

ROK BOLLYWOOD LIMITED

Company No. 6836930
("the Company")

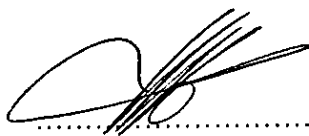
PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

At an Extraordinary General meeting of the above named Company duly convened and held at 'Rok House' Kingswood Business Park, Holyhead Road, Albrighton, Wolverhampton, West Midlands, WV7 3AU on the 4th March 2009, the following Resolution was passed:

SPECIAL RESOLUTION

THAT the regulations in the form attached to this resolution and signed for the purposes of identification by a director of the Company be hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of, all existing articles of association of the Company.



..... Chairman

04 MARCH 2009

..... Date



THE COMPANIES ACTS 1985 TO 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ROK BOLLYWOOD LIMITED (the "Company")



(Adopted by Special Resolution passed on 4 March 2009)

1. **Preliminary**

- 1.1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052), The Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No. 3373), the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007 No. 2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007 No. 2826) so far as it relates to private companies limited by shares (such Table being hereinafter called "Table A") shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association. References herein to regulations are to regulations in the said Table A.

2. **Private Company**

- 2.1. The Company is a private company and accordingly the Company shall not:
- 2.1.1. offer to the public (whether for cash or otherwise) any shares in or debentures of the Company; or
- 2.1.2. allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

3. **Interpretation**

- 3.1. In the first line of regulation 1 after the word 'regulations' the words 'and in any articles adopting in whole or in part the same' shall be inserted.
- 3.2. In these Articles:
- 3.2.1. unless the context otherwise requires the following expressions have the following meanings:

"Act"

means the Companies Act 1985 and
"the 2006 Act" means the Companies

Act 2006, but so that any reference in these Articles to any provision of the Act or 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;

"Bad Leaver"

means where any member (except any of the Principal Shareholders) who:

- (a) being an employee, ceases to be an employee of the Company and/or any company in the Group; or if not employed but being a director of the Company and/or any company in the Group ceases to be a director of the Company and/or any company in the Group; or ceases to be a consultant or associate of the Company and/or any company in the Group, and in each case who is not a Good Leaver; or
- (b) commits a material breach of his obligations under any Relevant Agreement if such breach is incapable of remedy or in the case of remedy failing to remedy the same within 21 days of specifically being required in writing to do so by any other member;

"Cessation Date"

means the date on which any member ceases to be an employee and/or director and/or consultant of the Company and/or any company in the Group for any reason (including death or bankruptcy);

"Deemed Transfer Notice" means a transfer notice deemed to be given under any provision of these Articles or any Relevant Agreement;

"Good Leaver"

means any member (other than any Principal Shareholder):

- (a) who ceases to be an employee and/or director and/or consultant of the Company and/or any company in the Group as a result of his death, or as a result of his

permanent incapacity due to ill health which, in the opinion of the board of directors of the Company, is sufficiently serious to prevent him from carrying out his normal duties; or

- (b) who is wrongfully dismissed from his employment by the Company and/or any company in the Group; or
- (c) who is dismissed from his employment by the Company and/or any company in the Group and who is subsequently awarded compensation for unfair dismissal by the Company and/or any company in the Group by a competent employment tribunal where such compensation is intended to compensate the member for an unfair reason for the dismissal from such employment (but, for the avoidance of doubt, excluding any award which is limited to compensation for failure on the part of the Company and/or any company in the Group to adopt a fair procedure in relation to that dismissal); or
- (d) who is dismissed by reason of redundancy (within the meaning of the Employment Rights Act 1996); or
- (e) who as an employee retires as planned or on reaching 65 years or any other earlier age at which he is bound to retire in accordance with the terms of his contract of employment;
- (f) who does not fall within category (a), (b), (c), (d) or (e) above, but is determined by the board of directors of the Company in its absolute discretion within 6 months of the Cessation Date to be a Good Leaver;

“Group”

means the Company and any company which is a holding company of the

Company or a subsidiary of the Company or of such holding company from time to time or any company associated (has the meaning given to it in section 256 of the 2006 Act) with any such company;

"Paid up"

means, in relation to a share, that such share is paid up or credited as paid up;

"Ordinary Shares"

means the ordinary shares of 1 pence each in the share capital of the Company from time to time;

"Principal Shareholders"

means each of:

- (a) Jonathan Mark Kendrick;
- (b) John Paul DeJoria;
- (c) St Anne's Trustees Limited;
- (d) RBC Trustees (Guernsey) Limited;
- (e) the spouse (or widow) of Jonathan Mark Kendrick and/or John Paul DeJoria and their lineal descendants and for the purposes aforesaid, children and grandchildren (including step, illegitimate and adopted children and grandchildren) shall be deemed to be a lineal descendant;
- (f) any trust in which Jonathan Mark Kendrick and/or John Paul DeJoria, or their spouse or lineal descendants, as previously defined, are interested either as settlor or as a beneficiary;
- (g) any corporate entity of which Jonathan Mark Kendrick and/or John Paul DeJoria, or their spouse or lineal descendants (as defined in (e) above) have directly or indirectly and whether singly or in aggregate a holding in excess of 50% of the voting shares or any of the aforesaid persons (whether singly or in concert) have the power and ability to direct the management and

policies of a controlled corporate entity whether through the ownership of shares of the controlled corporate entity or by contract or otherwise; and

- (h) where relevant, ROK Entertainment Group Inc and/or any company in its Group from time to time;

"Relevant Agreement" means any agreement relating (in whole or in part) to the management of the Company which is binding from time to time on the Company and the members and which (expressly or by implication) supplements and/or prevails over any provisions of these Articles;

"Representatives" means, in relation to a member, any person or persons who have become entitled to his shares in consequence of his death, bankruptcy or mental incapacity;

"Share" means a share in the capital of the Company of whatever class; and

"Transfer Notice" has the meaning attributed thereto in Article 10.1 and includes where the context admits a Deemed Transfer Notice.

- 3.2.2. words or expressions the definitions of which are contained or referred to in the Act, or the 2006 Act (as the case may be) shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereof not in force on the date of adoption of these Articles
- 3.2.3. words importing the singular include (where appropriate) the plural words importing any gender include (where appropriate) every gender and words importing persons shall include (where appropriate) bodies corporate, unincorporated associations and partnerships; and (in each case) vice versa;
- 3.2.4. references to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears; and
- 3.2.5. in relation to any member, references to any English legal term for any action, remedy, method of judicial proceeding, insolvency proceeding, event of incapacity, legal status, court, governmental or administrative authority or agency, official or any legal concept, practice or principle or thing shall in respect of any jurisdiction other than England where that member is

domiciled, resident, incorporated or carries on business be deemed to include what most approximates in that jurisdiction to the English legal term concerned.

4. Share Capital

- 4.1. The authorised share capital of the Company at the date of adoption of these Articles is £1,000,000.00 divided into 100,000,000 Ordinary Shares of 1 pence each.

5. Issue of New Shares

- 5.1. Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the directors who may (subject to section 80 of the Act and to article 5.2 below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- 5.2. The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.
- 5.3. Any shares which the directors are not authorised to deal with by virtue of articles 5.1 and/or 5.2 above may, with the consent of the Company in general meeting, be dealt with by the directors, who may allot and dispose of or grant options over the same to such persons, on such terms, and in such manner as they think fit for a period not exceeding five years from the date of such consent.
- 5.4. In accordance with Section 91(1) of the Act, Sections 89(1) and 90(1) to 90(5) of the Act shall be excluded from applying to the Company.

6. Lien and Calls

- 6.1. The lien conferred by regulation 8 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, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all moneys presently payable by him or his estate to the Company. Furthermore such lien shall extend to all amounts payable in respect of a share. Regulation 8 shall be modified accordingly.
- 6.2. The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 of the words "and all expenses that may have been incurred by the Company by reason of non-payment of the call".

7. Transfer of Shares

- 7.1. No member shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any share (save as may be required in pursuance of his obligations under these Articles or any Relevant Agreement) or create or permit to exist any charge, lien, encumbrance or trust over any share or

agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things except (but subject always to Article 7.7 and Article 11):

- (a) as permitted by Article 8 or 9; or
- (b) as permitted by a Relevant Agreement; or
- (c) as required by any other provision of these Articles.

7.2. The directors shall refuse to register the transfer of any share unless such transfer is permitted by, or is made pursuant to and in accordance with Article 8 or Article 9 or the provisions of these Articles, or any Relevant Agreement. The directors shall also refuse to register the transfer of any share which is prohibited under Article 11 or the provisions of any Relevant Agreement.

7.3. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles or under the provisions of any Relevant Agreement, the directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the directors may think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

7.4. If a member at any time commits a breach of Article 7.1 in relation to any share he shall be deemed immediately prior to such breach to have given a Transfer Notice in respect of such share and must comply with the provisions of Article 9.

7.5. Where a Transfer Notice in respect of any share is deemed to have been given under any provision of these Articles or under any Relevant Agreement and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same such Transfer Notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) receive actual notice of such facts and the provisions of Article 9 shall apply accordingly

7.6. A Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition (as defined in Article 9.1.3) and shall not be revocable.

7.7. The Directors shall not refuse to register any transfer of a share which is permitted under these Articles but may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted under these Articles if it is a transfer:

7.7.1. of a share on which the Company has a lien; or

7.7.2. of a share (not being a fully paid share) to a person of whom they shall not approve.

The first sentence of regulation 24 shall not apply.

7.8. If a member or any of his Representatives becomes aware of any event which is deemed to give rise to an obligation to serve a Transfer Notice, he shall forthwith give written notice thereof to the directors.

- 7.9. Except as provided in Article 8, a member shall not be entitled to transfer part only of the shares held by him for the time being.

8. **Permitted Transfers**

Subject always to Articles 7, 9.16 and 11:

- 8.1. For the purposes of this Article:

8.1.1. **'privileged relation'** in relation to a member means the spouse (or widow or widower) of the member and the member's lineal descendants and for the purposes aforesaid, children and grandchildren (including step, illegitimate and adopted children and grandchildren) shall be deemed to be a lineal descendant of such member;

8.1.2. **'family trust'** means, in relation to a member being an individual or a deceased member, a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of (i) that member and/or a privileged relation of that member, or (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities), and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such member or his privileged relations; and

8.1.3. **'member'** shall be construed as referring to Principal Shareholders only.

- 8.2. Any member being an individual (other than a bankrupt, a trustee of a family trust or a trustee in bankruptcy) may at any time transfer all or any shares held by him to trustees to be held upon a family trust provided that upon the death of that member the shares so held shall revert to the member or his personal representative.

- 8.3. Where shares are held by trustees upon a family trust:

8.3.1. such shares may on any change of trustees be transferred to the new trustees of that family trust;

8.3.2. if and whenever any such shares cease to be held upon a family trust or there shall cease to be any beneficiaries of the family trust the trustees shall be deemed immediately to have given a Transfer Notice in respect of all their relevant shares (as hereinafter defined);

8.3.3. and a privileged relation becomes entitled to have shares transferred to him or her pursuant to a family trust then forthwith prior to such a transfer a Deemed Transfer Notice shall be deemed immediately to be given in respect of the relevant shares; and

8.3.4. for the purposes of this paragraph the expression **'relevant shares'** means and includes (so far as the same remain for the time being held by the trustees) the shares originally transferred to the trustees and any additional

shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

8.4. Bodies Corporate

8.4.1. Any member being a body corporate (not being in relation to the shares in question a holder thereof as trustee of a family trust) may at any time transfer all or any shares held by it to a member of the same group (as hereinafter defined).

8.4.2. Where shares have been transferred under article 8.4.1 (whether directly or by a series of transfers thereunder) from a body corporate (**'the Transferor Company'** which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group (**'the Transferee Company'**) and subsequently the Transferee Company ceases to be a member of the same group as the Transferor Company, then the Transferee Company shall forthwith transfer the relevant shares (as hereinafter defined) to the Transferor Company; and failure so to transfer such shares within 28 days of the Transferee Company ceasing to be a member of the same group as the Transferor Company shall result in a Transfer Notice being deemed immediately to be given in respect of the relevant shares.

8.4.3. For the purposes of this paragraph:

- (a) the expression **'a member of the same group'** means a company which is for the time being a holding company of which the Transferor Company is a wholly owned subsidiary or a wholly owned subsidiary of the Transferor Company or of any holding company of which the Transferor Company is a wholly owned subsidiary; and
- (b) the expression **'relevant shares'** means and includes (so far as the same remain for the time being held by the transferee company) the shares originally transferred to the Transferee Company and any additional shares issued or transferred to the Transferee Company by virtue of the holding of the relevant shares of any of them.

8.5. Any member being a body corporate (not being in relation to the shares in question a holder thereof as a trustee of a family trust) may at any time transfer all but not some only of the shares held by it to another body corporate which has acquired in connection with a bona fide scheme of amalgamation or reconstruction the whole or the main part of the undertaking or assets of such member.

8.6. A member (or his personal representative) may at any time transfer all or any of his shares:

8.6.1. to any other member but with the consent of all members; or

8.6.2. in the case of a member being a nominee, to the person who is the beneficial owner or to a person to whom the beneficial owner, if he were registered as the holder, would have been entitled to transfer his shares in accordance with this Article; provided that the provisions of this paragraph shall not apply in circumstances where the beneficial ownership of the Share in question became vested in its beneficial owner in contravention of any of the provisions of these Articles or any Relevant Agreement; or

- 8.6.3. to any person with the prior approval of a resolution (whether in writing or otherwise) of shareholders holding between them not less than 51% of the shares in the capital of the Company; or
 - 8.6.4. to any person who is a director and/or employee of the Company or any associated company (as defined in Section 435 of the Insolvency Act 1986) of the Company by any trustee of any legal trust that is approved so to do by the directors; or
 - 8.6.5. to any person by any trustee of any legal trust that is approved so to do by the directors; or
 - 8.6.6. by any such individual as approved by the directors to any privileged relation and/or family trust and/or from such family members and/or family trusts to any such individual as approved by the directors.
- 8.7. The Representatives of a member may at any time transfer all or any of the shares to which they are entitled to any person to whom the registered holder would be permitted to transfer the same under these Articles.
- 8.8. If the Representatives of a member are permitted under these Articles to become registered as the holders of any of such member's shares and elect so to do, such shares may at any time be transferred by those Representatives to any person to whom under this Article the same could have been transferred by such member if he had remained the holder thereof, but no other transfer of such shares by the Representatives shall be permitted under this Article.
- 8.9. Unless all the members otherwise consent in writing, no transfer of any share permitted by this Article shall be made during the active period of any Transfer Notice or Deemed Transfer Notice in respect of such share (and for this purpose "**active period**" in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).
- 8.10. A transfer of any share pursuant to this Article shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share free from all liens, charges and other encumbrances.
- 8.11. The foregoing provisions of this Article 8 shall not apply to any of the Principal Shareholders who shall be entitled to transfer their shares at will without let or hindrance.

9. **Pre-emption Rights**

9.1. **Transfer**

- 9.1.1. Except for a transfer of shares which is permitted under these Articles as mentioned in Article 7.1, no share shall be transferred until the following conditions of this Article are complied with. Notwithstanding the preceding sentence, the following pre-emption provisions also apply in any case where these Articles or any Relevant Agreement specify that a Transfer Notice must be served or that a Deemed Transfer Notice has been served.
- 9.1.2. Any member proposing to transfer a share ("**the Proposing Transferor**") shall give notice in writing ("**Transfer Notice**") to the directors that the

Proposing Transferor desires to transfer such share of the shares then held by him. In the Transfer Notice the Proposing Transferor shall specify:

- (a) the number and class of shares which the Proposing Transferor wishes to transfer ("**the Transfer Shares**");
- (b) the price at which the Proposing Transferor wishes to sell the Transfer Shares and the identity of any person who has indicated a willingness to purchase the Transfer Shares at such price.

9.1.3. A Transfer Notice (other than a deemed Transfer Notice) shall be deemed to contain a condition ("**Total Transfer Condition**") that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold.

9.1.4. The Transfer Notice shall constitute the Company (by the directors) as the agent of the Proposing Transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once given a Transfer Notice may not be revoked save with the prior written consent of each of the Shareholders.

9.2. Within seven days after the receipt of a Transfer Notice the directors shall serve a copy of that Transfer Notice on all the members other than the Proposing Transferor. In the case of a deemed Transfer Notice the directors shall similarly serve notice on all the members (including the Proposing Transferor) notifying them that the same has been deemed to have been given.

9.3. Subject as provided otherwise in these Articles or in any Relevant Agreement the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price ("**the Transfer Price**") determined in accordance with Article 9.4.

9.4. **Transfer Price**

9.4.1. Save where the member is a Bad Leaver (in which case the provisions of Article 9.4.2 shall apply) the Transfer Price shall be such price as shall be agreed in writing between all the members; or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 21 days after the service of notices pursuant to article 9.2, the Transfer Price will be determined by an independent Chartered Accountant of not less than five years' standing ("**the Expert**") who shall be nominated by agreement between all the members or failing such nomination within 14 days after the request of any member to the others therefore nominated at the request of any member by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members.

The Expert will certify the open market value of the Transfer Shares as at the date of the Transfer Notice on the following assumptions and bases:

- (i) valuing the Transfer Shares as on an arm's length sale between a willing vendor and a willing purchaser; or

- (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so; or
- (iii) that the Transfer Shares are capable of being transferred without restriction; or
- (iv) valuing the Transfer Shares as a rateable proportion of the total value of all the issued shares of the Company which value shall not be discounted or enhanced by reference to the class of the Transfer Shares or the number thereof.

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Expert in such manner as he shall in his absolute discretion think fit. The Transfer Price shall be a sum equal to the open market value of the Transfer Shares as aforesaid divided by the number of Transfer Shares.

The Company will use its best endeavours to procure that the Expert determines the Transfer Price within 21 days of being requested to do so.

9.4.2. Where the member is a Bad Leaver, the Transfer Price shall be the lower of:

- (a) a sum equal to the par value of the Shares; or
- (b) such sum as is agreed or determined pursuant to clause 9.4.1.

- 9.5. If the determination of the Transfer Price is referred to the Expert the date of determination of the Transfer Price (**'the Determination Date'**) shall be the date upon which the directors receive the Expert's determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement between all the members as aforesaid then the Determination Date shall be the date on which such agreement is made.
- 9.6. The costs and expenses of the Expert in determining the Transfer Price shall be borne as to one half by the Proposing Transferor and as to the other half by the purchasers (as hereinafter defined) pro rata according to the number of Transfer Shares purchased by them unless none of the Transfer Shares are purchased by the members pursuant to this Article by reason of the operation of paragraph 9 in which event the Proposing Transferor shall pay all of such costs and expenses.
- 9.7. Within 7 days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the directors in the first instance to those members who at the date of the offer are registered as the respective holders of shares of the same class as the Transfer Shares (other than (a) the Proposing Transferor or (b) any member to whom under Article 11 shares may not be transferred) and, in the case of competition, shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or selling to any member a greater number of Transfer Shares than the maximum number applied for by him) to the number of shares of that class then held by them respectively. If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, the same shall be offered amongst the acceptors, or some of them, in such proportions or in such manner as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.

- 9.8. If all the Transfer Shares are not accepted by a member or members holding shares of the same class as the Transfer Shares within the time limited for acceptance (determined as below) or if there are no other holders of shares of that class the directors shall (in the former case) within 7 days after the expiration of such time as aforesaid (and in the latter case) immediately, offer all the Transfer Shares to the members holding shares of the other class (other than any member to whom under Article 11 shares may not be transferred) and the provisions of paragraph 9.7 shall apply mutatis mutandis to such offer (save that in the case of competition the Transfer Shares shall be sold to the acceptors in proportion to the amounts paid up (excluding any premium paid on subscription) on the shares then held by them respectively)
- 9.9. Any offer made pursuant to paragraphs 9.7 or 9.8 shall be made by notice in writing and shall specify (a) the number and class of the Transfer Shares; (b) the proportionate entitlement of the relevant member (on the assumption that there will be competition for the Transfer Shares); (c) the Transfer Price; (d) that the Transfer Notice is deemed to contain a Total Transfer Condition and (e) a period (being not less than 21 days and not more than 42 days) within which the offer must be accepted or shall lapse.
- 9.10.
- 9.10.1. No offer of Transfer Shares made by the directors pursuant to this Article shall be capable of acceptance until all of the Transfer Shares shall have been accepted. If by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the Proposing Transferor and none of the Transfer Shares will be sold to the members pursuant to this Article.
- 9.10.2. Subject as provided below the Proposing Transferor may within a period of 6 months after the date of the directors' said notice sell all (but not some only) of the Transfer Shares to any person at any price which is not less than the Transfer Price (after deducting, where appropriate, any net dividend or other distribution declared, paid or made after the date of the Transfer Notice in respect of the Transfer Shares and which has been or is to be retained by the Proposing Transferor).
- 9.11. If any member or members ('purchaser' or 'purchasers') shall within the period(s) of the aforesaid offer(s) agree to purchase all of the Transfer Shares the directors shall forthwith give notice in writing as hereinafter mentioned to the Proposing Transferor and to the purchasers and the Proposing Transferor shall thereupon become bound upon payment of the Transfer Price to the Proposing Transferor (whose receipt shall be a good discharge to the purchaser, the Company and the directors therefor, none of whom shall be bound to see to the application thereof) to transfer to each purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than 7 days nor more than 28 days after the date of the said notice and not being at a place outside England). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors.
- 9.12. Upon service of the Transfer Notice, the other Shareholders shall have the option to require the Proposing Transferor to purchase or procure the purchase ("**a Tag Along Right**") of the same proportion of the Shares held or to be held by the other

Shareholders as the number of Shares (the beneficial ownership of which is being transferred by the Proposing Transferor) bears to the number of all the Shares held by the Proposing Transferor at such time.

- 9.13. Notice to exercise the rights granted by Article 9.12 must be given within two weeks of service of the Transfer Notice. The price per share and the timing of completion of such sale or purchase shall be identical and the other terms of such sale or purchase ("**Sale Terms**") shall be substantially the same as those on which the Proposing Transferor transfers the Shares to the proposed transferee. The price per share shall be increased to take into account any dividend paid on a Share immediately prior to and in contemplation of such sale or purchase if the other Shareholders did not receive that dividend in respect of all or any of the Shares he is to sell pursuant to this clause 9.12 because he had not exercised the Tag Along Right in full at the record date for the dividend.
- 9.14. If a Proposing Transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may authorise some person (who shall be deemed to be the attorney of the proposing transfer for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the Proposing Transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the Proposing Transferor until he shall have delivered his share certificate(s) or on satisfactory indemnity in respect of any lost certificate to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.
- 9.15. Without prejudice to the generality of Article 7.3, the directors may require to be satisfied that any shares being transferred by the Proposing Transferor pursuant to paragraph 9.10.2 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.
- 9.16.
- 9.16.1. In this paragraph a '**Relevant Event**' means:
- (a) in relation to a member being an individual:
 - (i) such member becoming bankrupt; or
 - (ii) the happening of any such event as is referred to in paragraph (c) of regulation 81; or
 - (iii) such member (except a Principal Shareholder) dying; or
 - (iv) such member (except a Principal Shareholder) who is employed in any capacity and/or holds office as a director of the Company ceases to be so employed and/or hold office as a director for any reason whatsoever (other than by wrongful or unfair dismissal) or be involved for any reason whatsoever; or

- (v) such member commits a material breach of his obligations under any Relevant Agreement if such breach is incapable of remedy or in the case of a breach capable of remedy failing to remedy the same within 21 days of being specifically required in writing so to do by the other members; or
 - (b) a member making any arrangement or composition with his creditors generally; or
 - (c) in relation to member being a body corporate:
 - (i) a receiver, manager, administrative receiver or administrator is appointed of such member or over all or any part of its undertaking or assets; or
 - (ii) such member entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
 - (iii) such member ceasing to be controlled (as defined by Section 416 of the Income and Corporation Taxes Act 1988) by the person(s) who controlled such member on the date on which it became a member of the Company or on the date of adoption of these Articles (whichever shall be the later).
- 9.16.2. Upon the happening of any Relevant Event the member in question shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in the name of such member.
- 9.16.3. If the Relevant Event shall be the death or bankruptcy of a member, and if any of the shares which are offered pursuant to the Deemed Transfer Notice shall not be sold to the members ("**the Unsold Shares**"), after the expiration of the period during which the Unsold Shares might have been purchased by a member or members, the Representatives of the member in question shall be entitled to elect at any time before the shares are disposed of by them to be registered themselves as the holders of the Unsold Shares (but so that such election shall not give rise to any obligation to serve a Transfer Notice in respect of the Unsold Shares).
- 9.17. An obligation to transfer a share under the provisions of this Article shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.
- 9.18. The provisions of this Article may be waived in whole or in part in any particular case with the prior written consent of all the members.
- 9.19. The provisions of this Article 9 shall not apply to any Principal Shareholder who shall be entitled to transfer their shares at will without let or hindrance.
10. **Come Along Rights**
- 10.1. If applicable the provisions of this Article 10 shall apply to the exclusion of Articles 7, 8 and 9.
- 10.2. If any one or more of the members ("**the Selling Shareholder(s)**") wish to sell the legal and beneficial interest in more than 50% of the issued shares in the capital of

the Company from time to time ("**Change of Control**"), the Selling Shareholder(s) shall have the option ("**the Come Along Option**") to require all the other members to transfer all their shares to the proposed purchaser, and shall be obliged to procure that an offer is made by the proposed purchaser to acquire all of the shares in the Company in accordance with this Article 10.

- 10.3. The Selling Shareholder(s) shall exercise the Come Along Option by giving notice in writing to that effect ("**the Come Along Notice**") to all the members ("**the Called Shareholders**") as soon as reasonably practicable before the sale of shares resulting in the Change of Control. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their shares ("**the Called Shares**"), the identity of the proposed purchaser and the terms applicable to the proposed Change of Control including the proposed date of completion.
- 10.4. A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if for any reason there is not a Change of Control caused by the transfer of Shares by the Selling Shareholders to the proposed transferee within 90 days after the date of the Come Along Notice.
- 10.5. The Called Shareholders shall be obliged to sell the Called Shares to the proposed purchaser named in the Come Along Notice on the same date as the date proposed for completion of the sale of the Selling Shareholder(s)' shares unless:
 - 10.5.1. all of the Called Shareholders and the Selling Shareholders agree otherwise; and
 - 10.5.2. that date is less than seven days after the date of service of the Come Along Notice in which case the date of completion of the sale of the Called Shares shall be the seventh day after the date of the Come Along Notice; and
 - 10.5.3. the Called Shares and the shares owned by the Selling Shareholders are sold on different terms and conditions PROVIDED THAT the rights conferred by this clause shall only be exercisable by the Selling Shareholders if the Board of the Company is advised at the expense of the Selling Shareholders (by an independent reputable investment bank or other independent corporate finance advisory firm) that the terms on which the Called Shares are to be transferred (including, without limitation, as to the price) are fair and reasonable (so far as the shareholders of the Company other than the Selling Shareholder(s) are concerned) (but for this purpose any contract of employment and/or consultancy agreement entered into by any Selling Shareholder with the Company and/or any proposed transferee on normal commercial terms at the point of completion of the Change of Control shall be disregarded).
- 10.6. If a Called Shareholder fails to transfer his shares in accordance with Article 10.5 within 14 days of being required to transfer his shares then any director is authorised to execute an instrument of transfer of such shares and to receive the consideration from the offeror on behalf of the relevant Called Shareholder but shall not be bound to earn or pay interest on the consideration but shall hold the consideration in trust for the relevant Called Shareholder. A certificate signed by any Director shall be conclusive evidence for all purposes of his authority to execute such instrument and receive the consideration on behalf of the relevant Called Shareholder and shall be a good discharge to the offeror.
- 10.7. All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

11. Prohibited Transfers

- 11.1. Notwithstanding anything else contained in these Articles no share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

12. Proceedings at General Meetings

- 12.1. Every notice convening a general meeting shall comply with the provisions of section 325(1) of the 2006 Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

12.2. Quorum

- 12.2.1. No business shall be transacted at any general meeting unless a quorum is present. Subject to article 12.2.2 below, 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.

- 12.2.2. If and for so long as the Company has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.

- 12.2.3. If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.

- 12.2.4. Regulations 40 and 41 in Table A shall not apply to the Company.

12.3. Sole Member

- 12.3.1. If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in article 12.3.3 below.

- 12.3.2. Any decision taken by a sole member pursuant to article 12.3.1 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.

- 12.3.3. Resolutions under section 168 of the 2006 Act for the removal of a director before the expiration of his period of office and under section 510 of the 2006 Act for the removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

- 12.4. A member present at a meeting by proxy shall be entitled to speak at the meeting and shall be entitled to one vote on a show of hands. In any case where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy. A member present at a meeting by more than one proxy shall be entitled to speak at the meeting through each of the proxies but the proxies together shall be entitled to only

one vote on a show of hands. In the event that the proxies do not reach agreement as to how their vote should be exercised on a show of hands, the voting power is treated as not exercised. Regulation 54 in Table A shall be modified accordingly.

- 12.5. Unless resolved by ordinary resolution that regulation 62 in Table A shall apply without modification, the appointment of a proxy and any authority under which the proxy is appointed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited or received at the place specified in regulation 62 in Table A up to the commencement of the meeting or (in any case where a poll is taken otherwise than at the meeting) of the taking of the poll or may be handed to the chairman of the meeting prior to the commencement of the business of the meeting.
- 12.6. An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.
- 12.7. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll on the election of a chairman and on a motion to adjourn the meeting.
- 12.8. Any such resolution in writing as is referred to in regulation 53 may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.
- 12.9. The Chairman of a general meeting shall not be entitled to a second or casting vote. Regulation 50 shall not apply.

13. **Execution**

- 13.1. Any such resolution in writing as is referred to in regulation 53 may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

14. **Votes of Members**

- 14.1. Subject as provided below in this paragraph and to any other special rights or restrictions as to voting attached to any shares by or in accordance with the Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder; Provided that:

14.1.1. where there is a proposed resolution for the removal of any Principal Shareholder from office as director that Principal Shareholder shall be entitled to that number of votes as shall be equal to 51% of the voting rights of the entire issued share capital of the Company for every share of which they are the holder; and

14.1.2. if at any meeting any holder of shares is not present in person or by proxy the votes exercisable on a poll in respect of the shares of the same class held by members present in person or by proxy shall be pro tanto increased (fractions of a vote by any member being permitted) so that such shares shall together entitle such members to the same aggregate number of votes as could be cast in respect of all the shares of that class if all the holders thereof were present in person.

14.2. Regulation 54 shall not apply.

15. **Alternate Directors**

15.1. At the end of Regulation 66 of Table A there shall be added the following:-

“nor shall any meeting of directors be invalid by reason that notice thereof or of any business to be transacted thereat was not given to any alternate director if his appointor attends such meeting. A person nominated to be an alternate director may (if his appointor is not personally present) be counted in the quorum at the meeting and vote upon the resolution to approve his appointment as alternate director”.

16. **Delegation of Directors' Powers**

16.1. Regulation 72 of Table A shall apply subject to the insertion of the words “powers, authorities and discretions” in place of the word “powers” wherever it occurs in the said regulation and the addition at the end of the third sentence of the said regulation of the words “but no person dealing in good faith and without notice of any such revocation or alteration shall be affected by it.”

17. **Appointment and Retirement of Directors**

17.1. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. A director so appointed shall not be required to retire at the next annual general meeting and Regulation 79 of Table A shall not apply.

17.2. Section 293 of the Act (age limit for directors) shall not have effect in relation to the Company.

18. **Disqualification and Removal of Directors**

18.1. Regulation 81 shall be modified by deleting paragraph (e) thereof. The office of a director shall also be vacated if he shall be removed from office as herein before provided.

18.2. Notwithstanding the provisions of the 2006 Act, any director (other than a Principal Shareholder) can be removed from office if he/she receives a written notice of his/her removal signed by a majority of the serving directors of the Company and the office will be deemed to have been vacated by the director concerned on the day of delivery of that notice if delivered to the director concerned personally, or, in the case of a notice sent by post in a prepaid envelope addressed to the director concerned at the address registered in the register of directors for that director at the expiration of 48 hours after the envelope containing it was posted (and proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given).

19. **Remuneration of Directors**

19.1. The ordinary remuneration of the directors shall from time to time be determined by an ordinary resolution of the Company, and shall (unless such resolution otherwise provides) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in

respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Regulation 82 shall not apply.

20. Pensions

- 20.1. The directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any employees or ex-employees and to officers and ex-officers (including directors and ex-directors) of the Company or its predecessors in business or of any holding company or subsidiary of the Company or to the relations or dependants of any such persons and may establish, support and maintain pensions, superannuation or other funds or schemes (whether contributory or non-contributory).
- 20.2. For the benefit of any such persons and/or their relations or dependants or any of them. Any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit and may vote as a director in respect of the exercise of any of the powers by this Article conferred upon the directors notwithstanding that he is or may become interested therein. Regulation 87 shall not apply.

21. Proceedings of Directors

- 21.1. Regulation 93 of Table A shall apply to the Company subject to the addition of the words "or approved in writing" after the word "signed" in each place that is appears in the said Regulation.
- 21.2. Subject to article 21.3, the directors may, in accordance with section 175(5)(a) of the 2006 Act, authorise any matter which would otherwise involve or may involve a director breaching his duty under section 175(1) of the 2006 Act to avoid conflicts of interest (a "Conflict").
- 21.3. When a Conflict is considered by the directors the director seeking authorisation in relation to the Conflict and any other director with a similar interest:
- 21.3.1. shall not count in the quorum nor vote on a resolution authorising the Conflict;
and
- 21.3.2. may, if the other directors so decide, be excluded from the board meeting while the Conflict is considered.
- 21.4. Each director shall comply with his obligations to disclose his interest in existing and proposed transactions or arrangements with the Company pursuant to sections 177 and 182 of the 2006 Act.
- 21.5. Save in relation to a resolution authorising a Conflict, a director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- 21.6. Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

- 21.7. The quorum for the transaction of the business of the directors shall be two except where from time to time there is a sole director, the quorum shall be one.
- 21.8. Any director or other person may participate in a meeting of directors or of a committee of directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any persons participating in the meeting in this manner shall be deemed to be present in person at the meeting. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no such group where the chairman of the meeting is.
- 21.9. At all directors meetings each director (except a Principal Shareholder where inter alia the provisions of Article 18.2 are applicable) shall be entitled to one vote and each Principal Shareholder if it is a director shall also be entitled to one vote except where there is a resolution to remove a Principal Shareholder from office as director in which case he/they shall have a total of twenty votes.

22. **Borrowing Powers**

- 22.1. 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 thereof, and subject as otherwise provided in these Articles to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

23. **Accounts and Information**

- 23.1. Every member shall be entitled, either himself or through his agents duly authorised in writing, during the Company's normal hours of business to inspect and take copies of the books of account and all other records and documents of the Company and each of its subsidiaries on giving not less than 48 hours, written notice to the secretary (or, if there is none for the time being, the chairman). The Company shall give each such member all such facilities as he may reasonably require for such purposes including the use of copying facilities. The Company may make a reasonable charge for any copies taken but otherwise shall not charge for any facilities requested as aforesaid. Regulation 109 shall not apply.

24. **Notices**

- 24.1. A notice sent by post shall be deemed to be given at the time when the same was posted. The second sentence of regulation 115 shall not apply.

25. **Indemnity**

- 25.1. Subject to the provisions of and so far as may be permitted by law, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.

- 25.2. The Company may purchase and maintain for any officer or auditor of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

26. **Overriding Provisions**

- 26.1. Notwithstanding the provisions of these Articles the directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to any Relevant Agreement.

- 26.2. Where the approval, agreement or consent of any member or director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

27. **Communication by means of website**

- 27.1. Subject to the provisions of the 2006 Act, a document or information may be sent or supplied by the Company to a person by being made available on a website.

28. **Company Seal**

- 28.1. The Company need not have a company seal and pursuant to section 44 of the 2006 Act may execute and deliver any document as a deed under the signature of any two authorised signatories or by a director of the Company in the presence of a witness who attests the signature. A certificate in respect of any shares or other securities in the Company shall be validly issued if it is executed as a deed as aforesaid.

29. **Representatives**

- 29.1. These Articles shall be binding upon and (except as otherwise provided herein) shall enure for the benefit of each member's Representatives.