalf of
ECS NOMINEES LIMITED

Date

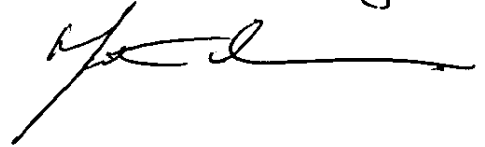
20 January 2009

WEDNESDAY



A50 *A5LDY73L* 296
04/02/2009
COMPANIES HOUSE

These are the articles
referred to in the
foregoing written resolution
dated 20 January 2009



RAILSIMULATOR.COM LIMITED

Registered number 6751125

ARTICLES OF ASSOCIATION

(adopted on 20th January 2009)



Edinburgh Corporate

CORPORATE LAWYERS & DEAL MAKERS



ARTICLES OF ASSOCIATION

(adopted on 20th January 2009)

of

RAILSIMULATOR.COM LIMITED

1 PRELIMINARY

1.1 Definitions

In these Articles:

"1985 Act"	means the Companies Act 1985 (as amended) including any statutory modification or re-enactment thereof for the time being in force;
"2006 Act"	means the Companies Act 2006 in so far as for the time being in force;
"Articles"	means these articles of association, as from time to time altered;
"Auditors"	means the auditors of the Group from time to time;
"Board"	the board of directors of the Company, as from time to time constituted;
"Business Day"	means a day (excluding Saturdays or Sundays) on which banks are open for business in the City of London;
"Capitalisation Issue"	a bonus issue of shares, fully paid-up by the capitalisation of share premium account, profits or reserves, or by other lawful means of capitalisation;
"Company"	means RailSimulator.Com Limited ;
"company"	includes any body corporate;
"Concert Party"	means any person with whom any relevant person is acting in concert within the meaning of the City Code on Takeovers and Mergers applied in the relevant case;
"Connected Person"	means any person with whom any relevant person is connected (as determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988);

"Control"

means:

- (a) the power (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) to appoint and/or remove all or such of the members of the board of directors or other governing body of a person as are able to cast a majority of the votes capable of being cast by the members of that board or body on all, or substantially all, matters, or otherwise to control or have the power to control the policies and affairs of that person (and for the purposes of determining whether the power to appoint or remove directors exists the provisions of s.736A of the 1985 Act shall apply); and/or
- (b) the holding and/or possession of the beneficial interest in and/or the ability to exercise the voting rights applicable to shares or other securities in any person (whether directly or by means of holding such interests in one or more other persons) which confer in aggregate on the holders more than 50% of the total voting rights exercisable at general meetings of that person on all, or substantially all, matters;

"Disposal"

the sale or transfer of all or substantially all of the undertaking or assets of the Company and/or the Group and/or a substantial percentage of the net asset value of the Group (in one transaction or as a series of related transactions);

"eligible EIS shares"

means eligible shares as defined within the meaning of Section 173 of the Income Tax Act 2007;

"Expert"

has the meaning given in Article 9.6;

"Fair Value"

means the share price determined by the Expert pursuant to Article 9.7;

"Family Trusts"

means, in relation to any shareholder who is a natural person, trusts (whether arising under a settlement, declaration of trust or other instrument, a testamentary disposition or on an intestacy) under which no person has a beneficial interest in shares transferred to the trust that takes effect in priority to the member or Privileged Relations of the member. A person is beneficially interested in a share if it or income from it is or may become liable to be transferred to that person under the trust. Where a Family Trust is divided into two or more separate funds, each of

which is subject to different beneficial interests, then each such fund shall be regarded as a separate Family Trust for the purpose of these Articles (whether or not the trustees have made any appropriation of the assets held by that Trust between such funds);

"Fund"

means any bank, investment trust or investment company (within the meaning of chapter 21, sections 9 and 10 of the rules governing admission of securities to listing issued by the UKLA), unit trust, venture capital trust, building society, industrial provident or friendly society, any other collective investment scheme (as defined by the Financial Services and Markets Act 2000 ("FSMA"), any business investor, partnership, limited partnership, pension fund or insurance company or any person who is an authorised person under the FSMA, any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing;

"Group"

means the Company and subsidiaries of it (if any) from time to time and **"Group Company"** means any member company of the Group;

"holding company"

means a holding company as defined in s.736 and s.736A of the 1985 Act;

"Listing"

means the closing of an underwritten public offering by the Company of all or part of the share capital of the Company (or any depository receipts representing such share capital) to trading on the New York Stock Exchange, NASDAQ, EASDAQ, or the effective admission to trading on the Official List of the UK Listing Authority or the AIM Market of the London Stock Exchange or a listing or quotation on another recognised investment exchange in compliance with applicable laws and regulations;

"Majority Holding"

means not less than 50.1% of the issued share capital of the Company from time to time.

"Ordinary Shares"

means ordinary shares of **£0.01** each in the capital of the Company having the rights as set out in these Articles;

"Original Subscription Price"

the amount in pounds sterling (including the amount of any share premium paid) paid up or treated as paid up or credited as paid up on the issue of any Ordinary Shares;

"Permitted Transferee"

means, in relation to a Shareholder, any person falling within one or more of the following categories (but only for so long as they are within

such category):

- (a) in the case of a corporate Shareholder, a holding company or subsidiary of that Shareholder or a subsidiary of such holding company;
- (b) in the case of a Shareholder who is a natural person, one or more trustees of the Family Trusts of such Shareholder;
- (c) in the case of a Shareholder who is/are the trustee(s) of a Family Trust:
 - (i) any new trustee on any change of trustees of the relevant Family Trust;
 - (ii) the trustees for the time being of any other Family Trust;
 - (iii) any beneficiary of a Family Trust; and
- (d) in the case of a Shareholder who is a natural person, a Privileged Relation.

"Prescribed Price";

has the meaning given in Article 9.6;

"Prescribed Period"

has the meaning given in Article 9.1;

"Privileged Relation"

means (in relation to a Shareholder) the spouse or the widower or widow (including any widow or widower after remarriage) of the member and any children (including step-children and adopted children);

"Proposing Transferor"

has the meaning given in Article 9.1;

"Purchaser"

has the meaning given in Article 9.3;

"Regulation"

means a regulation of Table A;

"Sale"

means the sale of all or substantially all of the business assets or undertaking of the Group or any part (or the whole) of the equity share capital of the Company to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) with such person acquiring Control of the Company;

"Sale Shares"

has the meaning given in Article 9.1;

"Share"

means a share in the capital of the Company;

"Shareholder"

means the holder of any shares in the capital of the Company from time to time;

"subsidiary"	means a subsidiary as defined in section 736 and section 736A of the 1985 Act;
"Table A"	means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007 (SI 2007/2826), and as otherwise amended prior to the adoption of these Articles;
"Transfer Notice"	has the meaning given in Article 9.1;
"UKLA"	means the United Kingdom Listing Authority; and
"Valuation"	means for the purposes of article 4.6 the amount which equals the total number of Ordinary Shares to be in issue immediately after the Listing (but excluding any new Shares to be issued upon the Listing and any new shares to be issued pursuant to article 4.6) multiplied by the subscription price per share (including any premium) in respect of those new Shares issued at the time of the Listing.

1.2 Same meanings as in the 1985 Act and 2006 Act

Save as provided in Article 1.1 and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the 1985 Act or, where in force, the 2006 Act.

1.3 Statutory modification

In these Articles, unless expressly provided to the contrary, a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment or consolidation of it and to any subordinate legislation made under it in each case for the time being in force.

1.4 Number, gender and person

In these Articles, unless the context otherwise requires:

- 1.4.1 words in the singular include the plural, and vice versa;
- 1.4.2 words importing any gender include all genders; and
- 1.4.3 a reference to a person includes a reference to a company and to an unincorporated body of persons.

1.5 Miscellaneous interpretation

In these Articles:

- 1.5.1 references to writing include references to typewriting, printing, lithography, photography electronic communication and any other

modes of representing or reproducing words in a legible and non-transitory form;

- 1.5.2 references to "**executed**" includes any mode of execution;
- 1.5.3 references to "**other**" and "**otherwise**" shall not be construed *eiusdem generis* where a wider construction is possible;
- 1.5.4 references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
- 1.5.5 references to a committee of the directors are to a committee established in accordance with these Articles, whether or not comprised wholly of directors.

1.6 **Headings**

Headings are inserted for convenience only and do not affect the construction of these Articles.

1.7 **Articles and Regulations**

In these Articles a reference to an Article is to a clause of these Articles and a reference to a Regulation is to a regulation in Table A.

2 **TABLE A**

The Regulations contained in Table A shall apply to the Company save in so far as they are varied or excluded by or are inconsistent with these Articles. Regulations 40, 54, 64, 65, 76 to 77 (inclusive), 81, 88, 89, 93, 94, 95 and 118 in Table A shall not apply to the Company.

3 **SHARE CAPITAL**

The authorised share capital of the Company on the date of adoption of these Articles is **£25,000** divided into **2,500,000 Ordinary Shares of £0.01 each**.

4 **SHARE RIGHTS**

The rights attaching to the Ordinary Shares shall be as follows:

4.1 As regards **income**:

Subject to the provisions of the 1985 Act, any profits which the Company may determine to distribute in respect of any financial year shall be applied amongst the holders of the Ordinary Shares *pari passu*.

4.2 As regards **capital**:

Subject always to article 4.5 on a return of assets on liquidation or capital reduction or otherwise the assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

- (a) **first**, in paying to the holders of the Ordinary Shares in respect of each Ordinary Share they hold, a sum being equal to the Original Subscription Price for that Share (and where there is a shortfall to meet all sums due hereunder the sum

available shall be applied pro rata in proportion to the amount due to each holder of Ordinary Shares so far as is able to satisfy the sums due to the holders of Ordinary Shares under this sub-article;

- (b) **then**, the balance of such assets shall be distributed amongst the holders of the Ordinary Shares (*pari passu* as if they constituted the same class) in proportion to the numbers of Ordinary Shares held by each.
- 4.3 Upon a **Sale** the members of the Company who sell Shares in such Sale will be entitled to share in the proceeds thereof as if the same had been distributed under the provisions of article 4.2 (and, for the avoidance of doubt, as if they still held the Shares they sold under the Sale). For the avoidance of doubt the provisions of article 10.4.2 shall apply, *mutatis mutandis*, in relation to the payment and distribution of the aggregate proceeds on a Sale in order that this article is complied with.
- 4.4 Upon a **Disposal** the members of the Company shall, with the prior written consent of the holders of 51% or more of the Ordinary Shares, be entitled to share in the proceeds thereof as if the same had been distributed under the provisions of article 4.2.
- 4.5 Notwithstanding this article 4, on (but only in relation to) a return of assets on a winding up or any other event that by virtue of the terms of article 4.2 would deem the Ordinary Shares (or any of them) as to be considered other than **eligible EIS shares**, such Ordinary Shares (in so far as they are not eligible EIS shares but for the application of Article 4.2) shall not have the rights provided for in article 4.2 and accordingly sub articles 4.2 (a) shall not apply. This article 4.5 shall not be capable of being disapplied by the holders of the Ordinary Shares.
- 4.6 Immediately prior to a **Listing** the Company shall issue to each holder of Ordinary Shares such number (if any) of Ordinary Shares as is required to ensure, as near as may be by issuing whole numbers of Ordinary Shares, that the proportion which the Ordinary Shares held by that shareholder bears to the aggregate of the issued Ordinary Shares (following completion of all such issues) shall be equal to, (or as near as possible thereto by issuing whole numbers of Ordinary Shares without exceeding) the proportion that the aggregate proceeds that Shareholder would have been entitled to receive on a Sale on that date (had article 4.2 been applied) bears to the total aggregate consideration on the Sale (where the total aggregate consideration on the Sale is deemed to be the **Valuation**).
- 4.7 The additional Ordinary Shares to be issued pursuant to Article 4.6 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and such additional Ordinary Shares shall be issued at par fully paid. Such capitalisation shall be automatic and shall not require any action on the part of the shareholders of the Company and the Directors shall allot the Ordinary Shares arising on such capitalisation to the shareholders entitled to them in accordance with this article. To the extent that there is insufficient share capital to effect the said issue the Directors shall procure (so far as they are able) that the Company's share capital is increased to the extent necessary to permit the issue required and all shareholders of the Company shall vote in favour of the necessary resolutions to effect such increase unless and to the extent that the same shall be impossible or unlawful, in which event the relevant holders of Ordinary Shares shall be entitled to subscribe for the additional Ordinary Shares in cash at par. For the avoidance of doubt, the Company shall only allot and issue whole Ordinary Shares pursuant to this article 4.7 and no shareholder shall be entitled to or shall receive any fractional entitlement under this article 4.7.
- 4.8 As regards **voting**:

The Ordinary Shares shall respectively confer on each holder thereof (in that capacity) the right to receive notice of and to attend, speak and vote (one vote per share) at all general meetings of the Company.

5 ISSUE OF SHARES

5.1 Pre-emption on issue

Pursuant to Section 92 of the 1985 Act, Section 89(1) of the 1985 Act shall not apply to the Company and accordingly (save for any Shares being issued pursuant to article 4), any shares in the capital of the Company which are unissued from time to time shall be available for issue and shall, save where the Shareholders resolve by special resolution otherwise, before they are issued whether for cash or otherwise be offered to the Shareholders in proportion, as nearly as may be, to their holdings of Ordinary Shares (pari passu as if the same constituted one class of shares).

5.2 Procedure for offering

The offer referred to in Article 5.1 shall be made by notice specifying the number of Shares offered, the proportionate entitlement of the relevant member, the price per share and the period (not being less than 21 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time the directors shall offer the Shares which have been declined or are deemed to have been declined to the persons who have within the said period accepted all the Shares offered to them in proportion (as nearly as possible) to their holdings of Shares. Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing within a period of not less than 14 days whether he is willing to take any, and if so what maximum number, of the Shares so offered.

5.3 Allotment of shares after offers

At the expiration of the time limited by the notice or notices given pursuant to Article 5.2 the directors shall allot the Shares so offered to or amongst the members who have notified their willingness to take all or any of such Shares in accordance with the terms of the relevant offer. No member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take. The directors shall within 120 days of the expiry of the time set out in the notice or notices given pursuant to Article 5.2 make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article.

5.4 No renunciation of allotment

No Shares shall be allotted on terms that the right to take up the Shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a Share may direct that such share may be allotted or issued to any other person.

6 LIEN AND FORFEITURE

6.1 Lien to attach to all shares

In Regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted. The lien conferred by Regulation 8 of Table A shall attach to all shares registered in the name of any person indebted or under liability to the Company (or in the name of the

nominee or bare trustee for any such person) whether he is the sole registered holder thereof or one of two or more joint holders and shall include a lien in respect of any such indebtedness or liability. Regulation 8 shall be modified accordingly.

6.2 Pre-emption on enforcement

All shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 5 as if they were unissued shares of the Company. Regulations 9 and 20 of Table A shall be modified accordingly.

7 GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES

7.1 General restriction on transfer

The right to transfer Shares shall be subject to the rights and restrictions set out in Articles 7 to 11 inclusive and no Share nor any interest therein shall be transferred to or become vested in any person otherwise than in accordance with such provisions.

7.2 Disposal of whole interest only

Save in respect of Shares to be held on Family Trusts pursuant to a transfer or transfers under Article 8 or as otherwise permitted pursuant to these Articles no transfer, disposal, charge, mortgage, assignment or other dealing in any Shares or any interest or right therein shall occur other than the transfer of the whole legal and equitable title to such Shares free from all liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof thereafter (and "**transfer**", in the context of a transfer of Shares, shall be construed accordingly in these Articles).

7.3 Reasons for declining to approve a transfer

The first sentence of Regulation 24 shall not apply to the Company. Subject only to Regulation 24 (as amended by this Article 7.3) the directors shall not be entitled to decline to register the transfer of any Shares made pursuant to and complying with the provisions of Articles 7 to 11 inclusive unless they have substantial reasons for believing that a transfer purportedly made in accordance with any such provision is not in fact in any material respect in accordance therewith in which event they shall decline to register such transfer. The Directors will otherwise register a transfer of any Shares made in accordance with these Articles.

7.4 Completion of Share Purchase

Completion of the purchase of any Shares transferred pursuant to these Articles shall, unless otherwise agreed by the parties to any such transfer, take place on the date, which falls fourteen (14) days after the last date upon which the relevant offer may be accepted.

7.5 Waiver or variation

With prior approval of all the Shareholders such approval to be given in accordance with the provisions of Article 12.3, any of the restrictions or other provisions of Articles 7 to 11 inclusive may be waived or varied by the directors in relation to any proposed transfer of shares or any other matter.

8 PERMITTED TRANSFERS

- 8.1 Any Shares may be transferred without the giving of a Transfer Notice or the setting of a Prescribed Price where it is demonstrated to the reasonable satisfaction of the Board that the transfer is by a Shareholder ("**the Transferor**") to a Permitted Transferee, provided that if any such Permitted Transferee ceases to be a Permitted Transferee, it shall be the duty of the Permitted Transferee and the Transferor to notify the Board of such event and to procure that the Shares concerned are forthwith transferred to the Transferor or to a Permitted Transferee of the Transferor. If such transfer has not been effected within thirty (30) days of the Board being notified or otherwise becoming aware of such event, the holder of such shares shall be deemed to have given a Transfer Notice in accordance with Article 9.1 in respect of the Shares concerned.
- 8.2 Where a Shareholder is a Fund that Shareholder may transfer any Shares held by them without the giving of a Transfer Notice or the setting of a Prescribed Price:
- 8.2.1 to (or to a nominee or trustee for) the holders of units in, or any partner in, or members of or investors in (as the case may be) such Fund and any Share (and/or any interest in any such Share) held by any nominee or trustee for such holders, partners, members or investors may be transferred to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors;
 - 8.2.2 to a nominee or trustee for such Fund and any Share (and/or any interest therein) held by a nominee or trustee for a Fund may be transferred to that Fund or to another nominee or trustee for such Fund;
 - 8.2.3 to (or to a nominee or trustee for) another Fund which is managed or advised by the same manager or adviser as the transferor (or as the Fund on behalf of whom any such Share or interest is held by the transferor as nominee or trustee) or by a group undertaking of such manager or adviser;

where it is demonstrated to the reasonable satisfaction of the Board that the transfer is by a Shareholder to one of the entities described above PROVIDED THAT where the Board, acting reasonably and in good faith, believes that a proposed transferee of a Shareholder is a party whose business or direct interests are in competition with the business of the Group it shall, on giving the relevant Shareholder notice thereof, be entitled to refuse to register such transfer and request that the Shareholder proposes another transferee.

9 PRE-EMPTION RIGHTS

9.1 Transfer Notice

Before transferring any Shares (except where such transfer is to a Permitted Transferee pursuant to Article 8) the person proposing to transfer the same ("**the Proposing Transferor**") shall give notice in writing ("**Transfer Notice**") to the Company that he proposes to transfer such Shares ("**the Sale Shares**") and, in the event that the Proposing Transferor shall have reached an agreement or an arrangement with a third party for the sale of the Sale Shares to such third party, the Proposing Transferor shall state in the Transfer Notice the name of such third party, the price per share at which each of the Sale Shares are to be sold to such third party and all other material terms of

the proposed transfer. The Transfer Notice shall constitute the Company (by the Board) his agent for the transfer of the Sale Shares at the Prescribed Price referred to below and during the period expiring three months after the giving of the Transfer Notice or ten weeks after the agreeing or determination of the Prescribed Price, whichever shall be the later, ("**the Prescribed Period**") in accordance with the following provisions of this Article. Save as hereafter provided, a Transfer Notice once given or required to be given or deemed to have been given shall not be revocable. A Transfer Notice may contain a provision that unless all or a specified number of the Sale Shares are sold by the Company within the Prescribed Period pursuant to this Article the Transfer Notice shall be withdrawn from sale and any such provision shall be binding on the Company.

9.2 Offer of Sale Shares

The Sale Shares shall, within 14 days of the date the Transfer Notice is received by the Company or is deemed to have been given or within 7 days after the Prescribed Price shall have been agreed or determined as hereinafter provided, whichever shall be the later, be offered by the Company in writing for purchase at the Prescribed Price to the Shareholders.

Each such offer shall specify a time (not being less than 21 days in the case of an initial offer and 14 days in the case of a subsequent offer) within which it must be accepted failing which it will lapse. In the case of competition in respect of any such offer the Sale Shares so offered shall be allocated to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holding of Shares.

9.3 Notification of Purchasers

If the directors shall within the Prescribed Period find members (each such person called a "**Purchaser**") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment of the Prescribed Price, to transfer such of the Sale Shares to the respective Purchasers. If the Transfer Notice stated that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of such Sale Shares, the obligation in this Article to transfer shall not apply unless the directors shall have found Purchasers for the whole of the Sale Shares or not less than such specified number. Every such notice from the directors shall state the name and address of the Purchaser concerned and the number of shares agreed to be purchased by him. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the directors when, against payment of the Prescribed Price and any relevant stamp duties, the Proposing Transferor shall deliver transfers in favour of the Purchasers together with the share certificates in respect of the relevant Sale Shares and the Purchaser shall be registered as the holders of the relevant Sale Shares in the register of members of the Company and share certificates in the names of such Purchasers and in respect of the relevant Sale Shares shall be delivered.

9.4 Failure to transfer

If in any case a Proposing Transferor, after having become bound to transfer any Shares to a Purchaser, shall make default in so doing or shall fail to deliver share certificates in respect thereof, the directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Purchaser and the Company shall receive the purchase money and shall thereupon (subject to the transfer being duly stamped) cause the name of the Purchaser to be entered into the register of members as the holders of the relevant shares. The Company shall hold the purchase money in trust for the Proposing Transferor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to the

Purchaser who shall not be bound to see to the application thereof and after the name of the Purchaser has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

9.5 Purchasers not found for Sale Shares

If the directors shall not within the Prescribed Period find Purchasers willing to purchase all the Sale Shares (or any lesser number specified in the Transfer Notice for the purposes of Article 9.1) at the Prescribed Price or if the directors shall within the Prescribed Period give to the Proposing Transferor notice in writing that the directors have no prospect of finding Purchasers, the Proposing Transferor at any time thereafter up to the expiration of six weeks after the Prescribed Period shall, subject to the provisions of Article 11, be at liberty to transfer those Sale Shares for which the Company has not found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made in respect of the Sale Shares after the giving of the Transfer Notice and to be retained by the Proposing Transferor) and otherwise on the terms set out in the Transfer Notice provided that:

- 9.5.1 if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of the Sale Shares he shall not be entitled to transfer any of such Sale Shares unless in aggregate the whole of such Sale Shares or, as relevant, not less than the specified number of such Sale Shares are so transferred; and
- 9.5.2 the directors may require to be satisfied that the Sale Shares are being transferred pursuant to a bona fide sale upon the material terms and for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the Purchaser (other than in respect of any dividend or other distribution as referred to above) and if not so satisfied must refuse to register the instrument of transfer.

9.6 Prescribed Price for Sale Shares

The expression "**Prescribed Price**" shall mean in respect of each Sale Share:

- 9.6.1 subject to Articles 9.6.2, the price per share (if any) specified in the Transfer Notice in accordance with Article 9.1;
- 9.6.2 if:
 - (a) the Transfer Notice is a deemed Transfer Notice given under Article 8.1 or the relevant Transfer Notice does not name a proposed transferee and set out a price per share at which the Sale Shares are proposed to be sold to him; or
 - (b) if the proposed transferee named in a Transfer Notice is not a Permitted Transferee and is a Connected Person of or Concert Party with the Proposing Transferor; or
 - (c) the terms on which such shares are to be sold to the named proposed transferee as set out in the Transfer Notice do not fully reflect the terms of the proposed transaction or are otherwise than a fixed cash sum payable in full on completion of the sale (for example, because the consideration is to be satisfied otherwise than in cash or because some

deduction, consideration, rebate, allowance or arrangement is being made or is passing between the Proposing Transferor and the proposed transferee in addition to the price per share set out in the Transfer Notice)

such sum per share as shall be agreed between the Proposing Transferor and the other Shareholders or, failing agreement, as shall be determined by an independent share valuation expert ("**Expert**") in accordance with Article 9.7.

9.7 Determination of Prescribed Price by Expert

The Expert shall be appointed by agreement between such parties who have failed to agree the Prescribed Price or, failing agreement as to such appointment within seven days and on the application of any such party, by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Expert shall state in writing what is in his opinion the value on the open market of the Sale Shares calculated as a pro rata proportion of the value of the whole of the issued share capital of the Company and not taking account as to whether or not the Sale Shares represent a majority or minority of the shares and not taking account of the restrictions on the transferability of the Sale Shares but taking into account the class of Shares and any other rights applicable to that particular class of Shares. For this purpose the Expert shall be given by the directors, and shall take account of all information which a prudent prospective purchaser might reasonably require if he were proposing to purchase the Sale Shares from a willing vendor by private treaty and at arm's length together with such information as any member of the Company may wish to provide to him and such other information as he may reasonably require. In so stating his opinion the Expert shall be deemed to act as an expert and not as an arbitrator and his determination shall be final and binding on all concerned. The costs involved in the Expert's determination of the Prescribed Price shall, in the absence of any determination by the Expert, be borne as to one half by the Proposing Transferor and as to the other half by the Purchasers (and as between the Purchasers pro rata to the number of shares purchased).

9.8 Failure to complete by Purchaser

Where the directors shall have found a Purchaser or Purchasers and through no default of the Proposing Transferor any purchase is not duly completed, the directors shall forthwith notify the Purchaser or all of the Purchasers (as the case may be) and if within 7 days of such notice being given the Purchaser or Purchasers between them shall not have duly completed the purchase of the Sale Shares in respect of which there has been default in completion, the Proposing Transferor shall be deemed to have served a Transfer Notice in respect of such shares and the procedure contained in this Article shall be repeated in respect of them.

10 DRAG ALONG RIGHTS

10.1 Drag Along

The holders of 75% or more of the Ordinary Shares, when taken together, ("**the Intending Sellers**") may at any time give notice ("**a Sale Notice**") to all the other shareholders ("**the Remaining Members**") stating that the Intending Sellers intend to sell all their Shares pursuant to a Bona Fide Sale (as defined in the next following sub-clause of this Article), and setting out the terms of such Bona Fide Sale.

10.2 Bona Fide Sales

This Article 10 shall have effect only if the sale that is the subject of the Sale Notice is a bona fide arm's length sale of the whole of the Share capital of the Company to one or

more persons who are not Connected Persons with or Concert Parties of the Intending Sellers or any of them within the meaning of Section 286 Taxation of Chargeable Gains Act 1992 (a "**Bona Fide Sale**").

10.3 Terms

If a Sale Notice is served pursuant to Article 10.1 and the sale is a Bona Fide Sale within the meaning of Article 10.2, then each of the Remaining Members shall sell all their Shares in the capital of the Company to the buyer specified in the Sale Notice at the same price per share and otherwise upon the terms as are applicable to the sale specified in the Sale Notice and at the time specified for completion of the sale in the Sale Notice, but subject always to the overarching provisions of Article 4.3.

10.4 Completion

Upon the date specified for completion of the sale in the Sale Notice:

10.4.1 each of the Intending Sellers and the Remaining Members shall deliver to the buyer:

- (a) a transfer of his Shares (which shall include shares issued or to be issued under options which have become exercisable) duly executed by him in favour of the buyer or as it may direct;
- (b) a certificate for the Shares sold by him;
- (c) such other evidence of his title to the shares as may reasonably be required to establish such title.

10.4.2 The buyer shall pay to the legal agents for the Intending Sellers and the Remaining Members ("**the Vendors Solicitors**") the price per share as specified in the Sale Notice for the shares sold by them which is due for payment upon completion and shall give due assurance for payment of any part of the consideration which is deferred and shall execute such documents as are required to be executed by the buyer in favour of the seller. The Vendors Solicitors shall distribute such funds in accordance with Article 4.3. Any payment received by the Remaining Members which exceeds that which it is entitled to receive pursuant to Article 4.3, shall be deemed to be held by them on trust for the benefit of the other Shareholders and the Remaining Members shall ensure that the provisions of Article 4.3 are given full effect to by forthwith transferring the relevant excess to the Company who shall then account to the other Shareholders as is required in accordance with Article 4.3..

10.5 Failure to Complete

In the event of default by any of the Remaining Members in performing their obligations under Article 10, the Intending Sellers shall be deemed to have been appointed attorney of the Remaining Member with full power to execute, complete and deliver in the name and on behalf of the Remaining Member transfers of the Shares to the Buyer against payment of the price to the Intending Seller and to execute such other documents and do such other things as the Remaining Member may be required to do under the preceding provisions of Article 10, PROVIDED THAT no Remaining Member shall be obliged to complete the sale of their Shares under this Article 10 unless all Intending Sellers complete the sale of their Shares in advance or at the same time and for the same price and the terms on which the Remaining Members are required to complete are no more onerous in any respect than those applying to any Intending Seller.

11 TAG ALONG RIGHTS

- 11.1 Subject to Article 10 but notwithstanding any other provision of these Articles but provided Article 9 has been complied with, any of the Shareholders ("**Offering Shareholders**") desiring to transfer a Majority Holding to a third party (other than pursuant to a Permitted Transfer) shall not be permitted to do so unless all of the Shareholders shall have been given the option to sell a similar proportion of their Shares as is equal to the proportion which the Shares being sold by the Offering Shareholders bear to the total holding of Shares held by the Offering Shareholders to the third party on the same terms and conditions offered by the third party to the Offering Shareholders for each Share in accordance with the following provisions of this Article 11 **PROVIDED THAT**, notwithstanding the third party offering each Shareholder the same terms for each Share, the aggregate consideration payable shall always be payable to the Vendors Solicitors (who shall in this case be the legal agents of the Offering Shareholders and the Accepting Shareholders) in accordance with Article 10.4.2 and always distributed in accordance with Article 4.3 and 4.2.
- 11.2 The Offering Shareholders shall give written notice of the proposed transfer of the Shares to the third party to each of the Shareholders at least 30 days' prior to the transfer of his Shares to the third party, which notice shall set out:
- 11.2.1 all the terms and conditions of the proposed transfer ("**Third Party Terms**") including but not limited to the purchase price per Share offered by the third party to the Offering Shareholders ("**Offering Shareholder's Price**");
 - 11.2.2 notwithstanding the Offering Shareholder's Price the amount which, following the application of Articles 10.4.2, 4.3 and 4.2, that Shareholder would receive if he accepted the Third Party Terms (calculated on the basis that all Shareholders accept the Third Party Terms);
 - 11.2.3 the time period (expiring no earlier than 10 days after the written notice of the proposed transfer and no later than the 5 days before the proposed transfer of the Shares of the Offering Shareholder to the third party) ("**Option Period**") within which the Shareholders may exercise the option granted under this Article 11; and
 - 11.2.4 that the option shall be exercised by the Shareholders within the Option Period by giving notice in writing to the Offering Shareholders stating the number of Shares which the Shareholder wishes to sell to the third party.
- 11.3 In the event that any of the Shareholders ("**Accepting Shareholders**") exercise the option granted under this Article 11 by giving written notice to the Offering Shareholders within the Option Period, the Offering Shareholders shall procure that the third party enter into a binding agreement with the Accepting Shareholders to acquire the Shares (upon the Third Party Terms offered by the third party to the Offering Shareholders but subject always to the aggregate consideration being distributed in terms of Articles 10.4.2, 4.3 and 4.2) offered by the Accepting Shareholders pursuant to the exercise of the option, as a pre-condition to the sale by the Offering Shareholders of their Shares to the third party. The Offering Shareholders shall not be permitted to sell their Shares to the third party unless the third party simultaneously acquires the Shares offered by the Accepting Shareholders in the exercise of the options under this Article.

12 CLASS MEETINGS AND VARIATION OF RIGHTS

12.1 Class meetings

Except as otherwise provided by these Articles, the provisions of these Articles relating to general meetings shall apply, with necessary modifications, to any meeting of the holders of shares of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.

12.2 Variation of rights

All or any of the special rights or privileges for the time being attached to any share or class of shares in the capital of the Company (notwithstanding that the Company may be or be about to be in liquidation) may with the sanction of an special resolution of the Company and a special resolution passed at a separate meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise), be varied or abrogated. To every such separate meeting the provisions of these Articles with respect to notice of and proceedings at general meetings shall mutatis mutandis apply, but so that the requisite quorum shall be two persons, present in person, by proxy or by corporate representative, holding or representing not less than one-third of the issued shares of the class and that any holder of shares of the appropriate class, present in person, by proxy or by corporate representative and entitled to vote, may demand a poll except that when a particular class of shares is held by only one person that person shall constitute a quorum.

12.3 Consents

Where any provision of these Articles requires the prior consent of all or some portion of the members such consent may be obtained by the requisite members voting (whether in person or by their proxies or authorised representatives) or by their consent given in writing signed by them or on their behalf.

13 PROCEEDINGS AT GENERAL MEETINGS

13.1 Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and remains present during the transaction of business. Two persons entitled to vote upon the business to be transacted, each being a member, or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum. If at any adjourned meeting which has been so adjourned pursuant to Regulation 41 a quorum is not present within half an hour of the time appointed for the adjourned meeting the meeting will be dissolved. Regulation 41 will be construed accordingly.

13.2 Poll

A poll may be demanded at any general meeting by the chairman or any member present in person, by proxy or by corporate representative and entitled to vote. Regulation 46 of Table A shall be modified accordingly.

13.3 Votes of members

At any general meeting of the Company on a show of hands every member who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by proxy or by a representative duly authorised (not being himself a member) shall have one vote, and on a poll every member present in person, by representative or by proxy shall have one vote for every Share of which he is the holder.

14 NO CASTING VOTE OF CHAIRMAN

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 demanded shall not be entitled to a casting vote in addition to any other vote he may have.

15 DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors shall be not more than five nor less than two.

16 NO ROTATION

The directors shall not be liable to retire by rotation, and accordingly in Regulation 78 the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted.

17 NO SHARE QUALIFICATION

A director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company.

18 DIRECTORS' INTERESTS

A director (including an alternate director) who has duly declared his interest therein to the Board pursuant to section 177 of the 2006 Act may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he so votes his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration.

19 VACATION OF OFFICE

The office of a director shall be vacated:

- 19.1 if by notice in writing to the Company he resigns the office of director;
- 19.2 if he shall for more than 6 consecutive months have been absent without permission of the Board from meetings of the Board held during that period, unless he shall have appointed an alternate director who has not been similarly absent during such period;
- 19.3 if he is subject to an interim order under section 252 of the Insolvency Act 1986 or enters into a voluntary arrangement within the meaning given in section 253 of that Act;
- 19.4 if he is unable to pay his debts within the meaning of section 272 of the Insolvency Act 1986 or if he is prohibited from being or is disqualified as a director by an

order made under any provision of the Insolvency Act 1986 or the Company Directors Disqualification Act 1986;

19.5 if he is, or may be, suffering from mental disorder and either:

19.5.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

19.5.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

19.6 if he is removed from office under section 168 of the 2006 Act;

19.7 if written notice or notices requiring his removal are received by the Company signed by or on behalf of the holders of in excess of 80% of the Ordinary Shares.

19.8 if he is convicted of any serious criminal offence (other than a motoring offence).

19.9 if he knowingly, with the intention or consequence of causing material damage to the Company commits any breach of his fiduciary duties to the Company.

20 PROCEEDINGS OF DIRECTORS

20.1 Quorum

The quorum necessary for the transaction of the business of the Board shall be two directors. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

20.2 Regulation of meetings

Unless otherwise determined in respect of each specified meeting by a majority of the Board which majority includes sufficient number of directors to constitute a quorum for the business to be transacted at such specified meeting, meetings of the Board shall be held at least 10 times in each calendar year and not more than 6 weeks apart. Save where urgent business arises where such period of notice is not practicable, a minimum of fourteen days' notice of meetings of the Board stating the venue for such meeting. An agenda of the business to be transacted at such meeting (together with where practicable all papers to be circulated or presented to the same) shall be given to all the directors at least 5 days prior to the meeting. Subject as aforesaid, the directors may adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes no person shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the Board.

20.3 Signed resolutions

A resolution executed or approved in writing by all the directors shall be as valid and effective for all purposes as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors. 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.

20.4 Delegation to committees

The directors may delegate any of their powers to a committee consisting of at least two directors. No committee shall be entitled to transact any business, which the Board would not be entitled to transact, and the provisions of these Articles with respect to the regulation of meetings of the Board shall apply, *mutatis mutandis*, to meetings of any committee.

20.5 Meetings by conference facilities

A meeting of the Board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

- 20.5.1 to hear each of the other participating directors addressing the meeting; and
- 20.5.2 if he so wishes, to address each of the other participating directors simultaneously

Whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article 20.5 is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. Any director may, by prior notice to the secretary, indicate that he wishes to participate in the meeting in such manner, in which event, the directors shall procure that an appropriate conference facility is arranged.

21 INDEMNITY

21.1 Subject to the provisions of the 2006 Act, the Company may:

21.1.1 indemnify any person who is or was a director, company secretary or other Relevant Officer directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and / or

21.1.2 purchase and maintain insurance for any person who is or was a director, company secretary or other Relevant Officer against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

21.2 A director shall be entitled to vote and be counted in the quorum at any meeting of the Board or a committee of the Board at which any indemnity, arrangement or proposal falling within any of the provisions of this Article 21 is to be considered.

21.3 For the purposes of this Article:

21.3.1 "**associated company**" has the same meaning as in Section 258 of the 2006 Act; and

21.3.2 a "**Relevant Officer**" is any officer of the Company or an associated company (other than in either case any person engaged by the Company or an associated company as auditor)".

22 DATA PROTECTION

Each of the shareholders of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "**Recipient**") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company's shareholders (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.