

COMPANIES ACTS 1985 – 1989

PRIVATE COMPANY LIMITED BY SHARES

STATIONERY WORLD LIMITED ("the Company")  
(registered number SC111485)

WRITTEN RESOLUTION OF THE COMPANY

PASSED ON 9 SEPTEMBER 2008

On 9 September 2008 the following resolution was passed as a special resolution of the Company by written resolution signed on behalf of the sole member of the Company

SPECIAL RESOLUTION

"That

- (a) the 1,000 authorised and issued ordinary shares of £1 00 each in the capital of the Company be and they are hereby reclassified as 1,000 A ordinary shares of £1 00 each, such shares having the rights set out in the articles of association to be adopted by the Company pursuant to the resolution set out in paragraph (e) below (the "New Articles"),
- (b) the Company's authorised share capital be and is hereby increased from £1,000 divided into 1,000 A ordinary shares of £1 00 each to £50,000, by the creation of an additional 23,500 A ordinary shares of £1 00 each and 25,500 ordinary shares of £1 00 each, such shares having the respective rights set out in the New Articles,
- (c) pursuant to section 80 of the Companies Act 1985 (the "Act") (i) the directors be and they are hereby generally and unconditionally authorised to allot relevant securities (as defined in the said section 80 of the Act) up to a maximum nominal amount of £50,000 to the total exclusion of any pre existing authorities granted to the directors, such authority to expire on the fifth anniversary of the date of passing this resolution, and (ii) the Company be permitted to make or enter into an offer or agreement before the expiry referred to in paragraph (i) above has expired which would or might require relevant securities (defined as aforesaid) to be allotted after that authority has expired,
- (d) pursuant to section 95 of the Act, the directors be and they are hereby authorised to allot equity securities (within the meaning of Section 94 of the Act) pursuant to the authority conferred by the resolution set out in paragraph (c) above, as if section 89(1) of the Act did not apply to such allotment,
- (e) the draft articles of association of the Company in the form attached to this resolution and initialled by the Company's sole member for the purposes of identification be and they are hereby adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company, and

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- (f) all rights of pre-emption whether in the New Articles or otherwise be and are hereby waived in respect of the allotment and issue of A Ordinary shares of £1 each in the Capital of the Company and Ordinary shares of £1 each in the Capital of the Company up to the authorised but unissued share capital of the Company following the passing of this Resolution ”

CERTIFIED A TRUE COPY

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Director  
for and on behalf of  
**Stationery World Limited**

THE COMPANIES ACT 1985 and 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

STATIONERY WORLD LIMITED

(registered number SC111485)

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(Adopted by Special Resolution passed on 9 September 2008)

**PRELIMINARY**

**1 CONSTITUTION**

The Company is established as a private company within the meaning of Section 1(3) of the Companies Act 1985 (as amended) and of the Memorandum of Association of the Company and of the Regulations constituting Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826), and as otherwise amended prior to the adoption of these Articles (such table being hereinafter called "**Table A**") with the exception of Regulations 2, 24, 40 and 41, 53, 64 to 69 (inclusive), 73 to 77 (inclusive), 79 to 81 (inclusive), 83, 87, 89, 94 to 97 (inclusive) and 118 of Table A and of any other Regulations of Table A which are inconsistent with the additions and modifications set forth save in so far as they are varied hereby and such Regulations (save as so varied) and the Articles hereinafter contained shall be the regulations of the Company

**2 INTERPRETATION**

2 1 In these Articles, the following words and expressions shall have the following meanings

**the Act** means the Companies Act 1985 and the Companies Act 2006 as amended and in force from time to time,

**Arrears** means in relation to any share, all accruals, deficiencies and arrears of any dividend payable in respect of such share,

**Asset Sale** means a sale by the Company of all or substantially all of the business, assets or undertaking of the Company (taken as a whole),

**Associate** shall, in relation to any person, mean

- (i) the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including adopted child and step child) or other lineal descendant of any relevant person,
- (ii) the trustees of any settlement set up by any relevant person or, of any settlement of which a relevant person is or is capable of being a beneficiary,
- (iii) any nominee of a relevant person,
- (iv) any subsidiary or holding company (as such expressions are defined in the Act) of any company or corporation which is for the time being a member of the Company and any other subsidiary of any such holding company,
- (v) any person with which any relevant person is connected, the question of whether such person is so connected falling to be determined for this purpose in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988, and
- (vi) any person with whom any relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Take overs and Mergers as for the time being current),

**Board** means the board of directors of the Company as from time to time constituted,

**Equity Shares** means the A Ordinary Shares and the Ordinary Shares and **Equity Share Capital** shall be construed accordingly,

**Exempt Matter** means any matter (i) in relation to which prior written consent of the holder or holders of shares representing at least 75% of the issued A Ordinary Shares has been obtained by the Company, (ii) expressly provided for in and permitted by any written agreement (being an agreement additional to these Articles) to which the Company and any holder or holders of Ordinary Shares in the Company and the holder or holders of not less than 75% of the A Ordinary Shares are parties (including without limitation the Subscription and Shareholders' Agreement), or (iii) approved or proposed by the Investor Director,

**Investor** means Murray Capital Limited, a private company incorporated under the Companies Act 1985 with registered number SC206168 and having its registered office at 9 Charlotte Square, Edinburgh EH2 4DR,

**Investor Director** means the director appointed by the Investor pursuant to Article 15 4 1 of these Articles of Association,

**Investor Group** means in relation to the Investor, the Investor or any holding company or any subsidiary of the Investor from time to time or any subsidiary of a holding company of the Investor and "**member of the Investor Group**" shall be construed accordingly,

**Sale** means the sale of any part of the share capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) with such person holding more than 50% of the Company's issued share capital, and

**Subscription and Shareholders' Agreement** means the agreement of even date with the adoption of these Articles entered into among the Company, the Investor and the New Subscribers (as therein defined)

2.2 Words and expressions defined in the Act shall have the same meanings in these Articles

2.3 A person shall be deemed for the purposes of these Articles to hold shares if he has an interest in them Schedule 13 Part I and Section 324 of the Act shall apply for the

purposes of these Articles in determining whether or not a person has an interest in shares

### 3 **SHARE CAPITAL**

The authorised share capital of the Company at the date of the adoption of these Articles is £50,000 divided into 24,500 A ordinary shares of £1 each (the “**A Ordinary Shares**”) and 25,500 ordinary shares of £1 each (the “**Ordinary Shares**”)

### 4 **SHARE RIGHTS**

The rights attaching to the respective classes of shares shall be as follows

#### 4 1 **Income**

Subject to any restrictions on distributions imposed by the Act, the Board shall have the discretion, subject to the rights of the holders of the A Ordinary Shares to declare a dividend on the A Ordinary Shares and the Ordinary Shares as if the holders of such shares formed a single class for this purpose such dividend to be ratified by the holders of 75% of the A Ordinary Shares

#### 4 2 **Capital**

On a return of capital on liquidation or reduction of capital or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be distributed as follows

4 2 1 first, among the holders of the A Ordinary Shares a sum equal to the aggregate of (i) the price subscribed for each such share, (ii) any Arrears, and (iii) the sum of one hundred and eighty seven thousand and five hundred pounds (£187,500) ,

4 2 2 second, in paying to each holder of Ordinary Shares in respect of each Ordinary Share of which it is the holder, a sum equal to one pound (£1 00),

4 2 3 third, in paying to the holders of the A Ordinary Shares as a class the sum of one hundred and eighty seven thousand and five hundred pounds (£187,500),and

4 2 4 then, the balance of such assets (if any) shall be distributed among the holders of the A Ordinary Shares and the Ordinary Shares (pari passu as

if the same constituted one class of shares for this purpose) according to the amount paid up or credited as paid up on each such share

#### 4 3 **Sale Preference**

In the event of a Sale, the cash receivable in respect of the Company's share capital (excluding and after the payment to the holders of the A Ordinary Shares any sums due to the holders of the A Ordinary Shares by the Company) shall be allocated among the holders of the A Ordinary Shares and the holders of the Ordinary Shares as follows

4 3 1 the first two hundred and fifty thousand pounds (£250,000) of such cash shall be allocated as to seventy five per cent (75%) to the holders of the A Ordinary Shares as a class and as to twenty five per cent (25%) to the holders of the Ordinary Shares as a class, and

4 3 2 the surplus cash shall be distributed among the holders of the A Ordinary Shares and the Ordinary Shares pari passu as if the same constituted a single class of shares for this purpose

#### 4 4 **Asset Sale**

On the occurrence of an Asset Sale on a solvent basis, the members of the Company shall procure that the Company is wound up and shall take all such steps as are required to wind up the Company and return the surplus capital and the assets of the Company remaining after the payment of its liabilities to the members in accordance with these Articles but in these circumstances on the basis that the holders of the A Ordinary Shares shall receive the sum that would be received by replicating the commercial effect of the reallocation of the proceeds of a Sale as set out in Article 4 3 to that Asset Sale

#### 4 5 **Voting**

At a general meeting of the Company every member shall have one vote for each Equity Share held

### 5 **UNISSUED SHARES AT THE DISPOSAL OF THE DIRECTORS**

Subject to the provision of these Articles including, without limitation, Article 7 and without prejudice to any special rights conferred on the holders of any existing shares or class of shares, all shares shall be issued to such persons and upon such terms and conditions and with such rights, priorities, privileges or restrictions as the resolution creating or issuing such shares or effecting the increase in the authorised share capital of

the Company shall prescribe but, in the absence of any such prescription, all shares whether forming part of the existing or any increased capital shall be at the disposal of the directors of the Company who may issue them, subject as aforesaid and to Section 80 of the Act, to such persons at such times and generally on such terms and conditions and with such rights, priorities, privileges or restrictions as they may think fit

## 6 METHOD OF VARYING CLASS RIGHTS

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may 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 not less than 75% in nominal value of the issued shares of that class but not otherwise. Without prejudice to the generality of this Article, the rights attached to the A Ordinary Shares shall be deemed to be varied in the following circumstances

- 6 1 the grant of any option or other right to subscribe for or convert into shares and by any alteration or increase or reduction or consolidation or sub division or re classification of the authorised or issued share capital of the Company or any of its subsidiaries,
- 6 2 any variation or abrogation of any of the rights attached to any of the shares for the time being in the capital of the Company,
- 6 3 any alteration to the Memorandum or Articles of Association of the Company or by the adoption of new Articles of Association of the Company,
- 6 4 any alteration of the restrictions on the powers of the directors of the Company to borrow monies, give guarantees or create charges,
- 6 5 the sale or disposal of the undertaking of the Company or of any of its subsidiaries (if any) or any substantial part thereof or by the sale or disposal of any share in the capital of any subsidiary of the Company from time to time,



- 6 6 the calling of a meeting of the Company for the purpose of, or amongst other things for the purpose of, considering a resolution to wind up the Company except where liquidation is necessitated by insolvency,
- 6 7 any purchase or redemption by the Company of its own shares,
- 6 8 the acquisition of any interest in any share in the capital of any company by the Company or any of its subsidiaries,
- 6 9 any reduction in the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or in any uncalled liability in respect of partly paid shares,
- 6 10 any distribution, payment or return to members of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company,
- 6 11 any capitalisation of undivided profits (whether or not the same are available for distribution and including any profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve,
- 6 12 the issue by any subsidiary of the Company (other than to the Company or to another wholly owned subsidiary of it) of any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its equity share capital in existence prior to such issue and by the disposal by the Company or by any such subsidiary of any such shares, and
- 6 13 any change in the accounting reference date of the Company or any of its subsidiaries from those as at the date of adoption of these Articles,

PROVIDED THAT the terms of Articles 6 1 to 6 13 inclusive shall not apply to an Exempt Matter

## 7.1 NEW ISSUES OF SHARES

Subject to the provisions of Article 7.3, unless otherwise agreed by all the holders of the Equity Shares, all or any unissued shares shall before issue be offered in the first instance to the members holding Equity Share Capital in proportion as nearly as circumstances admit to their existing holding of such shares and shall reflect the class of shares held by each member. Any such offer shall be made by notice in writing specifying the number of shares comprised in the offer and specifying a date (being not less than fourteen days after the date of the offer) after which the offer, if not by then accepted, will be deemed to have been refused. The offer shall indicate that it may be accepted in respect of a lesser number of shares than those comprised in the offer. At the expiration of the time limit specified in the offer, the number of shares offered to the holders of Equity Share Capital but not so accepted shall be offered for subscription by means of a second offer (the “**Second Offer**”) to those holders of Equity Share Capital who have accepted all the shares offered to them in the first instance. The Second Offer shall be made by notice in writing specifying a date (being not less than fourteen days after the date of the Second Offer) after which the Second Offer if not then accepted (whether in respect of all or part of the excess shares (as hereinafter defined)) will be deemed to have been refused. The Second Offer shall specify the total number of shares available for subscription (the “**Excess Shares**”) and shall notify the offerees that any of them who wish to acquire any of the Excess Shares should in his reply state how many of the Excess Shares he desires to have. In the event of the Excess Shares being insufficient in number to satisfy all the requests received for Excess Shares, such request or requests for Excess Shares shall be satisfied to an extent in proportion as nearly as circumstances admit to the then existing holding of Ordinary Shares or A Ordinary Shares of the members making such request.

## 7.2 SHARES NOT TAKEN UP BY EXISTING MEMBERS

If any shares are not taken up by the existing members in accordance with the provisions of this Article 7 or are not capable of being so offered except by way of fractions then subject to the provisions of these Articles and to the Investor having first given its written consent to the same, the directors may dispose of such shares to such persons and on such terms and conditions as they deem desirable provided that on no account shall such shares be disposed of (i) on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members pursuant to Article 7.1, or (ii) more than three months after expiry of the Second Offer.

### 73 **REGISTRATION OF TRUSTEES**

Without prejudice to the provisions of Regulation 5 of Table A, the Company shall be entitled to register trustees as such in respect of any shares held upon any trust

### **LIEN**

- 8 In Regulation 8 of Table A the words “(not being a fully paid share)” shall be omitted and the words “and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company” shall be inserted after the words “in respect of that share”

### **FORFEITURE OF SHARES**

- 9 Regulation 18 of Table A is hereby modified by adding at the end of the first sentence thereof the following

“and all expenses that may have been incurred by the Company by reason of such non payment ”

### **TRANSFER OF SHARES**

### 10 **INTERPRETATION OF TRANSFER**

For the purpose of these Articles, “**transfer**” shall extend to and include the renunciation or negotiation of any temporary document of title to any share and the entering into of a contract, undertaking or arrangement whereby the holder of a share holds the same upon trust for the benefit of or as nominee for any other person

### 11 **FORM OF EXECUTION OF TRANSFERS**

Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares in writing in any usual or common form or in any other form which the directors may approve. An instrument of transfer of a share (other

than a partly paid share) need not be executed on behalf of the transferee. The transferor shall remain the holder of the shares and as such a member of the Company until the name of the transferee is registered in the Register of Members in respect thereof.

## RESTRICTIONS ON TRANSFERS

### 12.1 TRANSFER NOTICE

Save as otherwise provided in these Articles, any person proposing to transfer any of his shares in the Company (hereinafter called the “**Proposing Transferor**”) shall give notice in writing (hereinafter called a “**Transfer Notice**”) to the Company that he desires to transfer the same. Where a Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Transfer Notices and Deemed Transfer Notices shall constitute the Company as the Proposing Transferor's agent for the sale of the shares specified therein (the “**Transfer Shares**”) at the Transfer Price calculated in accordance with Article 12.2 below.

### 12.2 TRANSFER PRICE

12.2.1 The Transfer Price shall, subject to Article 12.2.2 below, be the price agreed by the Proposing Transferor and the Board (the Proposing Transferor, if a director, being disqualified from voting thereon). If the Proposing Transferor and the Board are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given the Board shall be entitled to instruct an independent firm of accountants agreed between the Board and the Proposing Transferor (and failing such agreement as shall be nominated by the President for the time being of the Institute of Chartered Accountants of Scotland on the application of either the Board or the Proposing Transferor) to certify the sum which, in its opinion, represents the fair value of the Transfer Shares (the “**Certified Price**”). In the event that the Proposing Transferor does not agree with the Certified Price, he shall be entitled within a period of 5 days from receipt of notice of the Certified Price to revoke the Transfer Notice by giving written notice to that effect to the Company.

12 2 2 In determining the Certified Price of any share forming part of the equity share capital, the independent firm of accountants appointed pursuant to the provisions of this Article 12 2 shall

- (i) determine the sum which a willing purchaser would offer to a willing seller for the whole of the issued equity share capital valued on a going concern basis,
- (ii) divide the resultant figure by the number of shares of the equity share capital in issue, and
- (iii) make such adjustments as it considers necessary to allow for any rights which may be outstanding and in particular those whereunder any person, firm or body corporate may call for the issue of further shares,

so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding represented by the Transfer Shares, or in relation to any restrictions on the transferability of the Transfer Shares and provided further that the independent firm of accountants shall take into account any bona fide offer from any third party to purchase any of the Transfer Shares. In certifying the Certified Price, the independent firm of accountants shall be considered to be acting at the cost and expense of the Company as expert and not as arbiter, and provided that the independent firm of accountants was given such information as in its opinion it required for the purposes of such certification, its certificate shall be final and binding on all concerned (save in the case of manifest error or fraud)

### 12 3 1 **OFFER OF TRANSFER SHARES**

The Transfer Shares shall be offered by the Company at the Transfer Price in the first instance to the shareholders holding shares of the same class as the Transfer Shares in the Company, other than the Proposing Transferor, as nearly as may be in proportion to the existing shares of the same class as the Transfer Shares held by them and the offer shall in each case limit the time in which the same, if not accepted, shall be deemed to be declined, and shall notify to such shareholders that any such shareholder who desires to acquire shares in excess of his proportion should in his reply state how many additional shares he desires to have, and if all such shareholders do not claim their proportion the unclaimed shares shall be used for satisfying the applications for additional shares. If

there shall be insufficient of the said unclaimed shares to satisfy in full all such applications for additional shares, the said unclaimed shares shall be distributed among such shareholders making such applications as nearly as may be in proportion to their respective holdings of shares of the same class as the Transfer Shares in the Company provided that no person shall be bound to take more additional shares than the due proportion which he originally offered to take up

- 12 3 2 If the Company shall not have found a member or members willing to purchase all the Transfer Shares after offering such Transfer Shares to holders of shares of the same class as the Transfer Shares in accordance with Article 12 3 1 above or if there are no other holders of shares of the same class as the Transfer Shares, the Company shall offer any remaining Transfer Shares to the holders of Equity Shares to whom they have not already been offered and the provisions of Article 12 3 1 shall apply mutatis mutandis to such offer (save that (i) the time limit for acceptance of an offer to purchase the Transfer Shares under this Article 12 3 2 shall not be less than 15 days and (ii) the aggregate time period for acceptance of offers to purchase Transfer Shares under Articles 12 3 1 and 12 3 2 shall not exceed 90 days from the date on which the Company was served with a Transfer Notice)

12 4 **PROPOSING TRANSFEROR BOUND IF PURCHASING MEMBER FOUND**

Subject to the acceptances having been received within the time limits stated in Article 12 3, if the Company shall, within the space of 90 days after being served with a Transfer Notice, find a member or members willing to purchase any of the Transfer Shares (subject as hereinafter provided) it shall give notice thereof to the Proposing Transferor and the member or members aforesaid (the “**Sale Notice**”) and shall specify the place and date (not being less than 3 business days nor more than 14 business days after the Sale Notice) at which each party shall be bound to complete the purchase of the Transfer Shares The Proposing Transferor shall be bound upon receipt of payment of the Transfer Price to the Company as agent for the Proposing Transferor to transfer such Transfer Shares to the relevant member or members

12 5 **DEFAULT IN TRANSFER BY PROPOSING TRANSFEROR**

If in any case the Proposing Transferor, after having become bound as aforesaid, makes default in transferring any of the Transfer Shares, the Company may receive the relevant

purchase monies and the Proposing Transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer of these shares to the purchasing member or members and upon the execution of such transfer the Company shall hold the purchase monies in trust for the Proposing Transferor. The receipt by the Company of the purchase monies shall be a good discharge to the purchasing member or members and after his or their name(s) has/have been entered in the Register of Members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

**12.6 TRANSFER IF NO PURCHASING MEMBER OR FAILURE BY MEMBER TO PURCHASE**

If the Company shall not, within the space of 90 days after being served with the Transfer Notice or within such shorter time limits as stated in accordance with Article 12.3, find a member or members willing to purchase all the Transfer Shares and give notice as aforesaid or if within 7 days of the date of the Sale Notice the relevant member or members fail to make payment in accordance with Article 12.4, the Company shall notify the Proposing Transferor and the relevant member or members of the same and the Proposing Transferor shall at any time within six months thereafter be at liberty, subject to Article 13 below and to the prior written consent of the Investor to sell and transfer all the remaining shares (but not part only) to any person or persons at a price not less than the Transfer Price and not otherwise on any more favourable terms and conditions.

**12.7 REGISTRATION OF TRANSFER BY DIRECTORS**

The directors shall register any transfer effected according to the procedures specified in Articles 12, 13 and 14 but not otherwise.

**12.8 DISAPPLICATION OF RESTRICTIONS ON TRANSFERS**

The restrictions on the transfer of shares contained in the foregoing provisions of this Article 12 shall not apply to

12.8.1 a transfer of any shares by any member of the Investor Group to another member of the Investor Group,

12.8.2 a transfer of any shares by any member (or other person entitled to transfer) to that member's spouse or to any children of that member, or

12 8 3 a transfer of any shares with the prior written consent of, and a waiver of preemption rights by, all the other members of the Company

12 9 Any purported transfer of shares otherwise than in accordance with the foregoing provisions of these Articles shall be void and have no effect

12 10 If any holder of A Ordinary Shares shall purchase Ordinary Shares from the holder(s) thereof pursuant to these Articles (or vice versa), then without any resolution of the Company's shareholders or any other corporate action being required, the shares so acquired shall forthwith upon registration of the transfer of such shares be redesignated and reclassified as A Ordinary Shares or Ordinary Shares, as the case may be

## TRANSFER OF CONTROL

### 13 1 LIMITATION ON TRANSFER OF CONTROL

13 1 1 The directors shall not register the transfer of any shares (hereinafter called the "Specified Shares") conferring the right to vote at General Meetings of the Company, if such transfer is intended to be made to a person not a member of the Company at the date of adoption of these Articles of Association (other than to a member of the Investor Group) and which would result if made and registered in a person or that person's Associates who is or are not a member or members of the Company at the date of adoption of these Articles of Association obtaining a Controlling Interest (as hereinafter defined) in the Company unless

13 1 1 1 the Investor is satisfied that the transfer is to be made pursuant to a bona fide offer received from an unconnected third party on arm's length terms, and

13 1 1 2 the Investor agrees with the valuation of the Company contained in such offer and its other terms, including the terms upon which the Investor (or any member of the Investor Group, as the case may be) shall be released and discharged from any residual guarantees or other obligations in relation to the Company



## GENERAL MEETINGS AND RESOLUTIONS

- 14 1 A notice convening a General Meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Regulation 38 of Table A shall be modified accordingly All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of the consideration of accounts, balance sheets, and the reports of the directors of the Company and, if relevant, the Company's auditors, and the appointment of, and the fixing of the remuneration of, the Company's Auditors
- 14 2 Every notice convening a General Meeting shall comply with the provisions of the 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 of the Company and, if relevant, to the Company's auditors
- 14 3 No business shall be transacted at any General Meeting unless a quorum is present at the time when the Meeting proceeds to business Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum provided that at any time when the A Ordinary Shares remain in issue one of such persons as aforesaid must be a holder of the A Ordinary Shares or a proxy for a holder of the A Ordinary Shares or a duly authorised corporate representative of a holder of the A Ordinary Shares
- 14 4 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 time and place as the directors of the Company 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

- 14 5 At any General Meeting of the Company, a poll may be demanded by one or more members present in person or by proxy and having the right to vote at the meeting and sub clauses (b), (c) and (d) of Regulation 46 of Table A shall be modified accordingly

### **APPOINTMENT AND REMOVAL OF DIRECTORS**

- 15 1 Unless and until otherwise determined by Ordinary Resolution of the Company, there shall be a maximum number of four directors of the Company, and the minimum number of directors shall be two

- 15 2 The office of a director shall be vacated in any of the following events, namely

15 2 1 if pursuant to any statutory provision he is removed or prohibited from being a director,

15 2 2 if he shall resign by writing under his hand left at the office or if he shall tender his resignation and the directors shall resolve to accept the same,

15 2 3 if he shall have a receiving order made against him, become bankrupt, apparently insolvent, be sequestrated, execute a trust deed for his creditors or shall compound with his creditors generally,

15 2 4 if he shall become insane, of unsound mind or otherwise incapax or if an order is made in respect of him under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984,

15 2 5 if he shall be absent from meetings of the directors for six months without leave and his alternate director (if any) shall not during such period have attended in his stead and the directors shall resolve that his office be vacated,

15 2 6 if, not being the Investor Director, he shall be removed from office by notice in writing served upon him signed by all his co directors,

15 2 7 in the case of the Investor Director, if a notice signed by the Investor is served removing him from office in terms of Article 15 4 2,

- 15 2 8 if, not being the Investor Director, he shall be in material breach of any of his obligations under the Subscription and Shareholders' Agreement (being remediable or not) or in respect of any other material breach of his obligations thereunder which is remediable, he fails to rectify or remedy the breach as soon as reasonably practicable after having been notified of such breach
- 15 3 The directors of the Company shall not be required to retire by rotation
- 15 4 1 Notwithstanding any limitation on the number of directors fixed in accordance with these Articles, the Investor shall be entitled so long as it or any member of the Investor's Group holds any share in the capital of the Company from time to time to appoint at any time and from time to time any one person to be a non executive director of the Company who shall be referred to as the "**Investor Director**" and to remove from office any director so appointed (provided that the Investor shall indemnify the Company against any claim against it arising out of the removal of the Investor Director) and to appoint another in his place At any meeting of the board of directors at which any variation of the rights as defined in Article 6 are to be discussed (unless such variation of rights has been proposed by the Investor Director) the Investor Director shall be entitled to such number of votes as shall constitute a majority on the Board
- 15 4 2 The appointment and removal of the Investor Director shall, unless otherwise agreed between the Investor and the Company, be effected by notice in writing signed on behalf of the Investor and given to the Company at its registered office and shall take effect forthwith upon receipt
- 15 4 3 The remuneration to be paid by the Company in respect of the Investor Director shall be payable by the Company to the Investor and shall be such sum as may be determined in accordance with any agreement (being an agreement additional to these Articles) between amongst others the Company and the Investor and Regulation 82 in Table A shall be read and construed accordingly
- 15 4 4 In addition and without prejudice to the provisions of Sections 168 and 169 of the Act, the Company may, by Extraordinary Resolution remove any director of the Company

(other than one appointed pursuant to Article 15 4 1) before the expiry of his period of office and may, if thought fit, by Ordinary Resolution appoint another person in his stead. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.

15 4 5 Other than with the prior written approval of the Investor, no person shall be appointed as an additional director of the Company unless he shall first have agreed in writing and in consideration of his appointment as a director to exercise his rights as a director so that the Company acts in accordance with all undertakings, representations and warranties given by the Company in any agreement (being an agreement additional to these Articles and including, without limitation, the Subscription and Shareholders' Agreement) to which the Company and any holder or holders of A Ordinary Shares and Ordinary Shares are parties (subject always to any overriding fiduciary duties imposed upon a director by law).

15 5 Subject as aforesaid 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.

### **BORROWING POWERS**

16 The directors of the Company may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money and the fulfilment of obligations and the performance of contracts and to mortgage or charge the property assets and uncalled capital of the Company and to issue debentures, debenture stock, loan stock instruments and all other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

## **DIRECTORS' POWERS**

### **17 1 PAYMENT OF PENSIONS, ANNUITIES**

The directors of the Company may exercise all the powers of the Company conferred by the Memorandum of Association of the Company to pay and/or provide pensions, annuities, gratuities, superannuation, and other allowances, benefits advantages, facilities and services both for persons who are or have been directors of, or who are or have been employed by the Company and their dependants and relatives and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers

### **17 2 EXPENSES**

The Company shall repay to any director all such expenses as he may reasonably and properly incur in attending and returning from meetings of the directors or of any committee or General Meetings or otherwise in or about the business of the Company

## **PROCEEDINGS OF DIRECTORS**

18 1 After the words "Subject to the provisions of the Act" in Regulation 85 of Table A there shall be inserted the following "and any relevant provisions contained in any agreement (being an agreement additional to these Articles) to which any director who is also a holder of Ordinary Shares, and the holders of any A Ordinary Shares are parties" and Regulation 85 shall be read and construed accordingly

18 2 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 as aforesaid 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

18 3 The quorum necessary for the transaction of the business of the directors shall be two provided that no quorum shall be present unless the Investor Director is present A person who holds office only as an alternate director shall if his appointor is not present

be counted in the quorum. In the case of an equality of votes, the Chairman shall not have a second or casting vote and Regulation 88 shall be modified accordingly. In the event that the Investor Director shall not be present but shall have prior to the relevant meeting deposited a written notice consenting to the meeting being held in his absence then the quorum for such meeting shall be any two directors.

- 18.4 Any director (or, where appropriate, his alternate director) may participate in a meeting of the directors by means of conference telephone or other communications equipment whereby all parties participating in the meeting can hear and speak to one another and participation in this manner shall be deemed to constitute presence in person at such meeting.

## **ALTERNATE DIRECTORS**

### **19.1 POWER TO APPOINT ALTERNATE DIRECTORS**

Each director of the Company shall have the power (i) at any time to appoint as an alternate director, either another director of the Company or any other person who shall require to be approved for that purpose by resolution of the directors (acting reasonably) and (ii) at any time, to terminate such appointment.

### **19.2 TERMINATION**

The appointment of an alternate director shall automatically terminate on the happening of any event which, if he were a director of the Company, would cause him to vacate the office of director or if his appointor shall cease for any reason to be a director of the Company otherwise than by retiring and being re appointed at the same meeting.

### **19.3 APPOINTMENT ETC TO BE IN WRITING**

Every appointment, removal or resignation of an alternate director, shall be in writing signed by the appointor or (as the case may be) by the alternate director and shall take effect (subject to any approval required under Article 19.1) upon receipt of such written appointment, removal or resignation at the registered office of the Company.

#### 19 4 **ALTERNATE DIRECTOR TO RECEIVE NOTICES**

An alternate director shall, (subject to his giving to the Company an address within the United Kingdom at which notices may be served) be entitled to receive notice of all meetings of the directors of the Company or of any committee of the directors of which his appointor is a member, and to attend and, in place of his appointor, vote as a director and be counted for the purposes of a quorum at any such meeting at which his appointor is not personally present and generally, in the absence of his appointor, to perform and exercise all the functions, powers and duties as a director of his appointor and to receive notice of all General Meetings. An alternate director shall during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor but shall not be entitled to any remuneration or fee from the Company.

#### 19 5 **ALTERNATE DIRECTOR'S RIGHT TO VOTE**

A director of the Company or any other person may act as alternate director to represent more than one director of the Company and an alternate director shall be entitled at meetings of the directors of the Company or any committee of the directors of the Company to one vote for every director whom he represents in addition to his own vote (if any) as a director.

### **THE SEAL**

- 20 In Regulation 6 of Table A the words "or executed in accordance with Section 36B of the Act" shall be inserted after the words "sealed with the seal"

### **INDEMNITY**

- 21 Subject to the provisions of and so far as may be consistent with the Act, but without prejudice to any indemnity to which such person may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses or liabilities which he may sustain or incur in or about the actual or purported execution and/or discharge of the duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties or powers of office, including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, whether 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 decree or 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 and statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

- 22 Subject to the provisions of the Act, the directors may purchase and maintain insurance at the expense of the Company for the benefit of the directors or other officers of the Company against liability which attaches to them or loss or expenditure which they incur in relation to anything done or omitted or alleged to have been done or omitted as directors or officers of the Company