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COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
SHETLAND ORGANIC SEAFOOD LIMITED

(Registered No. SC274856)

FRIDAY



A40

AE4C3U45

26/10/2007

371

COMPANIES HOUSE

We, the undersigned, being all of the ordinary shareholders of Shetland Organic Seafood Limited (the "Company") entitled to attend and vote at general meetings of the Company as at the date of this resolution and, pursuant to article 44 of the Company's articles of association in respect of paragraph (d) of this resolution only, all of the B ordinary shareholders of the Company entitled to attend and vote at general meetings of the Company, as at the date of this resolution, convened to resolve upon those matters resolved upon at paragraph (d) of the resolution set out below HEREBY RESOLVE that the following resolutions be and are hereby passed by way of written resolution in accordance with section 381A of the Companies Act 1985 (as amended):

WRITTEN RESOLUTION

"THAT

- (a) the authorised share capital of the Company be and is hereby increased to £55,620.41 by the creation of.
 - (i) 102,041 C Ordinary Shares of £0.01 each having the rights attached to the C Ordinary Shares of £0.01 each set out in the articles of association of the Company as amended pursuant to paragraph (d) below; and
 - (ii) 460,000 D Ordinary Shares of £0.01 each having the rights attached to the D Ordinary Shares of £0.01 each set out in the articles of association of the Company as amended pursuant to paragraph (d) below.
- (b) in substitution for any existing power under section 80 of the Companies Act 1985 (as amended) (the "Act"), but without prejudice to the exercise of any such authority prior to the date hereof, the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot all of the authorised but unissued relevant securities (as defined in Section 80(2) of the Act) of the Company for the time being, such authority to expire on the date five years from the date of this resolution but so that such authority shall allow the Company to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the power conferred hereby had not expired,
- (c) in substitution for any existing power under section 95 of the Act, the Directors be and are hereby generally and unconditionally empowered pursuant to section 95 of the Act, to allot equity securities (as defined in

section 94(2) of the Act) for cash pursuant to the above authority given in accordance with section 80 of the Act as if section 89(1) of the Act did not apply to the allotment, such power to expire on the date five years from the date of this resolution but so that such power shall allow the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired, and

- (d) the articles of association of the Company be and are hereby amended by deleting that text which is struck through and adding that text which is underlined in the document attached hereto and for the purposes of identification initialled by a director of the Company."

Ordinary Shareholders

for and on behalf of
EAC (Scotland) (GP3)
Limited as general
partner of EAC Fund
III (GP) Limited
Partnership acting as
general partner of EAC
Fund III Limited
Partnership
Date:

for and on behalf of
EAC (Scotland) (GP3)
Limited as general
partner of EAC Fund
III (GP) Limited
Partnership acting as
Managing Limited
Partner of EAC Fund
III GmbH & Co
Beteiligungs KG
Date:

B Ordinary Shareholders (in respect of paragraph (d) only)

X
Karol Rzepkowski
Date:

Andrew Chandler
Date:

Laurent Vigue by
his attorney

director of the
Company
Date:

For and on behalf of
EAC Limited
Date:

COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

SHETLAND ORGANIC SEAFOOD LIMITED

AE4C2U44

A40

26/10/2007

372

COMPANIES HOUSE

(Registered No. SC274856)

We, the undersigned, being all of the ordinary shareholders of Shetland Organic Seafood Limited (the "Company") entitled to attend and vote at general meetings of the Company as at the date of this resolution and, pursuant to article 44 of the Company's articles of association in respect of paragraph (d) of this resolution only, all of the B ordinary shareholders of the Company entitled to attend and vote at general meetings of the Company, as at the date of this resolution, convened to resolve upon those matters resolved upon at paragraph (d) of the resolution set out below HEREBY RESOLVE that the following resolutions be and are hereby passed by way of written resolution in accordance with section 381A of the Companies Act 1985 (as amended):

WRITTEN RESOLUTION

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 - (ii) 460,000 D Ordinary Shares of £0.01 each having the rights attached to the D Ordinary Shares of £0.01 each set out in the articles of association of the Company as amended pursuant to paragraph (d) below.
- (b) in substitution for any existing power under section 80 of the Companies Act 1985 (as amended) (the "Act"), but without prejudice to the exercise of any such authority prior to the date hereof, the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot all of the authorised but unissued relevant securities (as defined in Section 80(2) of the Act) of the Company for the time being, such authority to expire on the date five years from the date of this resolution but so that such authority shall allow the Company to make offers or agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the power conferred hereby had not expired,
- (c) in substitution for any existing power under section 95 of the Act, the Directors be and are hereby generally and unconditionally empowered pursuant to section 95 of the Act, to allot equity securities (as defined in

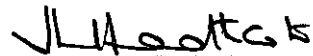
section 94(2) of the Act) for cash pursuant to the above authority given in accordance with section 80 of the Act as if section 89(1) of the Act did not apply to the allotment, such power to expire on the date five years from the date of this resolution but so that such power shall allow the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired; and

- (d) the articles of association of the Company be and are hereby amended by deleting that text which is struck through and adding that text which is underlined in the document attached hereto and for the purposes of identification initialled by a director of the Company "

Ordinary Shareholders

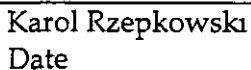


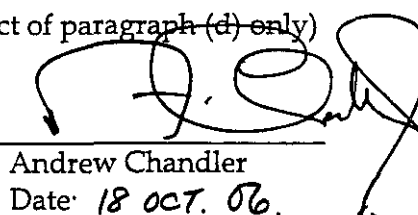
for and on behalf of
EAC (Scotland) (GP3)
Limited as general
partner of EAC Fund
III (GP) Limited
Partnership acting as
general partner of EAC
Fund III Limited
Partnership
Date. 18 OCT '06



for and on behalf of
EAC (Scotland) (GP3)
Limited as general
partner of EAC Fund
III (GP) Limited
Partnership acting as
Managing Limited
Partner of EAC Fund
III GmbH & Co
Beteiligungs KG
Date. 18 OCT '06

B Ordinary Shareholders (in respect of paragraph (d) only)


Karol Rzepkowski
Date


Andrew Chandler
Date. 18 OCT. 06.



Laurent Vigue by
his attorney
JONATHAN
HEATHCOTE
director of the
Company
Date 18 OCT 06



For and on behalf of
EAC Limited
Date: 18 OCT '06

JLH

THE COMPANIES ACTS 1985 TO 1989
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
SHETLAND ORGANIC SEAFOOD LIMITED
Registered No. SC274856

Incorporated in Scotland on the 18th day of October 2004

Adopted on the 28th day of February 2005

As amended by written resolution

On the 18th day of OCTOBER. 2006



Dickson Minto W.S.
London

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THE COMPANIES ACT 1985 TO 1989
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
SHETLAND ORGANIC SEAFOOD LIMITED
(Registered Number SC274856)

CONSTITUTION

- 1 The Company is established as a private company within the meaning of Section 1(3) of the Act in accordance with and subject to the provisions of the Act and of the Memorandum of Association of the Company and of the Regulations contained in Table A, set out in Statutory Instrument 1985 No 805 as amended by Statutory Instrument 1985 No. 1052 and Statutory Instrument 2000 No 3373 ("Table A") subject to the exceptions and amendments thereto set out in paragraph 2 of Schedule 1 to these Articles

INTERPRETATION

- 2 In these Articles, unless the context otherwise requires, words and expressions shall bear the meaning ascribed to them in Schedule 1 of these Articles and the Schedules shall be part of and construed as one with these Articles

SHARE CAPITAL

- 3 The authorised share capital of the Company as at the date of adoption of these Articles is £50,000 divided into 2,950,000 Ordinary Shares, 2,000,000 B Ordinary Shares and 50,000 C Ordinary Shares ¹

RIGHTS ATTACHING TO THE SHARES

- 4 The rights and restrictions attaching to the Equity Shares are as follows

Income

- 4 1 Any profits which the Directors may lawfully determine to distribute in respect of any financial year shall be distributed amongst the holders of the Equity Shares pro rata in relation to the Paid Up Amount upon each such share held.

Capital

- 4 2 Subject to the provisions of Schedule 3, the capital and assets of the Company on a winding up or other return of capital available for distribution to the members of the Company shall be distributed amongst the holders of the

¹ By written resolution dated _____ the authorised share capital of the Company was increased to £55,620 41 divided in to 2,950,000 Ordinary Shares, 2,000,000 B Ordinary Shares, 152,041 C Ordinary Shares and 460,000 D Ordinary Shares

Equity Shares pro rata in relation to the Paid Up Amount upon each such share held

Voting

- 4 3 On a show of hands every holder of Ordinary Shares who (being an individual) is present or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) shall have one vote and on a poll every member holding Ordinary Shares shall have one vote for every such share of which he is the holder
- 4 4 No voting rights shall attach to the B Ordinary Shares or the D Ordinary Shares save on any resolution which has the effect of varying or abrogating the rights or restrictions attaching to either of these the classes B Ordinary Shares (provided always that for the purposes of this Article 4.4 only any issue of shares of any class (other than shares which are entitled only to a fixed dividend or return of capital) shall not be deemed to have the effect of varying or abrogating the rights or restrictions attaching to the B Ordinary Shares or the D Ordinary Shares), in which event on a show of hands every holder of shares of the class affected B Ordinary Shares who (being an individual) is present or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) shall have one vote and on a poll every member holding shares of the class affected B Ordinary Shares shall have one vote for every such share of which he is the holder Holders of B Ordinary Shares or the D Ordinary Shares shall be entitled to receive notice of and to attend and speak at, but (save as aforesaid) not to vote at, all general meetings of the Company
- 4 4A Notwithstanding any other provision herein contained, the following shall apply with respect to each holder of D Ordinary Shares in respect of the D Ordinary Shares held by him
- 4 4A 1 at any general meeting of the Company on any resolution in which he is entitled to vote, he shall be deemed to vote (whether on a poll or otherwise) in the same manner as the majority of votes cast at the relevant meeting and at any class meeting of the holders of the D Ordinary Shares, he shall be deemed to vote (whether on a poll or otherwise) in such manner as the chairman of such meeting may direct,
- 4 4A 2 in a written resolution he will be deemed to resolve in the same manner as the holders of the majority of the Equity Shares and if the written resolution is to be passed by the holders of the D Ordinary Shares only, he shall be deemed to resolve in such manner as may be directed by an Investor Director of the Company from time to time;
- 4 4A 3 in relation to any matter where the consent of the holders of the D Ordinary Shares is required he shall be deemed to grant consent if the Investor Director directs that consent to the matter should be granted,
- 4 4A 4 on any transfer of a majority of the B Ordinary Shares and the D Ordinary Shares (taken together as one class for these purposes) in circumstances where an offer is made to him to acquire his D Ordinary Shares at a price which is not lower than the average price per share

payable to the holders of a majority of the B Ordinary Shares and the D Ordinary Shares (taken together as one class for these purposes) he shall be deemed to accept such offer and to transfer such shares at the time and place specified by the offeror,

and he hereby appoints any director of the Company from time to time to sign any such resolution, consent, transfer form or other document and/or take any other act in his name and on his behalf to implement all or any of the above provisions provided that, in respect of any transfer made pursuant to Article 4 4A 4, the Company shall retain on trust the proceeds of sale and shall account to him for such proceeds forthwith on demand.

- 4 5 No voting rights shall attach to the C Ordinary Shares. Holders of C Ordinary Shares will be entitled to receive notice of and to attend and speak at, but not to vote at, all general meetings of the Company
- 4 6 In the event that and for so long as an Event of Default subsists each Employee Member hereby undertakes to exercise all and any voting rights attaching to any Ordinary Shares held by him (if any) as directed in writing by the Investor Director or, if there is no Investor Director, by shareholders holding more than 50% of the shares
- 4 7 Without prejudice to the provisions of Articles 4 4, 4 4A, 4 6 and 4 8, the rights conferred upon the holders of the B Ordinary Shares and the holders of D Ordinary Shares shall be deemed to be varied by (and the prior consent or sanction of the holders of B Ordinary Shares and the holders of D Ordinary Shares (given in accordance with Article 4 9) shall be required for) the amendment of any provision of Article 4 9 and Schedule 2, Articles 5 2, 7 1 and 32 to 39 (inclusive) and any of the existing definitions set out in Schedule 1 to the extent that amending such definitions has the effect of varying any of Articles 4.9, 5.2, 7 1 and 32 to 39 or Schedule 2
- 4 8 Save as required by law or as expressly set out herein, the Ordinary Shares, the B Ordinary Shares, and the C Ordinary Shares and the D Ordinary Shares shall rank *pari passu* and shall constitute one class of shares
- 4 9 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 with the consent in writing of the holders of more than 75% of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company (and to proceedings at general meetings) shall, *mutatis mutandis*, apply

Conversion

- 4 10 On the Conversion Date, the B Ordinary Shares, ~~and the C Ordinary Shares~~ and the D Ordinary Shares shall convert into the number of Ordinary Shares and Deferred Shares, which are calculated as set out in Schedule 2.

ISSUES OF SHARES

5. Issues of Shares

- 5 1 Any shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed
- 5 2 Subject to the provisions of the Act and of every other statute for the time being in force concerning companies and affecting the Company and to any direction to the contrary that may be given by ordinary resolution of the Company, all the unissued shares (including any redeemable shares) of the Company (whether forming part of the existing or any increased capital) shall be at the disposal of the Directors, who may offer, allot, issue, grant options or rights over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions and with such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Directors may determine, but so that no shares shall be issued at a discount provided that the Directors may not offer, allot, issue, grant options or rights over or otherwise dispose of any B Ordinary Shares or D Ordinary Shares to any person who is not at the time of such offer, allotment, grant or disposal an employee (or, in respect of any offer, a prospective employee) or a non executive Director (other than an Investor Director) (or, in respect of any offer, a prospective non executive Director (other than an Investor Director)) of any member of the Group
- 5 3 For the purposes of Section 80 of the Act, the Directors are authorised generally and unconditionally to allot without the authority of the Company in general meeting up to a maximum of £49,999 in nominal amount of relevant securities (as defined in Section 80(2) of the Act) of the Company at any time or times from the date of adoption of these Articles until the date occurring five years after such date. The aforesaid authority may be revoked or varied by the Company in general meeting and may be renewed by the Company in general meeting for a further period not exceeding five years. The Company may make any offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of this authority. In this paragraph, references to the allotment of relevant securities shall be construed in accordance with Section 80 of the Act
- 5 4 In accordance with Section 95 of the Act, sub-Section (1) of Section 89 of the Act shall be excluded from applying to the allotment of equity securities (as defined in Section 94 of the Act)
- 6 The Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof held by the registered holder. The Company shall however be entitled to register trustees as such in respect of any shares

TRANSFER OF SHARES

7. Transfer of Shares

- 7.1 The Directors shall register any transfer of shares made in accordance with the provisions of Articles 32 to 39 (*permitted transfers, pre-emptive transfers, compulsory transfers, fair price, change of control, tag-along, drag along and investors drag-along*). Save as aforesaid the Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any shares, whether or not such shares are fully paid
- 7.2 Subject to such of the restrictions set out in these Articles as may be applicable, any member may transfer all or any of his shares by instrument of transfer in writing in any usual or common form or in any other form which the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee and the transferor shall remain the holder of the shares and as such a member of the Company until the name of the transferee is entered in the Register of Members in respect thereof.

GENERAL MEETINGS

8. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided in these Articles, one Non employee Member present in person or by proxy or, if a corporation, by a duly authorised representative shall be a quorum
9. If a quorum is not present within half an hour of the time appointed for a general meeting the meeting, if convened on the requisition of members, shall be dissolved, in any other case it shall stand adjourned to such day and at such time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum
10. A resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a general meeting at which such resolution was to be proposed, or by their duly appointed attorneys or representatives, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the members or their duly appointed attorneys or representatives and the signature in the case of a corporation which is a member shall be sufficient if made by a director or the secretary thereof or by its duly appointed attorney(s) or representative(s)
11. A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy or, if a corporation, by any representative duly authorised and entitled to vote. Regulation 46 of Table A shall be construed accordingly
12. No resolution not previously approved by the Directors shall be moved by any member other than a director at a general meeting unless the member intending

to move the same shall have left a copy thereof with his name and address at the Office at least three clear days prior to such meeting

- 13 A notice of every general meeting shall be given to every member whether or not he shall have supplied to the Company an address within the United Kingdom for the giving of notices and Regulation 112 of Table A shall be construed accordingly.

DIRECTORS

- 14 The quorum for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed at any other number or unless there is only one director, shall be two one of whom shall be an Investor Director (unless no Investor Director is, at the relevant time, appointed). A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If there is an Investor Director in office but no Investor Director is present at any duly convened meeting of the Directors, the meeting shall be adjourned to such time (being not less than one or more than seven days from the date of the meeting so adjourned) as the Directors present at the adjourned meeting shall agree and this shall be notified to each Director and the quorum for the transaction of business at the reconvened meeting shall be any two Directors provided that the only business which may be transacted at that meeting is the business details of which are set out in the notice of the reconvened meeting
- 15 Unless and until otherwise determined by ordinary resolution of the Company, the minimum number of directors shall be one and there shall be no maximum number. A sole director shall have all the power and authority vested in "the Directors" in terms of these Articles
16. A director shall not be required to hold shares of the Company in order to qualify for office as a director, but he shall be entitled to receive notice of and attend and speak at all general meetings of the Company or meetings of any class of members of the Company
- 17 A director who is in any way whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 317 of the Act. Subject to such disclosure as aforesaid a director may vote in respect of any contract or proposed contract or arrangement in which he is interested and if he does so vote his vote shall be counted and he may be counted in ascertaining whether a quorum is present at any meeting at which any such contract or proposed contract or arrangement shall come before the Directors for consideration and may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom. For the purposes of this Article
- 17.1 a general notice given to the Directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

- 17 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his
18. The Directors may dispense with the keeping of attendance records for meetings of the Directors or committees of the Directors Regulation 100 of Table A shall be modified accordingly.
- 19 The office of a director shall be vacated:
- 19.1. if he becomes bankrupt or suspends payment of or compounds with his creditors,
- 19 2 if he becomes of unsound mind or a patient for the purpose of any statute relating to mental health or otherwise mentally incapacitated,
- 19 3 if (not being a director holding executive office as such for a fixed term) by notice in writing to the Company he resigns his office,
- 19 4 if he is prohibited by law from being a director or ceases to be a director by virtue of any provision of the Act,
- 19 5 if he, not being an Investor Director appointed pursuant to Article 40, is removed from office by notice in writing signed by all his co directors and served upon him,
- 19 6 if he, not being an Investor Director appointed pursuant to Article 40, is removed from office by notice in writing signed by the holders of shares representing more than 50% of the aggregate Voting Rights, and/or
- 19.7 if he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated
- 20 The Directors shall have power at any time to appoint any person to be a director of the Company either to fill a casual vacancy or as an addition to the existing directors
- 21 The ordinary remuneration of the directors for their services as directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may unanimously agree or, failing agreement, equally except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for such proportion of remuneration as relates to the period during which he has held office The Directors may repay to any director all such reasonable expenses as he may properly incur in attending meetings of the Directors or of any committee of the Directors or general meetings of the Company or any class of members of the Company or otherwise in or about the business of the Company In the event of any director necessarily performing or rendering any special duties or services to the Company outside his ordinary duties as a director the Directors may, if so authorised by an ordinary resolution of the Company, pay such director special remuneration and such

special remuneration may be paid by way of salary, commission, participation in profits or otherwise as may be arranged and approved by the Directors

22. The Directors may from time to time appoint one or more of their number to an executive office (including that of Executive Chairman, Chief Executive Officer, Managing Director, Deputy or Assistant Managing Director, Manager or any other salaried office) for such period and on such terms and conditions as they shall think fit and, subject to the terms and conditions of any agreement entered into in any particular case, may revoke such appointment. Subject to the terms and conditions of any such agreement the appointment of any director as aforesaid shall be ipso facto determined if he ceases from any cause to be a director. Regulation 72 of Table A shall extend to the posts of Executive Chairman, Chief Executive Officer, Deputy or Assistant Managing Director or Manager aforesaid.
23. An Executive Chairman, Chief Executive Officer, Managing Director, Deputy or Assistant Managing Director, Manager or other executive officer as aforesaid shall receive such remuneration (either by way of salary, commission, participation in profits or pension or otherwise howsoever, whether similar to the foregoing or not) as the Directors may determine.
24. The Directors on behalf of the Company and without the approval of any resolution of the Company may establish, maintain, participate in and contribute to, or procure the establishment and maintenance of, participation in and contribution to, any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any persons (including Directors, former Directors, officers and former officers) who are or shall have been at any time in the employment or service of the Company or of any company which at the time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company (as defined in Section 736 of the Act) or otherwise associated with the Company or of the predecessors of the Company in business or of any such other company as aforesaid, or for the benefit of the relations, spouses, widows, families, connections or dependants of any such persons or for the benefit of any other persons whose service or services have directly or indirectly been of benefit to the Company and their relations, connections or dependants, and the Directors on behalf of the Company and without the approval of any resolution of the Company may grant or procure the grant of donations, gratuities, pensions, allowances, including allowances on death, or other payments or benefits of any kind to any of such persons as aforesaid, and the Directors on behalf of the Company and without the approval of any resolution of the Company may establish, subsidise, subscribe to or support institutions, associations, clubs, schools, funds or trusts calculated or considered to be for the benefit of any of such persons as aforesaid or otherwise for the advancement of the interests and well being of the Company or of any such other company as aforesaid or its members, and the Directors on behalf of the Company and without the approval of any resolution of the Company may make payments for or towards the insurance of any of such persons as aforesaid. Any such director or ex director may participate in and retain for his own benefit any such donation, gratuity, pension, allowance, payment or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a director of the Company.

25. The Directors on behalf of the Company and without the approval of any resolution of the Company (but subject to the provisions of Sections 151 to 158 of the Act) may establish and contribute to any employees' share scheme (within the meaning of Section 743 of the Act) for the purchase or subscription by trustees of shares of the Company or of a holding company of the Company and may lend money to the Company's employees to enable them to purchase or subscribe for shares of the Company or of a holding company of the Company, and may establish and maintain any option or incentive scheme whereby selected employees (including salaried directors and officers) of the Company are given the opportunity of acquiring shares in the capital of the Company, and may formulate and carry into effect any scheme for sharing the profits of the Company with its employees (including salaried directors and officers) or any of them. Any director may participate in and retain for his own benefit any such shares, profit or other benefit conferred under or pursuant to this Article and the receipt thereof shall not disqualify any person from being or becoming a director of the Company.
26. The Directors shall not be subject to retirement by rotation and accordingly all references in Table A to retirement by rotation shall be disregarded.
27. A resolution in writing signed by all the Directors from time to time in the United Kingdom shall be as valid and effectual as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors.
28. A meeting of the Directors or of a committee of the Directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Subject to the Act, all business transacted in such manner by the Directors or a committee of the Directors shall for the purposes of these Articles be deemed to be validly and effectively transacted at a meeting of the Directors or a committee notwithstanding that fewer than two directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.

BORROWING AND OTHER POWERS

29. The Directors may exercise all the powers of the Company without limit as to amount to borrow and raise money and to accept money on deposit and to grant any security, mortgage, charge or discharge as they may consider fit for any debt or obligation of the Company or which is binding on the Company in any manner or way in which the Company is empowered so to grant and similarly as they may consider fit to enter into any guarantee, contract of indemnity or suretyship in any manner or way in which the Company is empowered so to enter into.

ALTERNATE DIRECTORS

30. Alternate Directors

- 30 1 Any director (other than an alternate director) may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person to be his alternate director and may in like manner at any time terminate such appointment. If such alternate director is not another director, such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved (provided that the appointment of an alternate by an Investor Director shall be effective immediately on notice of such appointment being given to the Company and shall not require the approval of the Directors)
- 30.2 The appointment of an alternate director shall determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor ceases to be a director.
- 30 3 An alternate director shall (except when absent from the United Kingdom) be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointor is a member and shall be entitled to attend and vote as a director at any such meetings at which his appointor is not personally present and generally at such meetings to perform all the functions of his appointor as a director in his absence and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, an alternate director's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate (in addition to his own vote if he is also a director). An alternate director shall not (save as aforesaid) have power to act as a director or be deemed to be a director for the purposes of these Articles.
- 30 4 An alternate director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a director but he shall not be entitled to receive from the Company any remuneration except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

INDEMNITY

- 31 Every director or officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which the charge is found not proven or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution or discharge of the duties of his

office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

PERMITTED TRANSFERS

- 32 The following transfers of shares may be made without restriction as to price or otherwise and without any requirement to offer such shares pursuant to the provisions of Article 33 (*pre-emptive transfers*) and without any requirement, save in the case of sub-paragraph 32 8 below, to comply with the provisions of Article 36 (*change of control*) namely transfers
- 32 1 by any member being a company to any holding company of such company or any direct or indirect subsidiary of any such holding company;
- 32 2 by any Non employee Member holding shares as a nominee or on trust (whether directly or indirectly) for an employee share scheme to any other nominee or trustee of the same scheme,
- 32 3 by any nominee or trustee to any other nominee or trustee of the same beneficiary,
- 32 4 by any Original Employee Member to any Permitted Transferee (subject always to such transferee undertaking in a form satisfactory to the Investor Director (including a power of attorney in respect of such shares) that such transferee will be bound by the provisions of these Articles (in particular, the provisions of Article 34 (*compulsory transfers*) as if such transferee were the Original Employee Member and the transferred shares remained held by the Original Employee Member),
- 32 5 by the trustees of any trust established for the benefit of employees or executive directors (or former employees or executive directors) to the beneficiaries of such trust (or any of them) as may be approved by an Investor Director and/or by any member to the trustees of such trust to hold on trust for the benefit of the beneficiaries of the trust,
- 32 6 by any Financial Institution which is a fund to
- 32 6 1 the holders of units in, or a nominee or trustee for the holders of units in, or partners in, or members of or investors in such fund,
- 32 6 2 a nominee or trustee for such fund,
- 32 6 3 another fund (or nominee or trustee for another fund) which is managed or advised by the same manager or adviser as the transferor or by any member of the same group of companies of such manager or adviser,
- 32.7 by the Original Investors to any other person provided that no such transfer shall be permitted pursuant to this Article 32 7 to the extent that it would result in the Original Investors holding 50% or less of the aggregate Voting Rights, and/or
- 32 8 by any member with the prior written consent of the holders of not less than 75% of the Equity Shares provided that no such transfer shall be permitted

pursuant to this Article 32 8 to the extent that it would result in the Original Investor holding 50% or less of the aggregate Voting Rights

If any person to whom shares are transferred pursuant to sub paragraphs 32 1 to 32 6 above ceases to be within the required relationship with the original transferor of such shares, such shares shall be transferred back to the original transferor (or to any other person falling within the required relationship with the original transferor) forthwith upon such relationship ceasing and, if the holder of such shares fails to make such transfer, the holder shall be deemed to have served a separate Transfer Notice in respect of all of such shares then held by him and the provisions of Article 33 (*pre emptive transfers*) shall apply save that the Specified Price shall be deemed to be the Fair Price

PRE-EMPTIVE TRANSFERS

33. Pre Emptive Transfers

- 33.1. Save as provided by Article 32 (*permitted transfers*) and Article 34 (*compulsory transfers*) and Article 36 to Article 39 (*change of control, tag-along, drag along and investors drag along*) no member or person entitled by transmission shall transfer or dispose of or agree to transfer or dispose of or grant any interest or right in any Equity Share to any person (a "transferee") without first offering the same for transfer to the holders for the time being of Equity Shares (other than the proposing transferor). Such offer may be in respect of all or part only of the Equity Shares held by the proposing transferor, shall be made by the proposing transferor by the giving in writing of a notice (a "Transfer Notice") and may make acceptance of the offer conditional upon acquiring DDBs and/or any other securities held by the proposing transferor (whether of the Company or any of its subsidiaries on the terms specified in the Transfer Notice).
- 33 2 Each Transfer Notice shall specify the number and class of Equity Shares offered (the "Sale Shares") and (unless the Transfer Notice is deemed given as provided by these Articles) the price at which the Sale Shares are offered (the "Specified Price") and the identity(ies) of the proposed transferee(s) (if any) and it shall constitute the Directors as the agent of the proposing transferor for the sale of the Sale Shares to the other holders of Equity Shares (other than the proposing transferor)
- 33 3 Subject to Article 33 12, upon receipt or deemed receipt by the Company of the Transfer Notice the Directors shall forthwith give written notice to the holders of Equity Shares (other than the proposing transferor) of the number and description of the Sale Shares and the Specified Price and (unless the Transfer Notice is deemed given as provided by these Articles) the identity(ies) of the proposed transferee(s) inviting each of such holders to state by notice in writing to the Company within 60 days whether he is willing to purchase any and, if so, what maximum number of the Sale Shares ("Maximum") he is willing to purchase, and shall also forthwith give a copy of such notice to the proposing transferor. A person who, pursuant to such a notice, expresses a willingness to purchase any Sale Shares is referred to below as a "Purchaser"
- 33 4 Within 10 days of the expiration of the said period of 60 days the Directors shall, subject to Article 33 6 below, allocate the Sale Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows.

- 33.4.1 if the proposing transferor is an Employee Member, first to existing or prospective employees of the Company or any of its subsidiaries or a trust established for the benefit of such employees or former employees (in each case as approved by an Investor Director), second to other Employee Members and third to Non employee Members, or
- 33.4.2 if the proposing transferor is a Non employee Member, to other Non employee Members (and, for the avoidance of doubt, no allocation shall be made to Employee Members)
- 33.5 Each allocation among the relevant persons identified in Article 33.4 shall in the case of competition be made pro rata to the number of shares of the relevant class held by them but individual allocations shall not exceed the Maximum which the relevant person shall have expressed a willingness to purchase
- 33.6 If the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Sale Shares, no allocation shall be made unless all the Sale Shares are allocated
- 33.7. Forthwith upon such allocation being made, the Purchasers to or amongst whom such allocation has been made shall be bound to pay to the Company (as agent for the proposing transferor) the Specified Price for, and to accept a transfer of, the Sale Shares so allocated to them respectively and the proposing transferor shall, subject to Article 36 (*change of control*) be bound forthwith upon payment of the Specified Price as aforesaid to deliver to the Company (as agent for the Purchasers) such documents as are required to transfer such shares to the respective Purchasers
- 33.8 If in any case the proposing transferor, after having become bound to transfer Sale Shares as aforesaid, makes default in so doing the Company may receive the Specified Price and the Directors may appoint some person to execute instruments of transfer of such Sale Shares in favour of the Purchasers and shall thereupon, subject to such transfers being properly stamped, cause the name of each of the Purchasers to be entered in the Register of Members as the holder of those Sale Shares allocated to him as aforesaid and shall hold the Specified Price in trust for the proposing transferor. The issue of a receipt by the Company therefor shall be a good discharge to the Purchasers and after their names shall have been entered in the Register of Members in exercise of the aforesaid power the validity of the transactions shall not be questioned by any person
- 33.9 If, at the expiration of the period of 10 days referred to in Article 33.4 above, any of the Sale Shares have not been allocated in accordance with the provisions of this Article, the proposing transferor may at any time within a period of 60 days after the expiration of the said period of 10 days referred to in Article 33.4 above transfer such unallocated Sale Shares to the proposed transferee(s) (if any) specified in the Transfer Notice, or to any other person at any price not being less than the Specified Price provided that
- 33.9.1. if the Transfer Notice shall contain the statement referred to in Article 33.6 the proposing transferor shall not be entitled hereunder to transfer any of such unallocated Sale Shares unless in aggregate all of such unallocated Sale Shares are so transferred;

- 33 9 2 the Board may require to be satisfied on reasonable grounds that such unallocated Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the transferee and if not so satisfied may refuse to register the instrument of transfer,
- 33 9 3 if the Transfer Notice shall make any acceptance of the offer conditional as referred to in Article 33 1 the proposing transferor shall not be entitled hereunder to transfer any of such unallocated Sale Shares unless the transferee acquires the relevant proportion of DDBs and/or other securities as are set out in the Transfer Notice
- 33 10 The restrictions on transfer contained in this Article shall apply to all transfers and transmissions by operation of law or otherwise of Equity Shares.
- 33 11 Where a member or other person is under these Articles deemed to have served a Transfer Notice in respect of Equity Shares, such Transfer Notice shall be deemed not to contain the condition referred to in Article 33 9 3 or the statement referred to in Article 33 6
- 33 12. If the proposing transferor is an Employee Member, the Directors may allocate some or all of the Sale Shares to existing or prospective employees of the Company or any of its subsidiaries and/or to a trust established for the benefit of such employees or former employees (in each case as approved by an Investor Director) in which event the provisions of Articles 33.3 to 33 7 (inclusive) and 33 9 shall not apply to the Sale Shares allocated pursuant to this Article 33 12 For the avoidance of doubt, the provisions of Article 33 shall apply to any Sale Shares not allocated pursuant to this Article 33 12

COMPULSORY TRANSFERS

34. Compulsory Transfers

- 34 1. Subject to Article 34.5, a Leaver shall be deemed on the date of cessation of employment to have served a separate Transfer Notice in respect of all of the Equity Shares then held by him other than the Founder Shares (where applicable) (and such deemed Transfer Notice shall supersede any previous Transfer Notice which has not completed) and, subject to Article 34 2, the provisions of Article 33 shall apply
- 34 2 A deemed service of a Transfer Notice pursuant to Article 34 1 shall provide that the Specified Price in respect of any shares other than D Ordinary Shares the subject of the deemed Transfer Notice shall be
- 34 2 1 in respect of a Good Leaver who becomes a Good Leaver on or prior to the first Anniversary or a Bad Leaver the lower of:
- (a) the price paid therefor by the relevant Leaver (including any premium paid thereupon), and
 - (b) the Fair Price,
- 34 2 2 in respect of a Good Leaver who becomes a Good Leaver after the first Anniversary apportioned between the price paid therefor by the

relevant Leaver (including any premium paid thereupon) and the Fair Price as follows

Date of cessation of employment of Leaver	Proportion of shares held (other than Founder Shares) to be offered at Fair Price	Proportion of shares held (other than Founder Shares) to be offered at the price paid therefor
After the first Anniversary and up to and including the second Anniversary	25%	75%
After the second Anniversary and up to and including the third Anniversary	50%	50%
Thereafter	75%	25%

34 2A A deemed service of a Transfer Notice pursuant to Article 34 1 shall provide that the Specified Price in respect of any D Ordinary Shares the subject of the deemed Transfer Notice shall be the price paid therefor by the relevant Leaver (including any premium paid thereupon).

34 3 The Investor Director may, by notice in writing served on the Company and the Leaver prior to the expiry of three months from the date upon which the relevant person became a Leaver, specify that not all of the Leaver's shares are to be the subject of the deemed Transfer Notice and/or specify that a Bad Leaver shall be deemed to be a Good Leaver for the purposes of Article 34 and may, by notice in writing served on the Leaver, suspend the operation of the provisions of Article 33 for all or any part of such three month period

34 4 Notwithstanding any other provision herein contained, if a Leaver retains shares, he shall have all the rights of and shall rank *pari passu* with the other holders of the class or classes of shares held by him save that

34 4 1 at any general meeting or class meeting of the Company he shall be deemed to vote (whether on a poll or otherwise) in the same manner as the majority of votes cast at the relevant meeting by the holders of the relevant class or classes of shares held by him,

34 4 2 in a written resolution he will be deemed to resolve in the same manner as the majority of the holders of the relevant class or classes of shares held by him,

34 4 3 in relation to any matter where the consent of the holders of the class or classes of shares held by him is required he shall be deemed to grant consent if the majority of the holders of the relevant class or classes of shares held by him grant such consent,

34 4 4 on any transfer of a majority of the shares of the relevant class or classes held by him in circumstances where an offer is made to him to acquire his shares at a price which is not lower than the average price per share payable to the holders of a majority of the shares of the such class or

classes he shall be deemed to accept such offer and to transfer such shares at the time and place specified by the offeror,

and he hereby appoints any director of the Company from time to time to sign any such resolution, consent, transfer form or other document and/or take any other act in his name and on his behalf to implement all or any of the above provisions provided that, in respect of any transfer made pursuant to Article 34.4 4, the Company shall retain on trust the proceeds of sale and shall account to him for such proceeds forthwith on demand.

- 34 5 If, in the opinion of the Board (acting reasonably), any member to whom Article 34 4 applies takes or seeks to take any action contrary to the terms of Article 34 4 or seeks to prevent any director of the company from taking any action pursuant to the authority conferred on them pursuant to the terms of Article 34.4 any director may, by serving written notice on the Company and the relevant member deem such member to have served a Transfer Notice in respect of all of the shares then held by him, in which event the Specified Price shall be the Paid Up Amount in respect of each share.
- 34 6 An Investor Director may, by notice in writing served on the Company and the Leaver at any time, specify the Leaver's retained shares be transferred at nominal value to a nominee company nominated by the Remuneration Committee to be held by such nominee company for the benefit of the Leaver. The nominee company shall conduct all votes and exercise all rights, obligations and discretions in respect of such shares as directed by the Remuneration Committee or as otherwise may be required by these Articles or the Shareholders' Agreement and the relevant Leaver hereby waives all rights in respect of such shares and indemnifies the nominee company in respect of all actions (other than actions in breach of trust by such nominee) take by them in respect of such shares

FAIR PRICE

35. "Fair Price" means the price per share as at the date of occurrence of the event which triggered the requirement to agree or determine Fair Price agreed between the selling shareholder and the Directors within 21 days or, in the absence of such agreement, the price as at such date certified in writing by the Valuer as being in their opinion the fair value of the shares as between a willing seller and a willing buyer (with no discount to reflect the unquoted status of the shares) provided that the Valuer, in determining the fair value of any of such shares shall
- 35 1. determine the sum in cash which a willing buyer would offer to a willing seller for the whole of the issued share capital of the Company,
- 35.2 divide the resultant figure by the number of issued Equity Shares and outstanding options or rights to acquire Equity Shares (assuming exercise in full and assuming that any Equity Shares available to be allocated to employees of the Company pursuant to the Shareholders' Agreement have been issued); and
- 35 3 make such adjustment as they consider necessary to allow for any rights attaching to the shares to be transferred which may be outstanding and any

rights whereby any person, firm or body corporate may call for the allotment or issue of shares or may exercise any right of conversion,

but so that there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding the subject of the relevant transfer, or in relation to any restrictions on the transferability of the shares arising only out of the provisions of these Articles and provided further that the Valuer shall take into account in relation to determining the appropriate figure for Article 35.1 above any bona fide offer from any third party to purchase any holdings the subject of a Transfer Notice. The costs of the Valuer shall be borne by the Company or as the Valuer shall otherwise determine to be fair and reasonable in the circumstances.

CHANGE OF CONTROL

36. Notwithstanding any other provision of these Articles, but save for transfers pursuant to Articles 32.1 32.6 (*permitted transfers*) and Article 39 (*investor drag along*) no sale or transfer of, or transfer of any interest in, any shares conferring a right to vote at general meetings of the Company to any person whomsoever (other than the Original Investor), which would result, if made and, if appropriate, registered, in a person (together with persons acting in concert therewith) whether or not then a member of the Company obtaining or increasing a Controlling Interest in the Company, shall be made or registered and no right to subscribe for any shares which would result, when such shares are issued, in such a person obtaining or increasing a Controlling Interest in the Company shall be exercised unless
- 36.1 prior to such transfer being completed a General Offer is made to all members by the person or persons proposing to acquire the Controlling Interest to purchase all the Equity Shares in issue and all the unissued Equity Shares for which any person shall then be entitled to subscribe; and
- 36.2 the relevant offer is approved by an Investor Director

Any General Offer shall conform to the requirements of the Code (so far as applicable and subject as provided in these Articles) as if the Code applied to such General Offer (with an Investor Director making any determinations or dispensations which would otherwise fall to be made by the Panel (such determinations or dispensations to be binding on all of the members provided they are made by the Investor Director in good faith in what he believes to be the interests of the members as a whole)) and shall attribute an equal value to each Equity Share being a value not less than the highest value paid or agreed to be paid to a Non employee Member for an Equity Share by the proposed acquiror(s) of the Controlling Interest in the 6 months preceding the date of the General Offer.

It shall be a term of a General Offer and of any agreement to acquire any shares pursuant thereto that a Controlling Interest is only obtained or increased in consequence of such General Offer or agreement if such General Offer is accepted in respect of a number of shares which would result in the offeror holding more than 50% of the Voting Rights. Any General Offer shall be made in writing (stipulated to be open for acceptance for at least twenty eight days) to all shareholders and shall include an undertaking by the offeror that neither

he nor any person acting in concert with him has within the 6 months immediately preceding or will within the 6 months immediately succeeding the making of the General Offer entered into or will enter into more favourable terms with any member for the purchase of shares of the same class. Such a General Offer shall be accepted or rejected in writing within the time period reasonably stipulated and shall be deemed to have been rejected by a member if he does not respond within such time period.

TAG ALONG

37. Tag Along

- 37 1 If as the result of a General Offer or a Relevant Sale (pursuant to Article 39 1) a person or persons (in this Article the "**Buyer**") acquires a Compulsory Purchase Interest the Company shall forthwith notify all members accordingly and any member who did not accept the General Offer or did not participate in the Relevant Sale under Article 39 1 may by written notice to the Company served within 60 days of such notification require the Company as agent for such member to serve a notice (in this Article a "**Compulsory Purchase Notice**") on the Buyer requiring it to buy such member's shares at, in respect of a General Offer, the consideration applicable to such General Offer or, in respect of an offer made under Article 39 1, the price per share that was or would be payable under the Compulsory Acquisition Notice. The Company shall serve the Compulsory Purchase Notice forthwith upon receipt of any such written notice by a member.
- 37 2 The Buyer shall complete the purchase of all shares in respect of which a Compulsory Purchase Notice has been given and no later than 21 days from the date of the serving of such Compulsory Purchase Notice on it. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice. The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any shares to be transferred to the Buyer until in each case the Buyer has fulfilled all his obligations pursuant to this Article. If and for so long as the Buyer fails to comply with the provisions of this Article, the shares held by the Buyer shall confer on the Buyer no right to receive notice of, attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class until the obligations of the Buyer hereunder have been complied with and such shares shall confer no right to receive notice of, attend or vote at any meeting of the Company unless and until the Buyer has complied with such obligations under this Article.

DRAG ALONG

38. Drag Along

- 38 1 If as the result of a General Offer a person or persons (in this Article the "**Buyer**") acquires a Compulsory Purchase Interest the Buyer may by written notice to the Company served within 60 days of such acquisition require the Company as agent for the Buyer to serve notices (in this Article each a "**Compulsory Purchase Notice**") on members who have not accepted such offer.

(the "Minority Shareholders") requiring them to sell their shares at the consideration applicable to such General Offer. The Company shall serve the Compulsory Purchase Notices forthwith and for the period of 21 days from the service of the Compulsory Purchase Notices the Minority Shareholders shall not be entitled to transfer their shares to anyone except the Buyer or a person identified by the Buyer

- 38 2 The Buyer shall complete the purchase of all shares in respect of which Compulsory Purchase Notices have been given at the same time and no later than 21 days from the date of the serving of such Compulsory Purchase Notices. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor to give a Transfer Notice. The Directors shall not register any transfer to the Buyer and the Buyer shall not be entitled to exercise or direct the exercise of any rights in respect of any shares to be transferred to the Buyer until in each case the Buyer has fulfilled all his obligations pursuant to this Article.
- 38 3 If in any case a Minority Shareholder, on the expiration of 21 days from the service of the Compulsory Purchase Notice, shall have not transferred his shares to the Buyer or a person identified by the Buyer against payment of the price therefor, the Directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Buyer or the person identified by the Buyer and shall receive the consideration in respect of such shares and shall thereupon (subject to the transfer being duly stamped) cause the name of the Buyer (or the person identified by the Buyer) to be entered into the Register of Members as the holder of the relevant shares. The Company shall hold the consideration in trust for the Minority Shareholder but shall not be bound to earn or pay interest thereon. The issue of a receipt by the Company for the consideration shall be a good receipt for the price for the relevant shares but the Buyer shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder which shall be made against delivery by the Minority Shareholder of the certificate in respect of the shares or an indemnity in respect of the same. After the name of the Buyer or the person identified by the Buyer has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

INVESTOR DRAG ALONG

39. Investor Drag Along

- 39 1 Notwithstanding any other provisions of these Articles and, in particular, the provisions of Articles 33, 36 and 38 (*pre-emptive transfers, change of control, and drag-along*), the holders of 50% or more of the Ordinary Shares (in this Article the "Seller") may agree to sell or transfer (the "Relevant Sale") shares representing not less than 50% of the Voting Rights to any person whatsoever (together with persons acting in concert therewith) (in this Article the "Buyer"). A Relevant Sale shall only be a Relevant Sale for the purposes of this Article 39 if it is a transaction at arms length in good faith to a person unconnected to the Seller. If such Relevant Sale becomes unconditional in all respects, the Buyer may by written notice to the Company served within 60 days of such acquisition require the Company as agent for the Buyer to serve notices (in this

Article each a "Compulsory Acquisition Notice") on some or all of the members specified by the Buyer being members who have not participated in such Relevant Sale (the "Remainder Shareholders") requiring them to sell their shares to the Buyer or a person or entity nominated by the Buyer at a consideration per share (including any contingent or deferred consideration) which is not less than the consideration payable to the Seller in respect of their shares it being recognised that such consideration payable to the Seller may have been reduced by the Buyer agreeing to pay costs associated with the Relevant Sale and the consideration payable to the Remainder Shareholders shall be the net amount per share received by the Sellers. The Company shall serve the Compulsory Acquisition Notices forthwith upon being required to do so and the Remainder Shareholders shall not be entitled to transfer their shares to anyone except the Buyer or a person identified by the Buyer. Each Compulsory Acquisition Notice shall specify the same date (being not less than seven nor more than twenty one days after the date of the Compulsory Acquisition Notice) for the completion of the relevant transfer of shares to the Buyer (the "Compulsory Acquisition Completion Date")

39.2 The Buyer shall be ready and able to complete the purchase of all shares in respect of which a Compulsory Acquisition Notice has been given on the Compulsory Acquisition Completion Date. Any transfer pursuant to a Compulsory Acquisition Notice shall not require the relevant Remainder Shareholder to give a Transfer Notice

39.3 If in any case a Remainder Shareholder shall not on or before the Compulsory Acquisition Completion Date have transferred his shares to the Buyer or a person identified by the Buyer against payment of the price therefor.

39.3.1 the Directors shall authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Buyer or the person identified by the Buyer,

39.3.2 the Company shall receive the consideration in respect of such shares; and

39.3.3 the Company shall (subject to the transfer being duly stamped) cause the name of the Buyer (or the person identified by the Buyer) to be entered into the Register of Members as the holder of the relevant shares.

The Company shall hold the consideration in trust for the Remainder Shareholder but shall not be bound to earn or pay interest thereon. The issue of a receipt by the Company for the consideration shall be a good receipt for the price for the relevant shares. The Company shall apply the consideration received by it in payment to the Remainder Shareholder against delivery by the Remainder Shareholder of the certificate in respect of the shares or an indemnity in respect of the same in form and substance acceptable to the Company. After the name of the Buyer or the person identified by the Buyer has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person

INVESTOR DIRECTOR**40. Investor Director**

- 40 1 Members holding more than 50% in nominal value of the Equity Shares from time to time in issue may, by notice in writing addressed to the Company signed by or on behalf of each of them and delivered to the Office appoint any person or persons to be directors of the Company
- 40 2 Shareholders appointing a director pursuant to the provisions of Article 40 1 may specify that such director is designated an Investor Director provided there are no more than two Investor Directors at any one time.
- 40 3 If, at any time, there is no Investor Director then the members entitled to designate an Investor Director may designate any person to be an Observer. An Observer shall have the right to attend all meetings of the Directors and of any committee of the Directors and to receive such other information as a director would be entitled to receive at the same time as such information is provided to Directors and shall, as regards confidentiality, have the same obligations to the Company as if he were a director. An Observer shall be entitled to attend and speak at any such meetings of the Board but shall not be entitled to vote.
- 40 4 Each Investor Director and/or Observer shall be entitled to report back to the members appointing him on the affairs of the Company and its subsidiaries on a confidential basis and to disclose to such members on a confidential basis such information as he shall reasonably consider appropriate including, for the avoidance of doubt, all papers distributed to the Board
- 40 5 Each Investor Director shall have such number of votes as is equal to the number of Directors appointed to the Board (including himself) at any time

SCHEDULE 1

- 1 In the Articles to which this forms a schedule the following words and expressions shall, unless the context otherwise requires, bear the following meanings

"**Act**" means the Companies Act 1985 (as amended by the Companies Act 1989) including any statutory modification or re enactment thereof for the time being in force,

"**acting in concert**" shall bear the meaning attributed thereto in the Code,

"**Anniversary**" means the anniversary of the date upon which the relevant Leaver first became a shareholder in the Company;

"**Auditors**" means the auditors of the Company from time to time,

"**Bad Leaver**" means a Leaver where the cessation of employment is as a result of the relevant member.

- (a) resigning (other than as a result of permanent incapacity due to ill health (save where such ill health arises as a result of an abuse of drink or drugs)), or
- (b) failing to renew his employment with a relevant member of the Group after the expiry of any fixed term contract of employment,
- (c) being summarily dismissed in circumstances where the Company is not liable to pay him compensation for the cessation of his employment other than compensation required by statute or statutory instrument, or
- (d) retiring (other than at the normal retirement age for the Leaver concerned);

"**Board**" means the board of directors of the Company from time to time or any duly constituted committee of it,

"**B Ordinary Shares**" means B ordinary shares of £0.01 each in the capital of the Company,

"**Buyer**" as defined in Article 37.1 (*tag along*) and/or Article 38.1 (*drag along*) and/or Article 39.1 (*investors drag along*),

"**Code**" means the City Code on Takeovers and Mergers,

"**Compulsory Acquisition Notice**" as defined in Article 39.1 (*investors drag along*),

"**Compulsory Acquisition Completion Date**" as defined in Article 39.1,

"**Compulsory Purchase Interest**" means an interest in shares carrying more than 50% of Voting Rights,

"**Compulsory Purchase Notice**" as defined in Article 37.1 (*tag along*) and/or 38.1 (*drag along*),

"**Controlling Interest**" means shares representing not less than 30% of Voting Rights,

"**C Ordinary Shares**" means C ordinary shares of £0.01 each in the capital of the Company,

"**DDBs**" means any deep discount bonds issued by the Company (or any of its subsidiaries from time to time) and held by a member,

"**Deferred Shares**" means the deferred shares of £0.01 each in the capital of the Company having the rights set out in Schedule 3,

"**Directors**" means the directors of the Company from time to time,

"D Ordinary Shares" means the D Ordinary Shares of £0 01 each in the capital of the Company,

"**Employee Member**" means any member who is a trust for the benefit of employees of the Group, any member who is or was an employee of any member of the Group and any person who acquired shares from any such member pursuant to a Permitted Transfer,

"**Equity Shares**" means the Ordinary Shares, the B Ordinary Shares, ~~and the C Ordinary Shares~~ and the D Ordinary Shares taken together as one class,

"**Event of Default**" shall bear the meaning attributed thereto in the Financing Documents,

"**Fair Price**" means the price per share determined in accordance with Article 35 (*fair price*),

"**Family Settlement**" means in relation to any Employee Member any trust or trusts (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on intestacy) under which no immediate beneficial interest in the shares in question is, for the time being, vested in any person other than the Employee Member concerned and/or his Privileged Relations;

"**Financing Documents**" means such documents as may from time to time be entered into by the Company and specified by an Investor Director as "**Financing Documents**" for the purposes of Article 4.5 (*voting*),

"**Founder Shares**" means, in respect of Karol Rzepkowski, 180,000 B Ordinary Shares and, in respect of Laurent Vigue, 180,000 B Ordinary Shares,

"**General Offer**" means an offer made in accordance with the provisions of Article 36 (*change of control*),

"**Good Leaver**" means any Leaver other than a Bad Leaver,

"**Group**" means the Company and its subsidiaries from time to time and "member of the Group" shall be construed accordingly,

"**Investor Director**" means a director appointed pursuant to Article 40 1 and designated an Investor Director pursuant to Article 40 2 (or if there is no Investor Director at the relevant time, the Observer (if any)),

"**Leaver**" means any holder of shares who is employed by and/or is a director of the Company or a relevant member of the Group from time to time (other than an Investor Director) and who dies or who ceases to be an employee and/or director of the Company or any such member of the Group (whether or not his contract of employment is validly terminated and/or whether or not such termination is wrongful or unfair or otherwise) or who ceases to be an employee and/or director of a member of the Group because such member of the Group ceases to be a member of the Group and does not continue (or is not immediately re employed) as an employee and/or director of the Company or any such member of the Group. In this definition and in the definition of "Bad Leaver" and for the purposes of Article 34 (*compulsory transfers*) any reference to the date of cessation of employment (or similar) shall be the date upon which the contract of employment or appointment as director of the relevant person terminates or, if earlier, the date upon which the relevant person gives or is given or purportedly gives or is purportedly given notice of termination of his contract of employment or of his appointment as director whether or not such notice is valid;

"**member**" means a person (whether an individual or a corporation) who holds shares,

"**Minority Shareholders**" as defined in Article 38 1 (*drag-along*),

"**Non employee Member**" means any member who is not an Employee Member,

"**Observer**" means any person appointed pursuant to Article 40 4 (*Investor Directors*),

"**Office**" means the registered office of the Company,

"**Ordinary Shares**" means ordinary shares of £0.01 each in the capital of the Company,

"**Original Employee Member**" means each Employee Member other than an Employee Member who became an Employee Member by reason of a Permitted Transfer,

"**Original Investor**" as defined in the Shareholders' Agreement,

"**Paid Up Amount**" means, in respect of a share, the amount paid up or credited as paid up on such share disregarding any premium,

"**Panel**" means the Panel on Takeovers and Mergers,

"**Permitted Transfer**" means a transfer of shares pursuant to Article 32 (*permitted transfers*),

"**Permitted Transferee**" means, in respect of any Employee Member, any Privileged Relation or Family Settlement of that Employee Member,

"**Privileged Relation**" means in respect of any Employee Member the parent or spouse or brother or sister of the Employee Member or any lineal descendent of the Employee Member and for these purposes the step child or adopted child of any person shall be deemed to be that person's lineal descendent,

"**Register of Members**" means the register of members kept by the Company pursuant to Section 352 of the Act,

"**Relevant Sale**" as defined in Article 39 1 (*investors drag along*),

"**Remainder Shareholders**" as defined in Article 39 1 (*investor drag-along*),

"**Sale Shares**" as defined in Article 33 2;

"**Seller**" as defined in Article 39 1 (*investor drag-along*),

"**Shareholders' Agreement**" means the shareholders' agreement entered into by the Company and others on or around the date of adoption of these Articles,

"**shares**" means shares in the share capital of the Company;

"**Specified Price**" as defined in Article 33 2,

"**Table A**" as defined in Article 1;

"**Transfer Notice**" as defined in Article 33 1,

"**Valuer**" means the Auditors (or in the event of their being unwilling or unable to act or at, the option of the Company, an independent firm of chartered accountants nominated by the President of the Institute of Chartered Accountants of England and Wales (or his equivalent from time to time)) in each case acting as an expert and not as an arbiter, and

"**Voting Rights**" means the right to receive notice of, attend (in person or by proxy), speak (in person or by proxy) and vote (in person or by proxy) at general meetings of the Company

- 2 The Regulations contained in Table A shall apply to the Company save insofar as they are amended by or are inconsistent with these Articles and, in particular
 - 2.1 Regulations 2, 3, 5, 23, 24, 40, 41, 53, 54, 64 to 69 (inclusive), 73 to 87 (inclusive), 89, 93, 94 and 118 of Table A shall not apply,
 - 2.2 In Regulation 1 of Table A the words "the common seal of the Company" shall be omitted and the words "any seal for the time being adopted by the Company as its common seal" shall be inserted after the words ""the Seal" means",
 - 2.3 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";

2 4 In Regulation 12 of Table A the words "save in the case of a call deemed to have been made in terms of Regulation 16 which call shall be irrevocable " shall be inserted after the words "postponed in whole or in part";

2 5 In Regulation 15 of Table A the words "and all expenses that may have been incurred by the Company by reason of such non payment" shall be inserted after the word "Act)" and after the words "payment of the interest",

In Regulation 18 of Table A the words "and expenses that may have been incurred by the Company by reason of such non payment" shall be inserted after the words "may have accrued".

3 Words and expressions defined in the Act shall, unless the context otherwise requires, bear the same meanings herein

4 This Schedule and Schedules 2 and 3 and the Annexure shall be deemed to be part of, and shall be construed as one with, the Articles.

SCHEDULE 2

CONVERSION

Note it is understood the intention of the ratchet is on an Exit for ~~management~~ the B and D Ordinary Shares to receive a share of equity dependent upon the IRR achieved by the ~~Investors~~ A Shareholders (Investors) on their holdings of Ordinary Shares and DDBs and any Fresh Issue (i.e. at 40% IRR and above, ~~management~~ B and D Shareholders would be entitled to 40% of the equity and on an IRR of 25% or less management would be entitled to 25% of the equity with a straight line basis operating between the two limits. These equity percentages are stated prior to the impact of the C Shares which will be the subject of warrants to be issued to Kaupthing Singer & Friedlander.

The IRR will be measured excluding any inflows or outflows to or from the Investors in respect of B Ordinary Shares held by the Investors

The ratchet is a "downward" one from management's perspective (and upward from Investors) i.e. ~~management~~ B and D Ordinary Shares together commence with 40% of the equity.

The C Shares held by Nigel McNelly and those to be held by Kaupthing Singer & Friedlander will be entitled to a fixed 1% of the equity which will be unaffected by the ratchet

The issue of C Ordinary Shares to Kaupthing Singer & Friedlander representing 2% of the fully diluted equity will dilute all shareholders

It has been assumed that the 25% and 40% management equity/IRR benchmarks will be maintained and, therefore, these figures are used in the formulae in this draft. In the event of a Fresh Issue comprising equity shares, the detail of the ratchet would need to be revisited

1 In this Schedule

"A%" means the percentage of Equity Shares represented by the Ordinary Shares immediately prior to Conversion and following exercise of the Warrants, if any.

"A Shareholder" means any person who holds Ordinary Shares at any time between the Subscription Date and the Conversion Date (inclusive),

"A" means the number of Ordinary Shares in issue immediately prior to Conversion,

"B%" means the percentage of Equity Shares represented by the B Ordinary Shares immediately prior to Conversion and following exercise of the Warrants, if any.

"B" means the number of B Ordinary Shares in issue immediately prior to Conversion,

"C%" means the percentage of Equity Shares represented by the C Ordinary Shares immediately prior to Conversion and following exercise of the Warrants, if any;

"C" means the number of C Ordinary Shares in issue immediately prior to Conversion,

"D%" means the percentage of Equity Shares represented by the D Ordinary Shares immediately prior to Conversion and following exercise of the Warrants, if any,

"D" means the number of D Ordinary Shares in issue immediately prior to Conversion,

"Cash Flow" or "CF" means:

- (a) subscription monies paid by the A Shareholders in respect of the Ordinary Shares, the DDBs and any subscription monies paid by the Investors in respect of any Fresh Issue,
- (b) dividends or interest received by the A Shareholders on the Ordinary Shares and by the Investors on any Fresh Issue from the date of their issue to and including the Conversion Date,
- (c) interest (including default interest, penalties and other payments) received by the Investors on any DDBs or Fresh Issue;
- (d) redemption moneys paid by the Company to Investors on the redemption or repayment of any DDBs and any Fresh Issue redeemed or repaid on or prior to the Conversion Date, and
- (e) moneys received by the Investors on a return of capital in respect of Ordinary Shares or on any Fresh Issue,

provided that no payment to or by the A Shareholders shall be counted more than once and where payments to the A Shareholders will be treated as positive and payments by the A Shareholders will be treated as negative (and for the avoidance of doubt, the value of the Ordinary Shares at the time of Conversion will not be included within the meaning of Cash Flow) and each item within Cash Flow shall be deemed to arise on the last day of the month in which its date of payment or receipt occurs For the avoidance of doubt, monies paid or received by the Investors in respect of their holding of B Ordinary Shares shall not be included in Cash Flow,

"Cash Equivalent" means, in relation to any deferred consideration, the sum agreed between the holders of not less than 50% of the Ordinary Shares and 50% of the B Ordinary Shares (or, failing such agreement, certified by the Valuer) as being in their opinion the current value of the right to receive that consideration and, in relation to any non cash consideration, the sum agreed between the holders of not less than 50% of the Ordinary Shares and the holders of not less than 50% of the B Ordinary Shares or, failing such agreement, certified by the Valuer as being in his opinion the current market value of that non cash consideration,

"Conversion" means the conversion of B Ordinary Shares, D Ordinary Shares and C Ordinary Shares on the Conversion Date in accordance with the provisions of Article 4.6 and the calculations set out in this Schedule 2,

"Conversion Date" means the date of the first occurring Conversion Event,

"Conversion Event" means a Listing, a Sale or a Liquidation;

"Fresh Issue" means any shares, loan notes, deep discount bonds, debenture or other security of the Company subscribed for by the Investors subsequent to the date of adoption of these Articles and on or before the Conversion Date but where Fresh Issue shall not comprise Equity Shares or any shares in the nature of equity shares,

"Investors" means the Original Investors together with any holder of shares acquired from such Original Investors pursuant to Article 32.1 to 32.8 (inclusive) of these Articles,

"IRR" means the annualised discount rate which when applied to a series of cash flows produces an aggregate net present value of such cash flows as at the Subscription Date equal to zero,

"Liquidation" means the making of a winding up order by the court or the passing of a resolution by the members that the Company be wound up,

"Listing" means the admission of the Company's equity securities to trading on the London Stock Exchange market for listed securities, the Alternative Investment Market or any Recognised Investment Exchange (as such term is defined in Section 285 of the Financial Services and Markets Act 2000) or any investment exchange which meets the criteria specified in Part I or specified in Part II or Part III at Schedule 3 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 becoming effective and "list" and "listed" shall be construed accordingly,

"the London Stock Exchange" means the London Stock Exchange plc;

"Market Capitalisation" or "MC" means

- (i) in the case of Listing, the market value of the Equity Shares in issue (on the assumption that Conversion has occurred) determined by reference to the new issue price of any shares to be issued on Listing or, if there is no new issue, the price at which any such Equity Shares are to be placed or offered for sale for the purposes of Listing (where, if the shares to be issued on Listing are not Equity Shares the Valuer shall be requested to take account of any reorganisation or recapitalisation which occurs on or immediately prior to Listing and to certify what the value of Equity Shares would be in determining Market Capitalisation) less such proportion of market value as shall be equal to the proportion which the total number of Equity Shares to be issued on Listing will, immediately following their issue, bear to the number of Equity Shares then in issue,
- (ii) in the case of a Sale, the aggregate cash consideration payable by the relevant purchasers for the Equity Shares (on the assumption that the entire issued share capital of the Company is acquired by them pursuant to the Sale) plus, to the extent that consideration shall be so payable otherwise than in cash or shall be so payable on deferred terms, the Cash Equivalent of that consideration, and
- (iii) in the case of a Liquidation the aggregate amount, including the Cash Equivalent of any non-cash consideration, which the holders of Equity Shares will receive on completion of the Liquidation,

"month" means calendar month,

"NB" means the number of B Ordinary Shares which, on Conversion, convert into Ordinary Shares on the Conversion Date as calculated pursuant to this Schedule 2,

"NC" means the number of C Ordinary Shares which, on Conversion, convert into Ordinary Shares on the Conversion Date as calculated pursuant to this Schedule 2,

"ND" means the number of D Ordinary Shares which, on Conversion, convert into Ordinary Shares on the Conversion Date as calculated pursuant to this Schedule 2,

"Sale" means the acquisition of more than 50% of the Voting Rights by any person (or by persons who in relation to each other are acting in concert); and

"Subscription Date" means the date of adoption of these Articles,

"Warrants" means the warrants granted to Kaupthing Singer & Friedlander pursuant to the instrument by way of deed poll, constituting and regulating warrants to subscribe for C ordinary shares of £0.01 each in the capital of the Company, entered into by the Company on October 2006, in connection with the facility agreement entered into among Johnson Seafarms Limited, the Company and Kaupthing Singer & Friedlander Limited entered into on or around October 2006, and

"W%" means the percentage of fully diluted equity represented by C Shares which have been issued as a result of exercise of the Warrants

2. Interpretation

- 2.1 For the purposes of this Schedule 2, Cash Flow arises in the month in which it is paid or received
- 2.2 References in this Schedule 2 to paragraphs are to paragraphs of this Schedule 2 unless the context otherwise requires

3. Conversion Calculations

- 3.1 The Board shall at least 14 days prior to the Conversion Date
 - (a) estimate the timing of the Conversion Date ("Anticipated Conversion Date"),
 - (b) procure that the calculations provided for in paragraph 3.2 of this Schedule 2 are made,
 - (c) procure that the Valuer certifies his opinion of the Cash Equivalent (if required) and that the other calculations provided for are made in accordance with this Schedule 2 insofar as necessary to enable the provisions of paragraph 5 to be given effect, and

- (d) notify Shareholders of the results of such calculations. The holders of Ordinary Shares and B Ordinary Shares and the Board shall use all reasonable endeavours to reach agreement as to the accuracy of such calculations in such period, to record that agreement in writing signed by or on behalf of the holders of not less than 50% of the Ordinary Shares and the holders of not less than 50% of the B Ordinary Shares and, if they fail to do so, to procure the determination thereof by the Valuer who shall issue a certificate accordingly. Any such written agreement and any such certificate shall, in the absence of manifest error, be final and binding on all Shareholders, each of whom shall be sent a copy as soon as practicable following its issue.

3.2 For the purposes of determining the number of Ordinary Shares arising on Conversion the calculations set out in this paragraph shall be carried out immediately prior to Conversion.

- (a) The MC shall be calculated.
- (b) Two amounts shall be calculated which, if received by the A Shareholders on the Conversion Date would, when each is taken together with the Cash Flow separately, result in an IRR of 25% or 40% respectively to the Investors. These amounts shall be referred to as I_{25} and I_{40} and shall be calculated as:

$$I_{25} + \sum_{j=0}^n CF_j * (1.25)^{\frac{j}{12}} = 0, \text{ and}$$

$$I_{40} + \sum_{j=0}^n CF_j * (1.40)^{\frac{j}{12}} = 0,$$

where.

"n" is the number of months between the month in which the Subscription Date falls and the month in which Conversion falls counting the month in which the Subscription Date falls as a month 0 and the month in which Conversion Date falls as month n,

"j" is the arithmetical number attributable to a month, the number 0 being attributed to the month in which the Subscription Date falls, the number 1 being attributed to the following month and so forth until $j=n$,

" CF_j " is the amount of Cash Flow in month j,

"*" means multiply by,

$\sum_{j=0}^n$ means the sum of the items which follow this symbol from month 0 to month n

- (c) The value of MC at which the A Shareholders would receive a share of the MC equal to I_{25} or I_{40} shall be referred to as MTC_{25} and MTC_{40} and shall be calculated as the formulae.

$$MTC_{25} = \frac{I_{25} * 100}{(A\% + r\%)}, \text{ and}$$

$$MTC_{40} = \frac{I_{40} * 100}{A\%},$$

$$\text{Where } r\% = 15\% * (100 - W\%) / 100$$

- (d) If MC is greater than or equal to MTC_{40} then

NB shall equal B,

ND shall equal D, and

NC shall equal C

- (e) If MC is less than or equal to MTC_{25} then $(NB+ND)$ will equal

$$\frac{(B\% + D\% - r\%) * A}{(A\% + r\%)}$$
 and NC will equal $\frac{C\% * A}{(A\% + r\%)}$,

- (f) If MC is greater than MTC_{25} but less than MTC_{40} , then

$$NB+ND = \frac{(B\% + D\% - r\%) + (r\% * P)}{(A\% + r\%) - (r\% * P)} * A$$

$$NC = \frac{C\% * A}{(A\% + r\%) - (r\% * P)}$$

$$\text{where } P = \frac{(MC - MTC_{25})}{(MTC_{40} - MTC_{25})}$$

and where NB will equal $B * (NB+ND) / (B+D)$ and

ND will equal $D * (NB+ND) / (B+D)$

4. Change in Circumstances

If after any such certification as referred to in paragraph 3.1 has been made there shall be any change in the MC, or any delay in the occurrence of the Conversion Date shall arise such that is expected to occur in a month later than the month next after that in which the anticipated Conversion Date falls, the procedures set out in the preceding paragraphs of this Schedule shall be repeated (as often as required) and the calculations recomputed accordingly

5. Conversion of Ordinary Shares

5.1 On the Conversion Date.

- (i) the number of B Ordinary Shares equal to NB, as calculated in accordance with this Schedule 2, shall convert into Ordinary Shares on a one for one basis and the remainder (if any) of the B Ordinary Shares shall convert into Deferred Shares on a one for one basis where "NB" is calculated in accordance with the provisions of this Schedule 2,
- (ii) the number of D Ordinary Shares equal to ND, as calculated in accordance with this Schedule 2, shall convert into Ordinary Shares on a one for one basis and the remainder (if any) of the D Ordinary Shares shall convert into Deferred Shares on a one for one basis where "ND" is calculated in accordance with the provisions of this Schedule 2,
- ~~(iii)~~ the number of C Ordinary Shares equal to NC, as calculated in accordance with this Schedule 2, shall convert into Ordinary Shares and the remainder of the C Ordinary Shares (if any) shall convert into Deferred Shares on a one for one basis where "NC" is calculated in accordance with the provisions of this Schedule 2,
- ~~(iv)~~ the "NB" B Ordinary Shares and (B NB) Deferred Shares, if any, so arising under paragraph 5.1(i) above shall be allocated to members pro rata to their holding of B Ordinary Shares immediately prior to Conversion, the "ND" D Ordinary Shares and (D ND) Deferred Shares, if any, so arising under paragraph 5.1(i) above shall be allocated to members pro rata to their holding of D Ordinary Shares immediately prior to Conversion and the "NC" C Ordinary Shares and (C NC) Deferred Shares, if any, so arising under paragraph 5.1(ii) above shall be allocated to members pro rata to their holding of C Ordinary Shares immediately prior to Conversion.

5.2 If Conversion and the allocation of shares referred to above would result in any member holding a fraction of an Ordinary Share or a fraction of a Deferred Share the number of the Ordinary Shares held by that member shall be rounded up and the number of Deferred Shares held by that member shall be rounded down, in each case to the nearest whole number of shares. The calculations set out in this Schedule must be agreed between each of the Remuneration Committee (on behalf of the Company) the holders of more than 50% of the Ordinary Shares (on behalf of the A Shareholders) and the holders of more than 50% of the B Ordinary Shares (on behalf of the holders of B Ordinary Shares). In the event of a dispute over the operation of the provisions of this paragraph 5 and this Schedule 2 the Remuneration Committee shall instruct the Valuer (at the cost of the Company) to make the calculations required and the determination of the Valuer shall be final and binding on the Company and the members.

5.3 The Company shall inform the holders of the Ordinary Shares, the holders of the B Ordinary Shares, the holders of the C Ordinary Shares and the holders of the C Ordinary Shares of the results of the calculations or determinations set out in paragraph 3 forthwith upon their being made available. Forthwith upon receipt of a notice from the Company requiring them so to do, the holders of the B Ordinary Shares, the D Ordinary Shares and the C Ordinary Shares shall deliver to the Company at the Office the share certificates in respect of the shares of which they were, prior to Conversion, the holders (or an indemnity in respect thereof in a form reasonably satisfactory to the Company), and the

Company shall, on receipt of such certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company), deliver to such members new certificates, in respect of the Ordinary Shares arising from Conversion to which they are entitled

- 5.4 After Conversion, the shares (excluding the Deferred Shares) shall constitute one class of shares and shall rank *pari passu* in all respects

6. Miscellaneous

- 6.1 Forthwith upon Conversion, the Company shall give written notice to each of the members of the number of Ordinary Shares and the number of Deferred Shares (if any) of which it is the holder.
- 6.2 Subject to any special rights which may be attached to any other class of shares, any profits which the Company may determine to distribute after Conversion and any capital or assets which may be distributed, on a winding up or otherwise, by way of return of capital after Conversion shall be distributed amongst the holders of Ordinary Shares *pro rata* according to the amount paid up or credited as paid up thereon (excluding any premium over their nominal value)

7. Illustrative Example

The Annexure to this Schedule 2 contains a worked example showing the operation of the provisions set out in this Schedule. The worked example is illustrative only and, in the event of any ambiguity between the provisions of this Schedule 2 and the worked example, the terms of this Schedule 2 shall prevail

PROJECT FASTNET ILLUSTRATION OF OPERATION OF RATCHET

For the purposes of the written resolution signed on October 2006 amending these articles of association,
this annexure to schedule 2 will be deemed to be revision marked

ASSUMPTIONS

Funding Structure

			Notes. dates of funding simplified from model			
			Acquisition	Subsequent	Total	
			28 Feb-05	31 Jul 05	31 Jul-06	31 Jul 07
			Month 0	5	17	29
Sources	Share Numbers		% prior to warrants	% post warrants		
Management ords	B Ords	1,620,000 part of B	36%	35.67%	B%	
	D Ords	180,000 D	4%	3.53%	D%	
EAC ords	B Ords	200,000 part of B				
EAC ords	Ords	2,950,000 A	295	59%	57.82%	A%
	C Ords	50,000	50	1%	2.98%	C%
	Total Ords	5,000,000				
DDBs			3,050	4,500	3,000	1,100
						11,650
	Investors' outlays		3,395	4,500	3,000	1,100
						11,995

Warrants

Held by S&F	W%	2%		
Post warrants C =	152,041			
Exit	28-Feb-09	Month 48		
EBIT	11,341			
	Option 1	Option 2		
EBIT multiple	3	6		
Enterprise value	34,024	68,048		
Add cash	12,619	12,619		
Gross Proceeds	46,643	80,667		
less DDBs (including interest)	(16,826)	(16,826)		
MC	29,817	63,841		

CALCULATIONS

Paragraph.		Option 1	Option 2
3 2 (a)	Calculate MC	29,817	63,841
3 2 (b)	Calculate I_{25} and I_{40}		

Month	Cash Flow (CF_t)	I_{25}	I_{40}
		1 25	1 40
		$CF_t \cdot (1.25)^{-(n_t)} / 12$	$CF_t \cdot (1.40)^{-(n_t)} /$
0	(3,345)	(8,167)	(12,850)
5	(4,500)	(10,011)	(15,026)
17	(3,000)	(5,339)	(7,155)
29	(1,100)	(1,566)	(1,874)
48	16,826	16,826	16,826
I_{25} and I_{40}		8,256	20,079

3 2 (c)	MTC_{25}	11,385		
	MTC_{40}	34,726		
	$r\% =$	14.7%		
			Option 1	Option 2
3 2 (d)	Is MC greater than or equal to MTC_{40} ?		No	Yes
	NB = B			1,820,000
	NC – C			152,041
	ND = D			180,000
	A			2,950,000
				<u>5,102,041</u>
3 2 (e)	Is MC less than or equal to MTC_{25} ?		No	
3 2 (f)	Is MC greater than MTC_{25} or less than MTC_{40} ?		Yes	
	$P =$	$(MC - MTC_{25})$	0.790	

P =	$\frac{(MC_{MTC_{25}})}{(MTC_{40} - MTC_{25})}$	0.790
NB + ND =	$\frac{[(B\% + D\% \cdot r\%) + r\% \cdot P] \cdot A}{[(A\% + r\%) \cdot (r\% \cdot P)]}$	1,748,726
NC =	$\frac{C\% \cdot A}{[(A\% + r\%) \cdot (r\% \cdot P)]}$	144,323
NB =	$B \cdot (NB + ND) / (B + D)$	1,591,341
ND =	$D \cdot (NB + ND) / (B + D)$	157,385

RESULTS

A Shares	2,950,000	2,950,000
B Shares	1,591,341	1,820,000
C Shares	144,323	152,041
D Shares	157,385	180,000
	<u>4,843,049</u>	<u>5,102,041</u>
% split of equity		
A Shares	60.91%	57.82%
B Shares	32.86%	35.67%
C Shares	2.98%	2.98%
D Shares	3.25%	3.53%
	<u>100.0%</u>	<u>100.0%</u>
Split of MC		
A Shares	18,162	36,913
B Shares	9,797	22,773
C Shares	889	1,902
D Shares	969	2,252
Total MC	<u>29,817</u>	<u>63,841</u>
Total Monies received by Investors		
DDBs incl interest	16,826	16,826
Share of MC	18,162	36,913
	<u>34,988</u>	<u>53,739</u>
Monies invested by Investors	(11,945)	(11,945)
Multiple	2.93	4.50
IRR achieved by Investors	37.8%	56.1%

For the purposes of the written resolution signed on October 2006 amending these articles of association this annexure to Schedule 2 will be deemed to be deleted

PROJECT FASTNET ILLUSTRATION OF OPERATION OF RATCHET

ANNEXURE TO SCHEDULE 2

3.2(i)	Is MC greater than ATC_{28} or less than ATC_{20} ?	Yes
W =	$\frac{(MC - ATC_{28})}{(ATC_{20} - ATC_{28})}$	0.816
NB =	$\frac{(25 - (5 \times W \times A))}{(74 - (15 \times W))}$	177,848
NC	A (74 - (15 × W))	4,776

RESULTS

A Shares	295,000	295,000
B Shares	177,848	200,000
C Shares	4,776	5,000
	<u>477,624</u>	<u>500,000</u>
% split of equity		
A Shares	61.8%	59.0%
B Shares	37.2%	40.0%
C Shares	1.0%	1.0%
	<u>100.0%</u>	<u>100.0%</u>
Split of MC		
A Shares	18,416	37,866
B Shares	11,103	29,536
C Shares	296	638
Total MC	<u>29,817</u>	<u>68,041</u>
Total Monies received by Investors:		
DDs incl interest	16,826	16,826
Share of MC	<u>18,416</u>	<u>37,666</u>
	<u>35,242</u>	<u>54,492</u>
Monies invested by Investors:	(11,945)	(11,945)
Multiple	2.95	4.56
IRR achieved by Investors:	<u>38.1%</u>	<u>56.7%</u>

Calculation of Investors IRR

28-Feb-05	0	(3,345)	(3,345)
31-Mar-05	1	0	0
30-Apr-05	2	0	0
31-May-05	3	0	0
30-Jun-05	4	0	0
31-Jul-05	5	(4,000)	(4,000)
31-Aug-05	6	0	0
30-Sep-05	7	0	0
31-Oct-05	8	0	0
30-Nov-05	9	0	0
31-Dec-05	10	0	0
31-Jan-06	11	0	0
28-Feb-06	12	0	0
31-Mar-06	13	0	0
30-Apr-06	14	0	0
31-May-06	15	0	0
30-Jun-06	16	0	0
31-Jul-06	17	(3,000)	(3,000)
31-Aug-06	18	0	0
30-Sep-06	19	0	0
31-Oct-06	20	0	0
30-Nov-06	21	0	0
31-Dec-06	22	0	0
31-Jan-07	23	0	0
28-Feb-07	24	0	0
31-Mar-07	25	0	0
30-Apr-07	26	0	0
31-May-07	27	0	0
30-Jun-07	28	0	0
31-Jul-07	29	(1,100)	(1,100)
31-Aug-07	30	0	0

PROJECT FASTNET ILLUSTRATION OF OPERATION OF RATCHET

ANNEXURE TO SCHEDULE 2

30-Sep-07	31	0	0
31-Oct-07	32	0	0
30-Nov-07	33	0	0
31-Dec-07	34	0	0
31-Jan-08	35	0	0
29-Feb-08	36	0	0
31-Mar-08	37	0	0
30-Apr-08	38	0	0
31-May-08	39	0	0
30-Jun-08	40	0	0
31-Jul-08	41	0	0
31-Aug-08	42	0	0
30-Sep-08	43	0	0
31-Oct-08	44	0	0
30-Nov-08	45	0	0
31-Dec-08	46	0	0
31-Jan-09	47	0	0
28-Feb-09	48	39,242	54,492
Monthly		3%	4%
Annual		38.13%	56.71%

SCHEDULE 3

DEFERRED SHARES

The rights and restrictions attaching to the Deferred Shares are as follows:

1. Income/Voting/Capital

The holders of Deferred Shares (as holders of Deferred Shares) shall not be entitled to receive any dividend or distribution and shall not be entitled to receive notice of, nor to attend, speak or vote at any General Meeting of the Company. On a return of assets, whether on liquidation or otherwise, the Deferred Shares shall entitle the holder thereof only to the repayment of the amounts paid up on such shares (including any premium) after repayment of the capital paid up on the Equity Shares plus the payment of £5,000,000 on each of the Equity Shares and the holders of the Deferred Shares (as such) shall not be entitled to any further participation in the assets or profits of the Company

2. Purchase

The Special Resolution passed on the date of adoption of these Articles and creating the Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after Completion to appoint any person to execute on behalf of the holders of the Deferred Shares remaining in issue (if any) a transfer thereof and/or an agreement to transfer the same, without making any payment to the holders thereof, to such person as the Company may determine as custodian thereof and to cancel and/or acquire the same (in accordance with the provisions of the Act) without making any payment to or obtaining the sanction of the holders thereof and pending such transfer and/or the cancellation and/or purchase to retain the certificate (if any) for such shares. The Company may, at its option at any time after Completion, redeem all or any of the Deferred Shares then in issue (if any), at a price not exceeding 1 penny for all the Deferred Shares redeemed, at any time upon giving the registered holder of such share or shares not less than twenty eight (28) days' previous notice in writing of its intention so to do, fixing a time and place for its redemption

3. Re classification

Upon the redemption or purchase by the Company or cancellation of any Deferred Shares, the directors may, pursuant to the authority given by the adoption of this Article, convert and sub-divide the authorised share capital created as a consequence of such redemption or purchase by the Company or cancellation into shares of any class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue