

Company Number: 7160614

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

ROC CAPITAL MANAGEMENT LIMITED

(Company)

WEDNESDAY



I, the undersigned, being the sole eligible member (as defined in section 289 of the of the Companies Act 2006 (**Act**)) for the time being of the Company, entitled to attend and vote at general meetings thereof **HEREBY PASS** the following resolutions as special resolutions of the Company as specified below pursuant to Chapter 2 of Part 13 of the Act

SPECIAL RESOLUTIONS

- 1 That the 1 issued ordinary share of £1 in the capital of the Company be reclassified an "A" ordinary share of £1 00,
- 2 That 99,999 ordinary shares of £1 00 each in the capital of the Company be converted into "A" ordinary shares of £1 00,
- 3 That 12,121 ordinary shares of £1 00 each in the capital of the Company be converted into "B" ordinary shares of £1 00,
- 4 That 9,091 ordinary shares of £1 00 each in the capital of the Company be converted into "C" ordinary shares of £1 00,
- 5 That, in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £121,212 provided that this authority shall, unless renewed, varied or revoked by the Company, expire five years from the date this resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act

- 6 The Directors shall be entitled under the authority hereby conferred or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement, which would or might require shares to be allotted after the expiry of such authority
- 7 That section 561(1) of the Act and the pre-emption rights contained in the existing articles of association of the Company shall not apply to the allotment and issue of equity securities (as defined in section 560(1) of the Act) pursuant to the authority conferred by resolution 4 and shall cease to take effect when the relevant authority conferred by resolution 4 is revoked or would if not renewed expire, but so that prior thereto the Company may make an offer or agreement which would or might require equity securities to be allotted and in such case the directors may allot equity securities in pursuance of that offer or agreement notwithstanding that such disapplication and/or power shall have ceased to have effect,
- 8 That the regulations initialled by the Chairman for the purposes of identification be and are hereby adopted as the new articles of association of the Company in substitution for and to the exclusion of all other articles of association

Agreement

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

The undersigned hereby irrevocably agrees to the Resolutions

Signed 

Andrew Wall

Dated 19 February 2010

EXPLANATORY STATEMENT TO MEMBERS

(This explanatory statement is not part of any proposed written resolution)

This document is proposed by the board of directors of the Company

This document is sent to Eligible Members on *19 February* 2010 (Circulation Date)

"Eligible members" are the members who are entitled to vote on the resolution on the Circulation Date

If you wish to signify agreement to this document please follow the procedure below

- (a) you (or someone acting on your behalf) must sign and date this document
- (b) if someone else is signing this document on your behalf under a power of attorney or other authority, please send a certified copy of the relevant power of attorney or authority when returning this document
- (c) please return the document to the Company at C/o Hill Dickinson LLP, 50 Fountain Street, Manchester M2 2AS marked "for the attention of The Directors" or hand it to the company secretary or the chairman of the board in person

To be valid, this document must be received no later than *19 March* 2010

If this document is not received by this time your vote will not count Unless sufficient eligible members sign and return this document by that deadline, the proposed written resolutions will lapse

Please note that it is not possible to withdraw your consent once this document, signed by you or on your behalf, has been duly received

The Companies Act 2006
Private Company Limited by Shares
ARTICLES OF ASSOCIATION
of
ROC CAPITAL MANAGEMENT LIMITED
(Adopted by special resolution passed on 19
FEBRUARY 2010)

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INTRODUCTION

1 INTERPRETATION

- 1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings

Act means the Companies Act 2006,

acting in concert has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time)

A Shares means the A ordinary shares of £1 each in the capital of the Company,

A Shareholder means a person for the time being holding A Shares,

Adoption Date means the date of adoption of these Articles,

Articles mean the Company's articles of association for the time being in force,

Available Profits means profits available for distribution within the meaning of part 23 of the Act,

B Shares means the B ordinary shares of £1 each in the capital of the Company,

B Shareholder means a person for the time being holding B Shares,

Bad Leaver means a holder of C Shares who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver,

Business Day means any day (other than a Saturday, Sunday or public holiday) when banks in the City of London are open for business,

C Shares means the C ordinary shares of £1 each in the capital of the Company,

C Shareholders means a person for the time being holding C Shares,

Call has the meaning given to it in article 23.4,

Call Notice has the meaning given to it in article 23.4,

Chairman has the meaning given to it in article 5 4,

Controlling Interest means an interest in Shares conferring on the holder or holders control of the Company within the meaning of Section 840 Income and Corporation Taxes Act 1988

Companies Acts has the meaning given to it in the Act,

Connected has the meaning given in section 252 of the Act,

Deemed Transfer Notice means a Transfer Notice which is deemed to have been served by any of the provisions of these Articles,

Departing Employee Shareholders means a holder of C Shares who ceases to be a director or employee of the Company or any Group Company at any time and who does not continue as, or become, a director or employee of any other Group Company,

Directors mean the directors of the Company from time to time,

Eligible Director means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),

Employee Trust means a trust, the terms of which are approved by the Directors, whose beneficiaries are the bona fide employees of the Group,

Equity Sellers shall have the meaning given in article 11 1,

Equity Shares means the A Shares, B Shares and C Shares,

Exit means (1) the sale of (or the grant of a right to acquire or to dispose of) the entire issued share capital of the Company (in one transaction or as a series of transactions) to any person other than a Member of the Same Group or any person connected with a Member of the Same Group or (2) admission of the Equity Shares to listing on a recognised investment exchange as defined in Section 285 Financial Services and Markets Act 2000,

Fair Value means has the meaning given in article 17 2,

Financial Year means an accounting reference period (as defined in section 391 of the Act) of the Company,

Good Leaver means a holder of C Shares who becomes a Departing Employee Shareholder by reason of

- (a) death,
- (b) permanent disability or permanent incapacity through ill-health meaning that the relevant person is absent from work with the Company for a period of six months due to accident or illness without expectation of returning to work,
- (c) retirement at normal retirement age, or
- (d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company,

Group means the Company and its subsidiaries (if any) from time to time and **Group Company** shall be construed accordingly,

holding company has the meaning given in section 1159 of the Act,

Independent Expert means the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants agreed between the Directors and the Seller in the case of article 18 or agreed between the Equity Sellers in the case of article 11 or, in the absence of agreement within three Business Days of a request to so agree, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator),

Issue Price means in respect of any Share, the subscription price paid (or agreed to be paid) or credited as paid up in respect of that Share, including any share premium,

Lien Enforcement Notice means a notice in writing which complies with the requirements of article article 23 3 2,

Loan Notes means the Loan Notes 2012 of the Company issued as at the Adoption Date,

Member of the Same Group means as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company,

Model Articles means the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date,

Morris means H Morris & Co , Limited, Company Number 00133248 having its Registered Office at Hamstead Industrial Estate, Birmingham B42 1DF,

Morris Group means Morris plus any company being a Member of the Same Group as Morris,

Original Shareholder means a B Shareholder holding shares as at the Adoption Date,

Permitted Transferee has the meaning given in Article 15 2,

Relevant Securities means any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than

- (a) the grant of any options under any share option scheme adopted and approved by the Directors from time to time (and the issue of Shares on the exercise of any such options), and
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles,

Restricted Period means the period of three years from the Adoption Date,

Restricted Shares has the meaning given in article 18 5,

Revenue means sales invoiced by ROC Furniture Limited Company Number 00514399 (a subsidiary of the Company), less, credit notes, rebates and commissions and excluding value added tax, during the period from the second anniversary of the Adoption Date to the third anniversary of the Adoption Date

Sale Shares has the meaning given in article 16 2 1,

Seller has the meaning given in article 16 2,

Shareholder means a holder for the time being of any Share or Shares,

Shares mean shares (of any class) in the capital of the Company and Share shall be construed accordingly,

subsidiary means in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company,

Termination Date means

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,
- (c) where the C Shareholder dies, the date of his death,
- (d) where the C Shareholder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated, or
- (e) in any other case, the date on which the employment or holding of office is terminated,

Transfer Notice has the meaning given in article 16 2, and

Transfer Price has the meaning given in article 17

1 2 A reference in these Articles to

1 2 1 an **Article** is a reference to the relevant numbered article of these Articles, and

1 2 2 a **model article** is a reference to the relevant article,

unless expressly provided otherwise

1 3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date)

- 1 4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa
- 1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 6 1 any subordinate legislation from time to time made under it, and
- 1 6 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

2 ADOPTION OF THE MODEL ARTICLES

- 2 1 The Model Articles (together with those provisions of Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) referred to in article 23) shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2 2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 22, 26(5), 38, 39, 49, 50 and 51 to 53 (inclusive) shall not apply to the Company
- 2 3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur"
- 2 4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

DIRECTORS

3 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two

4 PROCEEDINGS OF DIRECTORS

4 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with article 4 2 (subject to article 4 3 and article 4 4)

4 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter

4 3 A decision taken in accordance with article 4 2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing

4 4 A decision may not be taken in accordance with article 4 2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with article 4 6 and article 4 7

4 5 Meetings of the Directors shall take place at least four times in each year Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice

4 6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall stand adjourned again on the same basis until such time as a quorum is present

4 7 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict (as defined in article 7 1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director

4 8 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to

4 8 1 appoint further Directors, or

4 8 2 call a general meeting so as to enable the Shareholders to appoint further Directors

4 9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote

4 10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye

4 11 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors

5 APPOINTMENT AND REMOVAL OF DIRECTORS AND CHAIRMAN

5 1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed a director

5 1 1 by ordinary resolution, or

5 1 2 by a decision of the Directors

5 2 The holders of not less than 50% in number of the A Shares in issue from time to time shall be entitled by notice in writing to the Company to appoint up to four persons as Directors and at any time to remove from office in like manner any person so appointed and to appoint another person in his place

5 3 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director

5 3 1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director,

- 5 3 2 save in the case of any Director appointed pursuant to article 5 2, a majority of the other Directors resolve that he cease to be a Director, and
- 5 3 3 in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company
- 5 4 The Directors may appoint any person as chairman of the board of Directors (**Chairman**) and may remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 6 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
- 6 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- 6 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,
- 6 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,
- 6 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be

entitled to remuneration for professional services as if he were not a Director,

6 1 5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

6 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

7 DIRECTORS' CONFLICTS

7 1 The Directors may, in accordance with the requirements set out in this article 7, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (**Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

7 2 Any authorisation under this article 7 will be effective only if

7 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,

7 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

7 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

7 3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)

- 7 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
 - 7 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
 - 7 3 3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,
 - 7 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
 - 7 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
 - 7 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters
- 7 4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict
- 7 5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 7 6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no

authorisation under article 7 1 shall be necessary in respect of any such interest

- 7 7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

8 SECRETARY

The Directors may (but are not obliged) appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors

SHARES AND DISTRIBUTIONS

9 DIVIDENDS

- 9 1 Subject to any restrictions on declaration of Dividends agreed between the Shareholders, and to Article 12 2 hereof, in respect of any Financial Year and if the Directors so resolve, the Available Profits of the Company shall be distributed among the holders of the Equity Shares (pari passu as if they constituted Shares of the same class) pro rata to their respective holdings of Equity Shares
- 9 2 Subject to the Companies Acts, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment
- 9 3 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up All dividends are expressed net and shall be paid in cash

10 LIQUIDATION PREFERENCE

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the

payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) among the holders of the Equity Shares pro rata to the number of Equity Shares held, as if they all constituted shares of the same class

11 EXIT PROVISIONS

11 1 If an Exit occurs during the Restricted Period the proceeds of such Exit shall be distributed as follows

11 1 1 first in paying to the holder(s) of the B Shares a sum calculated using the following formula

$$BDA = A - (B + C) \times D\%$$

Where

BDA means the priority amount distributable to the holder(s) of the B Shares,

A means the aggregate consideration (including any deferred consideration) receivable by the holders of the Equity Shares (**Equity Sellers**) in cash or in specie for all their Equity Shares (before deducting fees, commission or other expenses attributable to the Exit but deducting any debts assumed, or to be discharged by the Equity Sellers or the Company in connection with the Exit),

B means the sum of £2,500,000 plus, if the Exit occurs in the period commencing on the second anniversary of the Adoption Date and ending on the third anniversary of the Adoption Date, a sum equal to 0.75% of Revenue (if any) at the date of the Exit or £50,000 whichever is the higher,

C means the reasonable costs and expenses incurred by the Equity Sellers in connection with the Exit, including without limitation professional fees and expenses and brokerage commissions,

D means

(a) in the 12 month period from the Adoption Date to the first anniversary of the Adoption Date, 30%,

- (b) in the 12 month period commencing on the day after the first anniversary of the Adoption Date and ending on the second anniversary of the Adoption Date, 20%, and
- (c) in the 12 month period commencing on the day after the second anniversary of the Adoption Date and ending on the third anniversary of the Adoption Date, 10%.

11 1 2 second, in distributing the balance among the Equity Sellers pro rata to the number of Equity Shares held, as if they all constituted shares of the same class,

provided that in the case of an Exit resulting from the admission of the Equity Shares to listing on a recognised investment exchange ("**Listing**") then, to the extent that the holders of the Equity Shares (other than B shares) do not receive cash for their Shares, the BDA shall be satisfied by -

- (a) determining the sum payable in cash for BDA,
- (b) determining the number of shares which would, at the relevant admission price under the Listing, be issued to the holders of the Equity Shares on the Listing (adjusting for any sub-division and reclassification) ("**Admission Shares**"), and
- (c) allocating to the B Shareholders prior to the Listing, from the Equity Shares then in issue, such number of Equity Shares (valuing such shares at the admission price under the Listing) as will satisfy BDA, such allocation to be achieved by transfer of Equity Shares at nil cost to the B Shareholders

11 2 The BDA shall be agreed between the Equity Sellers, or in the absence of agreement within 20 Business Days of the date of the Exit, the Independent Expert shall be instructed to determine and report in writing on the value of the BDA within 30 Business Days of his appointment

11 3 The Equity Sellers shall be entitled to make submissions to the Independent Expert (including oral submissions) and shall provide the Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision

- 11 4 The Independent Expert shall act as an expert and not as an arbitrator and its decision shall be final and binding on the Equity Sellers in the absence of manifest error or fraud
- 11 5 The Independent Expert's fees and any costs properly incurred by it in arriving at its determination shall be borne by the Equity Sellers in such proportions as the Independent Expert directs, taking into account the conduct of the parties
- 11 6 If all or part of A is deferred, the BDA will be deferred in the same proportion and distributed within 2 Business Days of receipt of the deferred element
- 11 7 If an Exit occurs after the expiry of the Restricted Period, the proceeds of such Exit (after deducting all reasonable costs and expenses incurred by the Equity Sellers in connection with the Exit, including without limitation, professional fees and expenses and brokerage commissions) shall be distributed among the holders of the Equity Shares pro rata to the number of Equity Shares held, as if they all constituted shares of the same class
- 11 8 The Directors shall not register any transfer of Shares if the consideration payable (including any deferred consideration) whether in cash or otherwise to the Equity Sellers (**Exit Proceeds**) is not distributed in the manner provided in this article 11, provided that, if the Exit Proceeds are not settled in their entirety upon completion of the Exit
- 11 8 1 the Directors may register the transfer of the relevant Shares, provided that the Exit Proceeds due on the date of completion of the Exit have been distributed in the order of priority set out in this article 11, and
- 11 8 2 each Equity Seller shall take any reasonable action (to the extent lawful and within its control) to ensure that the balance of the Exit Proceeds are distributed in the order of priority set out in this article 11

12 CLASS RIGHTS AND THEIR VARIATION

- 12 1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at

least 75% in nominal value of the issued Shares of that class (excluding any holder(s) of Restricted Shares)

12 2 Without prejudice to the generality of the foregoing the following shall be deemed to be a variation of the rights of the holders of the B Shares -

12 2 1 any alteration of the articles of association so far as affects the rights of the B Shareholders,

12 2 2 any issue, reorganisation, consolidation or sub-division of the Equity Shares not in compliance with sub article 12 3 hereof, and

12 2 3 any dividend or distribution being declared or paid for so long as any Loan Notes remain outstanding

12 3 If the Company proposes to undertake or undertakes an issue of Equity Shares to any person then

12 3 1 the Company shall issue to the holders from time to time of B Shares such number of additional B Shares (the "**Additional Shares**") which are necessary to enable the holders of the B Shares prior to such issue to hold, following such issue, that proportion of the Equity Shares as it held prior to such issue

12 3 2 subject to Article 12 3 3 the Additional Shares will be issued at par credited as fully paid up by the application of distributable reserves or the share premium account to the extent that such distributable reserves or share premium account are available and to such extent the B Shareholder will not be bound to pay any amount in respect of the Additional Shares (including the par value of such shares)

12 3 3 to the extent that Additional Shares may not be issued due to a shortfall in or exhaustion of the Company's distributable reserves or share premium account, the B Shareholder shall be entitled to subscribe for the balance of Additional Shares not issued as fully paid up pursuant to Article 12 3 2, nil paid, save that any restriction on payment of dividend which, but for this provision might apply to such nil-paid shares, shall not apply

12 3 4 In the event of any dispute as to the number of B Shares to be allocated such dispute shall be referred to an Expert applying mutatis mutandis the provisions of Article 11 2 et seq

13 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 13 1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution, the Directors shall not save with the consent of the holders of the A Shares and subject always to Article 12 3, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares)
- 13 2 Subject to the remaining provisions of this article 13, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to
 - 13 2 1 offer or allot,
 - 13 2 2 grant rights to subscribe for or to convert any security into, and
 - 13 2 3 otherwise deal in, or dispose of,any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper
- 13 3 The authority referred to in article 13 2
 - 13 3 1 shall be limited to a maximum nominal amount of £121,212,
 - 13 3 2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and
 - 13 3 3 may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired)
- 13 4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company
- 13 5 Unless otherwise agreed by special resolution if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any

person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an Offeree) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person

13 6 An offer made under article 13 5 shall

13 6 1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,

13 6 2 remain open for a period of 10 Business Days from the date of service of the offer, and

13 6 3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under article 13 5 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe

13 7 If, on the expiry of an offer made in accordance with article 13 5, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement

13 8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 13 5 shall be used to satisfy any requests for Excess Securities made pursuant to article 13 6 3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Equity Shares held by each such applicant bears to the total number of such Equity Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to article 13 9, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders

- 13 9 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

14 TRANSFERS OF SHARES GENERAL

- 14 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share
- 14 2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles Subject thereto the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent
- 14 3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him
- 14 4 Any transfer of a Share by way of sale which is required to be made under article 19 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee
- 14 5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require
- 14 5 1 any holder (or the legal representatives of a deceased holder), or
- 14 5 2 any person named as a transferee in a transfer lodged for registration, or
- 14 5 3 such other person as the Directors or an Investor Director may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose
- 14 6 If any such information or evidence referred to in article 14 5 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach

has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 5 Business Days of receipt of such written notice, then

14.6.1 the relevant Shares shall cease to confer on the holder of them any rights

14.6.1.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,

14.6.1.2 to receive dividends or other distributions otherwise attaching to those Shares, or

14.6.1.3 to participate in any future issue of Shares, and

14.6.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice)

The Directors may reinstate the rights referred to in article 14.6.1 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 14.6.2

14.7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that

14.7.1 it does not contain a Minimum Transfer Condition, and

14.7.2 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)

14.8 Any Transfer Notice (but not a Drag Along Notice as defined in article 19) served in respect of the transfer of any Share which has not completed before

the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice

15 PERMITTED TRANSFERS OF SHARES

15 1 Subject to Articles 18 and 20 a transfer of any Shares approved by A Shareholders may be made without any price or other restriction and any such transfer shall be registered by the Directors

15 2 For so long as any member of the Morris Group is a shareholder it may transfer any Shares held by it to any other member of the Morris Group (**Permitted Transferee**) without restriction and the Directors shall give effect to such transfer provided that if the Permitted Transferee ceases to be a member of the Morris Group, such Permitted Transferee shall within 3 Business Days of ceasing to be such a member transfer the Shares held by it to the Original Shareholder or a Member of the Same Group as the Original Shareholder. If the Permitted Transferee fails to make a transfer in accordance with this article 15 2, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the said period of 3 Business Days

16 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

16 1 Except where the provisions of articles 15 and 19 apply, any transfer of Shares by a B Shareholder or a C Shareholder shall be subject to the pre-emption rights in this article 16

16 2 A Shareholder (other than an A Shareholder) who wishes to transfer Shares (**Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (**Transfer Notice**) to the Company specifying

16 2 1 subject to article 14 7 2, the number of Shares he wishes to transfer (**Sale Shares**),

16 2 2 the name of the proposed transferee, if any,

16 2 3 subject to article 18 3, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (**Proposed Sale Price**), and

16 2 4 subject to article 14 7 1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (**Minimum Transfer Condition**)

- 16 3 Once given, a Transfer Notice may not be withdrawn
- 16 4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 16 5 As soon as practicable following the later of
- 16 5 1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and
- 16 5 2 the determination of the Transfer Price,
- the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 16 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered
- 16 6 If the Sale Shares are B Shares or C Shares, the Directors shall offer the Sale Shares to the holders of A Shares and shall invite the holders of A Shares to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy
- 16 7 If
- 16 7 1 at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each A Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all A Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
- 16 7 2 not all Sale Shares are allocated following allocations in accordance with article 16 7 1, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set

out in article 16 7 1 The procedure set out in this article 16 7 2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and

16 7 3 at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the A Shareholders in accordance with their applications The balance of the Sale Shares shall be retained by the Seller and the Seller shall not be entitled to offer or transfer the Sale Shares to any other party

16 8 Where the Transfer Notice contains a Minimum Transfer Condition

16 8 1 any allocation made under article 16 7 shall be conditional on the fulfilment of the Minimum Transfer Condition, and

16 8 2 if the total number of Sale Shares applied for under article 16 7 is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect If the Transfer Notice has lapsed, the Seller shall not be entitled to offer or transfer the Sale Shares to any other party

16 9 Where either

16 9 1 the Transfer Notice does not contain a Minimum Transfer Condition, or

16 9 2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under article 16 7, give notice in writing of the allocations of Sale Shares (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice)

16 10 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice

16 11 If the Seller fails to comply with article 16 110

16 11 1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller)

16 11 1 1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,

16 11 1 2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and

16 11 1 3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and

16 11 2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

17 VALUATION

17 1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is Connected not voting) and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share

- 17 2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions
- 17 2 1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served),
 - 17 2 2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
 - 17 2 3 that the Sale Shares are capable of being transferred without restriction,
 - 17 2 4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and
 - 17 2 5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account
- 17 3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit
- 17 4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose
- 17 5 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision
- 17 6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 17 7 The Independent Expert shall be requested to determine the Fair Value within 30 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller

- 17 8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert in which case the Seller shall bear the cost

18 COMPULSORY TRANSFERS

- 18 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine
- 18 2 If a C Shareholder becomes a Departing Employee Shareholder a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any Shares held by such C Shareholders prior to or within 10 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (**Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such holder of C Shares becomes a Departing Employee Shareholder shall automatically lapse
- 18 3 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the holder of C Shares is
- 18 3 1 a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares, and
- 18 3 2 a Good Leaver, be the higher of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares
- 18 4 The Transfer Price in respect of a transfer of shares pursuant to article 18 1 shall be the aggregate Fair Value of the Sale Shares
- 18 5 Forthwith upon a Transfer Notice being deemed to be served under article 18 or article 18 2 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights

- 18 5 1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
- 18 5 2 to receive dividends or other distributions otherwise attaching to those Shares, or
- 18 5 3 to participate in any future issue of Shares

The Directors may reinstate the rights referred to in article 18 5 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to articles 18 1 and 18 2

19 DRAG ALONG

- 19 1 If the holders of 50 1% of the A Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in Equity Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 19
- 19 2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (**Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder A Drag Along Notice shall specify
 - 19 2 1 that the Called Shareholders are required to transfer all their Equity Shares (**Called Shares**) pursuant to this article 19,
 - 19 2 2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
 - 19 2 3 the consideration payable for the Called Shares calculated in accordance with article 19 4,
 - 19 2 4 the proposed date of completion of transfer of the Called Shares
- 19 3 Once given, a Drag Along Notice may not be revoked However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not

completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 40 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 19.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 11.
- 19.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 19.
- 19.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders otherwise agree.
- 19.7 Within 10 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 19.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to article 19.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 19.4 in trust for the Called Shareholders without any obligation to pay interest.
- 19.8 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such

holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this article 19.

19.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Equity Shares, whether or not pursuant to a Share Option Scheme (**New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Equity Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 19 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Equity Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.

19.10 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 15.1

19.11 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

20 TAG ALONG

20.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 18 but after the operation of the pre-emption procedure set out in article 16), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this article 20 shall apply.

20.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder on the date of the

Offer, other than any holder(s) of Restricted Shares, to buy all of the Equity Shares held by such Shareholders on the date of the Offer for a consideration in cash per Equity Share (the **Offer Price**) which is equal to the highest price per Equity Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Equity Shares in connection with the Proposed Transfer

- 20 3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Shareholder on the date of the Offer at least 10 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**) The Offer Notice shall specify
- 20 3 1 the identity of the Buyer (and any person(s) acting in concert with the Buyer),
- 20 3 2 the Offer Price and any other terms and conditions of the Offer,
- 20 3 3 the Sale Date, and
- 20 3 4 the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer
- 20 4 The completion of the Proposed Transfer shall be conditional in all respects on
- 20 4 1 the making of an Offer in accordance with this article 20,
- 20 4 2 the completion of the transfer of any Equity Shares by any Shareholder (each an **Accepting Shareholder**) who accepts the Offer within the Offer Period, and the Directors shall refuse to register any Proposed Transfer made in breach of this article 20 4,
- 20 5 The Proposed Transfer is, but the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this article 20 shall not be, subject to the pre-emption provisions of article 16

DECISION-MAKING BY SHAREHOLDERS

21 GENERAL MEETINGS

- 21 1 No business other than, subject to article 21 1, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is

present at the commencement of the meeting and also when that business is voted on

- 21 2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

22 VOTING

- 22 1 Subject to any other provisions in these Articles concerning voting rights, each A Share shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 22 2 The B Shares and the C Shares shall carry the right to receive notice of and to attend and speak at all general meetings of the Company, but shall not carry any right to vote at any general meetings of the Company subject always in the case of the B Shares only, to the provisions of articles 12 2 and 12 3.
- 22 3 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 22 4 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 22 5 Model article 45(1) shall be amended by
- 22 5 1 the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and
- 22 5 2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

23 LIEN, CALLS ON SHARES AND FORFEITURE

23 1 The Company has a lien (**Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

23 2 The provisions of articles 52(2) and (3), 55, 56(2), 57(2), (3) and (4), 59, 60, 61 and 62 for public companies set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company, save that each reference in those articles to a "member" or "members" shall be deemed to be references to a "Shareholder" or "Shareholders" (as the case may be)

23 3 Enforcement of the Company's Lien

23 3 1 Subject to the provisions of this article 23 3, if

23 3 1 1 a Lien Enforcement Notice has been given in respect of a Share, and

23 3 1 2 the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide

23 3 2 A Lien Enforcement Notice

23 3 2 1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

23 3 2 2 must specify the Share concerned,

23 3 2 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

23 3 2 4 must be addressed either to the holder of the Share or to a transmittee of that holder, and

23 3 2 5 must state the Company's intention to sell the Share if the notice is not complied with

23 3 3 Where Shares are sold under this article 23 3

23 3 3 1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and

23 3 3 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

23 3 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

23 3 4 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and

23 3 4 2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice

23 3 5 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's Lien on a specified date

23 3 5 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and

23 3 5 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

23 4 Call notices

23 4 1 Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice (**Call Notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (**Call**) which is payable to the Company at the date when the Directors decide to send the Call Notice

23 4 2 A Call Notice

23 4 2 1 may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company,

23 4 2 2 must state when and how any Call to which it relates is to be paid, and

23 4 2 3 may permit or require the Call to be made in instalments

23 4 3 A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent

23 4 4 Before the Company has received any Call due under a Call Notice the Directors may

23 4 4 1 revoke it wholly or in part, or

23 4 4 2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose Shares the Call is made

23 4 5 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share

23 4 5 1 on allotment,

23 4 5 2 on the occurrence of a particular event, or

23 4 5 3 on a date fixed by or in accordance with the terms of issue

23 5 Forfeiture

23 5 1 If a person is liable to pay a Call and fails to do so by the Call payment date

23 5 1 1 the Directors may issue a notice of intended forfeiture to that person, and

23 5 1 2 until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate

23 5 2 A notice of intended forfeiture

23 5 2 1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,

23 5 2 2 must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder,

23 5 2 3 must require payment of the Call and any accrued interest by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

23 5 2 4 must state how the payment is to be made, and

23 5 2 5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited

- 23 5 3 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit

ADMINISTRATIVE ARRANGEMENTS

24 NOTICES

- 24 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

24 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),

24 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

24 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

24 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article 24 1, no account shall be taken of any part of a day that is not a working day

- 24 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

25 INDEMNITY AND INSURANCE

25 1 Subject to article 25 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

25 1 1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and

25 1 2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25 1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

25 2 This article 25 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

25 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss

25 4 In this article 25

25 4 1 **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company), and

25 4 2 **Relevant Officer** means any director or other officer or former director or other officer of any Group Company, but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor

26 **DATA PROTECTION**

26 1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes 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.

26 2 The personal data that may be processed for such purposes under this article 26 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to

26 2 1 a Member of the Same Group as the Recipient (each a **Recipient Group Company**),

26 2 2 employees, directors and professional advisers of that Recipient or any Recipient Group Company, and

26 2 3 funds managed by any of the Recipient Group Companies

26 3 Each of the Shareholders and Directors consent (from time to time) 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