

Company number: 03681995

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
PHOENIX PRODUCT DEVELOPMENT LIMITED

WEDNESDAY



ORDINARY AND SPECIAL RESOLUTIONS

In accordance with Chapter 2 of Part 13 of the Companies Act 2006, the following resolutions of the members of the Company were passed as written resolutions on 18 December 2009:

ORDINARY RESOLUTION

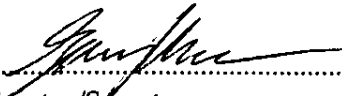
1. THAT in accordance with section 551 of the Companies Act 2006, the directors of the Company be generally and unconditionally authorised to allot shares (or grant rights to subscribe for or to convert any security into shares) up to an aggregate nominal amount of £5,000, provided that this authority shall, unless renewed, varied or revoked by the Company, expire five years from the date of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted, or any such rights to be granted, and the directors of the Company may allot shares or grant any such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this article has expired. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006.

SPECIAL RESOLUTIONS

2. THAT:
 - (a) the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 Companies Act 2006, are treated after 1 October 2009 as provisions of the Company's articles of association; and
 - (b) new articles of association of the Company in the form of the printed document annexed to these written resolutions be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company.
3. THAT (subject to the passing of resolutions numbered 1 and 2 above) in exercising the authority given by the resolution numbered 1 above, whether to issue or allot shares or warrants or otherwise, the directors are not required to have regard to Article 5 or Article

4.3.2 of the Company's Articles of Association as adopted pursuant to the resolution numbered 2 above.

Dated: 18 December 2009


.....
Director/Secretary
for and on behalf of the Company

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of
PHOENIX PRODUCT DEVELOPMENT LIMITED

(Adopted by a special resolution passed on 18 December 2009)

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Company No. 03681995

COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of

PHOENIX PRODUCT DEVELOPMENT LIMITED

(Adopted by a special resolution passed on *18 December* 2009)

1. PRELIMINARY

1.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these articles, or are inconsistent with these articles and no other regulations for management of a company set out in any statute or statutory instrument concerning companies shall apply to the Company.

1.2 In these Articles the following definitions apply:

"Act"

the Companies Act 2006;

"address"

includes a number or address used for the purposes of sending or receiving documents or information by electronic means;

"Articles"

these Articles of Association or as from time to time altered or replaced;

"Annual Budget"

the annual budget of the Company to be produced on an annual basis by the Board in accordance with the terms of the Relevant Agreement;

"Auditors"

the auditors from time to time of the Company;

"Board"

the board of directors of the Company (or, when the context requires, a subsidiary of the Company) from time to time or any committee of such board of directors;

"Business"

the business of the Group as carried on from time to time, being as at the date of adoption of these Articles the development, promotion and commercialisation of

the 'displaced-air' flushing system including the Product set out in the Business Plan;

"Business Day"

a day other than Saturday, Sunday or a day on which banks are generally closed in the City of London;

"Business Plan"

the business plan to be produced on an annual basis by the Board;

"clear days"

in relation to the period of a notice, means that period excluding the day when the notice shall be served or deemed to be served and the day for which it shall be given or on which it shall take effect;

"Company"

Phoenix Product Development Limited (incorporated and registered in England and Wales under company number 03681995);

"Compulsory Transfer"

a transfer of Shares in accordance with Article 9;

"Compulsory Transfer Notice"

bears the meaning set out in Article 9.1;

"Connected Person"

in relation to a person, any other person:

- (a) who is a connected person (as defined in section 839 of the Income and Corporation Taxes Act 1988) to the first mentioned person; or
- (b) with whom the first mentioned person is acting in concert (as defined in The City Code on Takeovers and Mergers);

and the expression "**connected with a person**" shall be construed accordingly;

"Cost"

the sum of £0.53 per Share;

"Directors"

the directors from time to time of the Company;

"executed"

includes any mode of execution;

"Expert"

the Auditors or, if they decline to act or are otherwise unable to act, such other firm of accountants who, in default of agreement between the Company and the

Leaver within 14 days of the Auditors declining or being unable to act, shall be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of either the Company or the Leaver;

"Fair Price"

the price per Share agreed between the Company and the Leaver, or, in the absence of agreement, the fair price per Share for the Leaver's Shares as certified by the Expert in accordance with Articles 9.22 to 9.24;

"Family Trusts"

as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument made or whether under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Group"

the Company, its holding company, its subsidiary undertakings and subsidiary undertakings of its holding company from time to time and **"Group Company"** means any one of them from time to time;

"holder"

in relation to Shares means the Shareholder whose name is entered in the register of Shareholders of the Company as the holder of the Shares;

"holding company"

shall have the meaning ascribed to such expression in the Act;

"Leaver"

bears the meaning set out in Article 9.10.1;

"Listing"

the listing or admission to trading of all or any of the Shares, or any shares of any holding company of the Company, to any Recognised Investment Exchange or Overseas Investment Exchange or EASDAQ or the Plus Markets or the offering of any such aforesaid shares or shares which includes an offering to the public of such shares or shares in any jurisdiction;

"London Stock Exchange"

London Stock Exchange plc;

"Manager"

Garry Moore;

"Member of the same Group"

in relation to any company, means a company which shall be for the time being a holding company or a subsidiary of that company, or a subsidiary of any such holding company;

"Model Articles"

the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles;

"office"

the registered office of the Company;

"Ordinary Majority"

in the case of consent given:

- (a) at a general meeting, a resolution:
 - (i) passed on a show of hands by a majority of not less than 85% of the votes cast; or
 - (ii) passed on a poll by members representing not less than 85% of total voting rights of members who vote in person or by proxy; or
- (b) by written resolution, a resolution passed by members representing at least 85% of the total voting rights of eligible members;

"Ordinary Shares"

the ordinary shares of £0.001 each in the share capital of the Company in issue from time to time;

"Overseas Investment Exchange"

bears the meaning set out in section 313 of the Financial Services and Markets Act 2000;

"Permitted Transfer"

a transfer of Shares in accordance with Article 8;

"Permitted Transferee"

a person, firm or unincorporated association to whom or which Shares have been, or may be, transferred pursuant to a Permitted Transfer;

"Privileged Relation"

in relation to an individual member or deceased or former individual member, the sibling, spouse or civil partner or surviving spouse, or surviving civil partner of such member and all the lineal descendants and ascendants in direct line of such member and a spouse or civil partner or surviving spouse, or surviving civil partner of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person or a child of a civil partner of any person shall be deemed to be his or her lineal descendant;

"Product"

Propelair® air operated toilets and ancillary equipment and/or any part of the mechanism of a Propelair® air operated toilet intended for inclusion in sanitaryware;

"Recognised Investment Exchange"

bears the meaning set out in section 285 of the Financial Services and Markets Act 2000;

"Relevant Agreement"

any agreement (which is additional to these Articles) between the Company and some or all of its members;

"Reserved Matter"

bears the meaning set out in Article 4.3;

"Sale"

a sale of the entire issued share capital of the Company;

"seal"

the common seal of the Company;

"Secretary"

the secretary of the Company (if any) or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

"Security Interest"

any interest or equity of any person (including, without prejudice to the generality of the foregoing, any right to acquire, option or right of pre-emption (other than pursuant to these Articles)) or any mortgage, charge, pledge, lien or assignment, or any other encumbrance, priority or security interest or arrangement of whatsoever nature over or in the relevant property;

"Share" or "Shares"

any share or shares in the capital of the Company;

"Shareholder"

any holder for the time being of a Share or Shares;

"subsidiary"

shall have the meaning ascribed to such expression in the Act;

"subsidiary undertaking"

shall have the meaning ascribed to such expression in the Act;

"Tag-Along Transfer"

a transfer of Shares in accordance with Article 10;

"Transfer"

the transfer of the whole legal and equitable title of all or part of a Shareholder's holding of Shares free from all liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof or thereafter;

"Transferee Company"

a company for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers of Shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series);

"Transferor Company"

a company (other than a Transferee Company) which has transferred or proposes to transfer Shares to a Member of the same Group.

1.3 In these Articles:

- 1.3.1** the headings are for convenience only and do not affect their construction;
- 1.3.2** words denoting the singular include the plural and the other way round; and
- 1.3.3** words denoting one gender include each gender and all genders.

1.4 In these Articles, unless otherwise specified or the context otherwise requires, a reference to:

- 1.4.1** a person is to be construed to include a reference to any individual, firm, partnership, company, corporation, association, organisation or trust (in each case whether or not having a separate legal personality);
- 1.4.2** a statute or provision of any statute or other legislation is to be construed as a reference to such statute or provision as amended consolidated or re-enacted or as its application is modified from time to time (whether before or after the date of this agreement) and shall include reference to any provision of which it is a re-enactment (whether with or without modification) and to any orders, regulations, instruments or other subordinate legislation (and relevant codes of practice) made under the relevant statute or other legislation for the time being in force.

1.5 Words or expressions contained in these Articles bear the same meaning as in the Act and the Model Articles as in force on the date when these Articles became binding on the Company.

1.6 Any reference in these Articles to a Shareholder shall be deemed to include a reference to its Permitted Transferee, unless the context requires otherwise.

2. SHARE CAPITAL

2.1 The Shares shall except where otherwise provided in these Articles entitle the holders of those Shares to the same rights and privileges and subject them to the same restrictions and provisions set out in these Articles.

2.2 The shares shall rank *pari passu* in all respects.

2.3 Subject always to Article 4.3, the Company shall have power to purchase its own Shares (whether issued on terms that they are, or are liable, to be redeemed or not) subject to the requirements of the Act.

2.4 Subject always to Article 4.3, the Company shall have power to redeem or purchase its Shares out of capital subject to the provisions of the Act.

2.5 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

2.6 The special rights attached to any class of Share or Shares may not be varied nor abrogated either while the Company is a going concern or during or in contemplation of a winding-up, without the consent in writing of the holders of 85 per cent or more of the issued Shares of that class or an extraordinary resolution passed at a separate general meeting of the holders of the class sanctioning that variation or abrogation.

2.7 Except as required by law, and even when the Company shall have express notice of that fact, no person shall be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any Share except an absolute right to the entirety of such Shares in the holder.

3. CALLS ON SHARES

3.1 Subject to the terms of allotment, the Directors may make calls upon the Shareholders in respect of any sums whether in respect of nominal value or premium that are unpaid on their Shares and are not payable at fixed times under the said terms of allotment. Each Shareholder shall, subject to receiving at least 14 clear days' notice specifying when and where payment is to be made, pay to the Company as required by the notice the amount so called on his Shares. A call may be revoked in whole or part before receipt by the Company of any sum due thereunder and payment of a call may be postponed in whole or part as the Directors think fit.

- 3.2 The holder of a Share at the time a call is due to be paid shall be the person liable to pay the call, and in the case of joint holders they shall be jointly and severally liable.
- 3.3 If any amount payable in respect of a Share on allotment or at a fixed date, whether in respect of nominal value or premium or as an instalment of a call, is not paid, the provisions of these Articles and (in so far as applicable) the Model Articles shall apply as if that amount had become due and payable by virtue of a call.

4. RIGHTS ATTACHING TO THE SHARES

The Ordinary Shares shall be entitled to the following rights:

4.1 Voting in general meetings

The holders of Ordinary Shares shall be entitled to receive notice of, to attend and to vote at, general meetings of the Company; every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll every holder of Ordinary Shares so present shall have one vote for each Ordinary Share held by it.

4.2 Income

The Ordinary Shares shall be entitled to receive a dividend on their Shares in such amounts as determined by the Directors in their absolute discretion, but without imposing or imputing any requirement upon them to do so either singly or on a continuing basis.

4.3 Reserved matters

Any of the matters listed below (the "**Reserved Matters**") shall require the prior written consent of the Ordinary Majority. The expression 'the Company' or any matter or item relating to the Company in the Reserved Matters shall include any subsidiary of the Company from time to time or any matter or item relating to such a subsidiary, respectively, to the intent and effect that each of the provisions of this Article shall apply in relation to each subsidiary as they apply in relation to the Company.

The Reserved Matters are as follows:

- 4.3.1 the making of any payment, or incurring or entry into or varying or carrying out any commitment or act whatsoever (save as otherwise provided for in any Annual Budget or Business Plan) other than in the normal course of its business and on arm's length commercial terms or undertaking of any business other than the Business, or change in the nature or scope of the Business, or cessation of the Business save as envisaged in the then current Annual Budget or Business Plan;
- 4.3.2 the allotment, issue, redemption or purchase of any Shares or securities or grant to any person of any option (or variation of the terms of any option already granted), warrant or right to call for the issue of any Shares or securities or increase or reduction of its share capital or reorganisation, sub division, consolidation, redesignation or other variation of its share capital in any way, or reduction of the amount, if any, standing to the credit of the share premium account or capital redemption reserve or any other reserve of the Company;

- 4.3.3 the transfer of any Shares which would result in any person or persons connected with each other or persons acting in concert with each other obtaining in aggregate 50.1 per cent or more of the voting rights exercisable at general meetings of the Company by the holder or holders of those shares;
- 4.3.4 the creation or issue or permission to come into being of any Security Interest upon any part of its property or assets or uncalled capital or creation or issue of any debenture or debenture stock or obtaining any advance or credit in any form in each case exceeding fifty thousand pounds (£50,000) in aggregate other than normal trade credit or as anticipated in the Business Plan, whether by a single transaction or by a series of transactions;
- 4.3.5 the entry into or making or otherwise permitting to occur of any sale, transfer, lease, licence (whether exclusive or not) or other periodic agreement or agreement for sale, transfer, lease, licence or other disposition of the whole or a substantial part of its business or undertaking or of any of its assets having a book or market value in excess of fifty thousand pounds (£50,000) (other than trading stock in the ordinary course of business) or disposal of any share in the capital of any Group Company whether by a single transaction or by a series of transactions save as envisaged in the then current Annual Budget or Business Plan;
- 4.3.6 the incurring or entry into of any capital or onerous commitments (including, without limitation, in respect of any hire purchase, lease purchase or other leasing obligation) in aggregate in excess of fifty thousand pounds (£50,000) per annum, whether by a single transaction or by a series of transactions, which has or have not been specified in any Annual Budget or Business Plan or otherwise materially varying the terms of any such commitment so approved;
- 4.3.7 the entry into of any agreement for the supply of goods or services to the Company where the aggregate amounts payable thereunder would exceed fifty thousand pounds (£50,000) per annum, whether by a single transaction or a series of transactions, other than as set out in the Annual Budget or Business Plan;
- 4.3.8 the purchase of any asset or stocks for a consideration in excess of fifty thousand pounds (£50,000) per order save as provided for in the Annual Budget or Business Plan;
- 4.3.9 save as otherwise agreed in the Annual Budget or Business Plan, the incurring of any borrowings or finance obligations (but excluding leasing, hire purchase and similar arrangements in relation to computer hardware and associated goods), or the making of any loans or advances or give any credit other than normal trade credit otherwise than any credit in the ordinary course of business or payment of any commissions to any third parties in relation to the obtaining of any business outside of the ordinary course of business;
- 4.3.10 save to the extent expressly provided for in the Annual Budget or Business Plan, the entry into of any factoring or like agreements or trade finance or other arrangements entered into primarily as a method of raising finance but not shown as borrowings on the balance sheet of the company receiving credit or incurring liabilities primarily in connection with the raising of finance but which are off- balance-sheet by reason of being contingent, conditional, limited recourse or netted-out against an asset or otherwise;
- 4.3.11 the grant of any guarantee bond indemnity or other like instrument other than in the ordinary course of its business or which in aggregate with any other guarantee, bond,

indemnity or other like instrument involves a liability or potential liability in excess of twenty five thousand pounds (£25,000), whether by a single transaction or a series of transactions;

- 4.3.12 save as otherwise set out in the Annual Budget or Business Plan, the making of any payment of fees or emoluments (other than in the normal course of employment), or the incurring or entry into or variance of any liability or commitment whatsoever or making or varying any agreement or arrangement whatsoever with, any director of the Company or any Connected Person of a Director or their associates or any Shareholder or any Connected Person of a Shareholder or option holder or their associates and for this purpose any bonus payments shall be regarded as outside the normal course of employment;
- 4.3.13 the entry into or variation of any arrangement or agreement with any person who is an officer, employee, consultant or secondee of it at an annual salary in excess of fifty thousand pounds (£50,000), save as otherwise set out in the Annual Budget or Business Plan;
- 4.3.14 the entry into of any agreement or arrangements whereby any person would or might receive remuneration calculated by reference to the Company's income or profits, save where such engagement or variation is envisaged in the Annual Budget or Business Plan;
- 4.3.15 any change in the name of the Company or any Group Company;
- 4.3.16 any alteration to the Articles (including adoption of new Articles of Association), or passing of any special resolution or passing of any resolution for winding-up of any Group Company;
- 4.3.17 the liquidation dissolution or winding up of any Group Company either voluntarily or involuntarily or the filing of any petition for the appointment of an administrator or liquidator or inviting any person to appoint an administrative receiver or the entering into of any compromise or arrangement to which the Act or the Insolvency Act 1986 applies;
- 4.3.18 any joint venture or partnership or the subscription for or acquisition of any interest (whether on their own behalf or as nominee) in the share capital or instruments convertible into the share capital or of the assets and undertaking of any other company (which is not to be a wholly-owned subsidiary of the Company) or other body corporate or entity or make any other investment in the same;
- 4.3.19 the licensing, transfer, assignment or other dealing in any way with any intellectual property of the Company otherwise than in the ordinary course of business or save to the extent that the details and commercial terms of such licence, transfer, assignment or other dealing are set out in reasonable detail in the then current Annual Budget or Business Plan.

5. ISSUE OF SHARES

- 5.1 Subject to the provisions of the Act, Article 4.3 and to the following provisions of this Article 5, all unissued shares shall be at the disposal of the Directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

- 5.2 All Shares which the Directors propose to issue shall first be offered to all Shareholders in proportion as nearly as may be to the number of existing Shares held by them respectively and at the same price at which the Shares on offer are proposed to be issued. The offer shall be made by notice specifying the number of Shares offered and the price, and limiting a period (not being less than 14 days) within which the offer, if not accepted in writing, will be deemed to be declined. After the expiration of that period those Shares so deemed to be declined shall be offered in the same proportion as the original offer to the persons who have, within the said period, accepted all the Shares offered to them; such further offer shall be made on the same terms in the same manner and limited by the same period as in the original offer.
- 5.3 Any shares not accepted pursuant to Article 5.2 or not capable of being offered except by way of fractions shall for a period of two months thereafter be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted, such Shares shall only be allotted or otherwise disposed of on terms which are no more favourable in any respect to the subscribers therefor than the terms on which they were offered to the holders of the Shares and the Directors may not allot, grant options over or otherwise dispose of the Shares after such period of two months without re-offering such Shares in accordance with this Article 5.
- 5.4 All the requirements of sections 561 and 562 of the Act are excluded generally in relation to the allotment by the Company of equity securities (as defined in section 560 of the Act).

6. GENERAL PROVISIONS RELATING TO THE TRANSFER OF SHARES

- 6.1 The Board shall only register Transfers otherwise permitted by these Articles which are in respect of shares on which the Company does not have a lien.
- 6.2 The Board may also refuse to register a Transfer unless it is duly stamped and lodged at the registered office or at such other place as the Board may appoint and is accompanied by the certificate for the Shares to which it relates (or an indemnity in respect thereof) and such other evidence as the Board may reasonably require to show the right of the transferor to make the Transfer.
- 6.3 Where Shares of any class are transferred to a holder of a different class of Shares under these Articles, the Shares so transferred shall be redesignated as such number of Shares of the class held by the transferee as shall have an equivalent aggregate nominal value equal to the aggregate nominal value of the Shares transferred and shall rank *pari passu* in all respects with the other Shares of the class into which they shall have been redesignated.

7. PROVISIONS RELATING TO THE TRANSFER OF ORDINARY SHARES - GENERAL

- 7.1 No person shall be entitled to transfer, dispose or effect any other dealing in any Shares (or any interest whether legal, equitable or otherwise in such shares) other than a Transfer which is either:
- 7.1.1 a Permitted Transfer;
 - 7.1.2 a Compulsory Transfer;

- 7.1.3 a Tag-Along Transfer; or
- 7.1.4 a Drag Along Transfer; or
- 7.1.5 a Transfer made in accordance with Article 11.
- 7.2 The Board may by notice in writing require the trustees of Family Trusts as referred to in Article 8.2 or any other person who the Board knows or has reasonable cause to believe to be or, at any time during the two years immediately preceding the date on which the notice is issued, to have been interested in any Ordinary Shares to which Article 8.2 applies to provide the Board with details of:
 - 7.2.1 such person's past or present interest (as the case may be) in such Ordinary Shares;
 - 7.2.2 (where the interest is a present interest and any other interest in such Ordinary Shares subsists) such other interest (so far as such person is aware of such other interest);
 - 7.2.3 (where the interest is a past interest) the successor to such person's interest;
 together with any other information the Board considers necessary in connection with establishing any past or present interest held by any person in such Ordinary Shares;
- 7.3 A Notice given by the Board pursuant to Article 7.2 shall require any information to be given in response to such notice to be given in writing within such reasonable time as may be specified in the notice.
- 7.4 Where notice is served by the Board under Article 7.2 on any person and such person has failed to give the Board the information required within the period specified in such notice, the following restrictions shall apply until such time as the Board has received such information in relation to any Ordinary Shares to which such notice relates (the "**Default Shares**"), the Board shall be entitled to serve a Compulsory Transfer Notice on the registered holder of the Default Shares and the provisions of Articles 9.1 and 9.3 shall apply to the Default Shares. Pending the transfer of the Default Shares:
 - 7.4.1 no voting rights shall be exercisable in respect of the Default Shares;
 - 7.4.2 no further shares shall be issued in right of the Default Shares or in pursuance of any offer made to their holder; and
 - 7.4.3 except in a liquidation, no payment shall be made of any sums due from the Company on the Default Shares, whether in respect of capital or otherwise (and any such payments that would otherwise be due during such period shall be considered forfeited and shall not accrue).

8. PERMITTED TRANSFERS OF SHARES

Transfers by Individuals and Family Trusts

- 8.1 Ordinary Shares may be Transferred by a Shareholder who is an individual:
 - 8.1.1 to trustees to be held upon Family Trusts related to such individual Shareholder; or
 - 8.1.2 entitled to Ordinary Shares in consequence of the death or bankruptcy of an individual Shareholder to any person or trustee to whom such individual Shareholder, if not dead or bankrupt, would be permitted hereunder to transfer the same.

- 8.2 Where Ordinary Shares have been issued to trustees of Family Trusts or transferred under this Article 8 to trustees of Family Trusts, the trustees and their successors in office may transfer all or any of such Ordinary Shares:
- 8.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees;
 - 8.2.2 to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual Shareholder or deceased or former Shareholder pursuant to the terms of such Family Trusts or to any discretion vested in the trustees of such Family Trusts or any other person; or
 - 8.2.3 to the relevant Shareholder or former Shareholder or any Connected Person of the relevant Shareholder or deceased or former Shareholder who has thereby become entitled to the Ordinary Shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.
- 8.3 If and whenever any of the Ordinary Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer of those Ordinary Shares is authorised pursuant to Article 8.2 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such Ordinary Shares to notify the Board in writing that such event has occurred and the trustees shall be bound, if and when required by notice in writing from the Board so to do, to Transfer such Ordinary Shares back to the relevant former Shareholder, and if no such transfer shall have been presented to the Board for registration within 14 days of such written notice, the Board shall be entitled to serve a Compulsory Transfer Notice on the registered holders of such Ordinary Shares and the provisions of Articles 9.1 and 9.3 shall apply to such Ordinary Shares.

9. COMPULSORY TRANSFERS OF ORDINARY SHARES

General

- 9.1 A person entitled to an Ordinary Share in consequence of the bankruptcy of a Shareholder shall be bound at any time, if and when required in writing by the Board so to do, to give a notice to all Shareholders notifying that it is offering such Share for transfer ("**Compulsory Transfer Notice**") and the price per Share shall be the same price per Share as the Fair Price of those Shares. The provisions of Articles 9.15 to 9.19 shall apply *mutatis mutandis* in respect of such transfer with reference to:
- 9.1.1 "**Leaver's Sale Completion Date**" being the date which is 14 days after the date of the Compulsory Transfer Notice;
 - 9.1.2 "**Compulsory Sellers**" being the person entitled to an Ordinary Share in consequence of the bankruptcy of a Shareholder;
 - 9.1.3 "**Leaver's Shares**" being the Ordinary Share(s) to which such person is entitled as a consequence of the bankruptcy of a Shareholder;
 - 9.1.4 "**Offerees**" being all Shareholders; and
 - 9.1.5 "**agreed or certified price**" being the Fair Price.

- 9.2 If an Ordinary Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Board may require the legal personal representatives to such deceased Shareholder either to effect a transfer of such Shares (including for such purpose an election to be registered in respect thereof) being a transfer in accordance with Article 8.1.2 or to show to the satisfaction of the Board that a transfer in accordance with Article 8.1.2 will be effected up to or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Board may allow for the purpose) to give a Compulsory Transfer Notice to all Shareholders and the price per Share shall be the Fair Price. The provisions of Articles 9.15 to 9.19 shall apply *mutatis mutandis* in respect of such transfer with reference to:
- 9.2.1 **"Leaver's Sale Completion Date"** being the date which is 14 days after the date of the Compulsory Transfer Notice;
- 9.2.2 **"Compulsory Sellers"** being the legal personal representative of any deceased Shareholder;
- 9.2.3 **"Leaver's Shares"** being the Ordinary Share(s) registered in the name of such deceased Shareholder;
- 9.2.4 **"Offerees"** being all Shareholders; and
- 9.2.5 **"agreed or certified price"** being the Fair Price.
- 9.3 Ordinary Shares, while subject to a Compulsory Transfer Notice, may not be transferred pursuant to Articles 8, 9.10 to 9.14 or 10.

Drag-Along Rights

- 9.4 If a transfer of Shares at any time results upon its completion in a transferee (being a bona fide third party purchaser) of such Shares holding or becoming entitled to acquire 85 per cent or more of the Shares in issue the transferee in respect of such transfer (the **"Purchaser"**) may, by serving a notice (the **"Compulsory Purchase Notice"**) on each other Shareholder (each being a **"Minority Shareholder"**), require all the Minority Shareholders to sell all their Shares and beneficial interests in such Shares to the Purchaser or such other person or persons as the Purchaser shall specify in accordance with the provisions of Articles 9.5 to 9.10.
- 9.5 The price per Share for the Shares held by the Minority Shareholders shall equal the price per Share offered by the Purchaser.
- 9.6 Within seven days of the Purchaser serving a Compulsory Purchase Notice on the Minority Shareholders, the Minority Shareholders shall deliver stock transfer forms for their Shares, together with the relevant share certificates, to the Company. On the expiration of such seven day period the Company shall pay the Minority Shareholders, on behalf of the Purchaser, the amounts they are due pursuant to Article 9.5 to the extent the Purchaser has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Minority Shareholders pursuant to Article 9.5 in trust for the Minority Shareholders without any obligation to pay interest.
- 9.7 To the extent that the Purchaser has not, upon the expiration of such seven day period, put the Company in funds to pay the price calculated in accordance with Article 9.5, the Minority

Shareholders shall be entitled to the return of the stock transfer forms and share certificates for the relevant Shares and the Minority Shareholders shall have no further rights or obligations under Articles 9.4 to 9.9 in respect of their Shares.

- 9.8 If a Minority Shareholder fails to deliver stock transfer forms for their Shares to the Company upon the expiration of such seven day period, the Directors shall, if requested by the Purchaser, authorise any Director to transfer such Minority Shareholder's Shares on such Minority Shareholder's behalf to the Purchaser (or its nominee(s)) to the extent the Purchaser has, upon the expiration of such seven day period, put the Company in funds to pay the price for such Minority Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Minority Shareholder shall surrender his share certificate for his Shares to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 9.5.
- 9.9 While the provisions of Articles 9.4 to 9.8 apply to a Minority Shareholder's Shares, those Shares may not be transferred otherwise than under Articles 9.4 to 9.8.

Cessation of Employment

- 9.10 The provisions of Articles 9.11 to 9.24 apply:
- 9.10.1 when, a director, or employee of the Company (or any of the Company's subsidiaries or subsidiary undertakings) who is a holder of Ordinary Shares (or whose Permitted Transferee and/or a Connected Person to such director or employee is a holder of Ordinary Shares) ("**Leaver**") ceases, for any reason, to be a director or employee of:
- a) the Company; or
 - b) any of the Company's subsidiaries or subsidiary undertakings, and
- 9.10.2 where the Leaver is not continuing as a director or employee of the Company or any of its subsidiaries or subsidiary undertakings.
- 9.11 Within two months after the cessation of directorship or employment in the case of the circumstances set out in Article 9.10, the Board shall serve notice requiring the Leaver (or his personal representatives in the case of his death, or his Permitted Transferee and/or a Connected Person to such Leaver) ("**Compulsory Sellers**") to offer such of their Shares as were issued to the Leaver in connection with his employment or directorship after the date of adoption of these Articles ("**Leaver's Shares**") to:
- 9.11.1 a person or persons intended to take the Leaver's place; and/or
 - 9.11.2 any of the existing employees of the Company or any of its subsidiaries or subsidiary undertakings (other than the Leaver); and/or
 - 9.11.3 other participants or potential participants in, or trustees of an employees' share scheme of the Company and its subsidiaries or subsidiary undertakings (other than the Leaver); and/or
 - 9.11.4 any other person or persons approved by the Board (other than the Leaver); and/or
 - 9.11.5 the Company (subject always to the provisions of the Act);
- ("Offerees").

- 9.12 For the purposes of the provisions of Articles 9.10 to 9.22, the "**Relevant Date**" means the date of cessation of directorship or employment (whichever is the earlier).
- 9.13 For the purposes of this Article 9, a Leaver shall be deemed to be a "Good Leaver" in circumstances where the Leaver:
- (i) dies;
 - (ii) suffers a physical or mental deterioration which, in the reasonable opinion of the Board, is sufficiently serious to prevent the Leaver from following his normal employment or which seriously prejudices his earning capacity;
 - (iii) where the Board unanimously agrees (provided that the Leaver shall not be entitled to vote on any such resolution) that the Leaver be deemed a Good Leaver, notwithstanding any circumstances which would otherwise deem him a Bad Leaver; or
 - (iv) is dismissed where such dismissal is found by a tribunal or court of competent and final (except where any right of appeal is waived) jurisdiction to have been unfair or wrongful.

In all other circumstances, a Leaver shall be deemed to be a "Bad Leaver".

- 9.14 The price per Share for the Leaver's Shares shall:
- 9.14.1 in the case of a Good Leaver, be the Fair Price
- 9.14.2 in the case of a Bad Leaver, shall be the lower of Cost and the Fair Price.

Transfer Procedure for Compulsory Sellers

- 9.15 The Compulsory Sellers shall then offer their Leaver's Shares to the Offerees free from all liens, charges and encumbrances together with all rights attaching to them on the terms set out in the remaining provisions of this Article 9.
- 9.16 Within seven days of the Board serving notice on the Compulsory Sellers:
- 9.16.1 the Company shall notify the Compulsory Sellers of the names and addresses of the Offerees and the number of Leaver's Shares to be offered to each;
- 9.16.2 the Company shall notify each Offeree of the number of Leaver's Shares on offer to him; and
- 9.16.3 the Company's notices shall specify the price per share and state a date, between seven and 14 days after the date on which the price per share is determined, on which the sale and purchase of the Leaver's Shares is to be completed provided always that where the Offeree is the Company such time period shall be extended to such reasonable period as is necessary to permit the Company to comply with the relevant provisions of the Act ("**Leaver's Sale Completion Date**").
- 9.17 By the Leaver's Sale Completion Date the Compulsory Sellers shall deliver stock transfer forms for the Leaver's Shares, with the relevant share certificates, to the Company. On the Leaver's Sale Completion Date the Company shall pay the Compulsory Sellers, on behalf of each of the Offerees, the agreed or certified price for the Leaver's Shares to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Compulsory Sellers without any obligation to pay interest.

- 9.18 To the extent that Offerees have not, by the Leaver's Sale Completion Date, put the Company in funds to pay the agreed or certified price, the Compulsory Sellers shall be entitled to the return of the stock transfer forms and share certificates for the relevant Leaver's Shares and the Compulsory Sellers shall have no further rights or obligations under the provisions of Articles 9.10 to 9.20 in respect of those Leaver's Shares.
- 9.19 If a Compulsory Seller fails to deliver stock transfer forms for Leaver's Shares to the Company by the Leaver's Sale Completion Date, the Directors may authorise any Director to transfer the Leaver's Shares on the Compulsory Seller's behalf to each Offeree to the extent the Offeree has, by the Leaver's Sale Completion Date, put the Company in funds to pay the agreed or certified price for the Leaver's Shares offered to him. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his share certificate for the Leaver's Shares to the Company. On surrender, he shall be entitled to the agreed or certified price for the Leaver's Shares.
- 9.20 While Ordinary Shares are liable to be Leaver's Shares by virtue of Article 9.11, they may not be transferred under Articles 8, 9.1 to 9.2 or 10.
- 9.21 Following service of notice under Article 9.11 the Board (other than the Leaver, if a Director, and other than any Director connected with the Leaver within the meaning of section 839 Income and Corporation Taxes Act 1988) shall seek to agree the price per share with the Leaver. In the event that the price per Share is not agreed within 7 days of service of notice under Article 9.11 by the Board, the Directors shall request the Expert (acting as experts and not as arbitrators) to certify the Fair Price for the Leaver's Shares in accordance with Article 9.22.
- 9.22 The Expert shall within 14 days of such a request certify to the Company the Fair Price for the Leaver's Shares, being the value of each Share.
- 9.23 The cost of the Expert acting in accordance with this Article 9 shall be borne as the Expert directs, or in the absence of such direction, equally between the Company and the Leaver.
- 9.24 The determination of the Expert shall be final and binding on the parties (in the absence of fraud or manifest error).

10. TAG ALONG TRANSFERS

If the effect of any transfer of Shares by any holder or holders of Shares (a "**Selling Ordinary Shareholder**") would, if completed, be to enable any person or persons connected with each other or persons acting in concert with each other (each a "**Proposed Transferee**") to obtain such number of Shares which in aggregate confer 50.1 per cent or more of the voting rights exercisable at general meetings of the Company by the holder or holders of those shares (the "**Relevant Percentage**"), the Selling Ordinary Shareholder shall, prior to any such transfer (the "**Proposed Transfer**"), procure the making by the Proposed Transferee of an offer to all of the other holders of Shares (other than any person or persons connected with each other or acting in concert with each other who shall as a consequence of the Proposed Transfer obtain the Relevant Percentage) on terms that they shall be entitled to receive for their holdings of Shares a consideration equal in value to an amount for each such share equal to the highest price per share paid or payable by the relevant third party for any of the shares to be transferred by the Selling Ordinary Shareholder. The value of any non-cash consideration or cash consideration

payable on deferred terms shall be as agreed by the Ordinary Majority and in the absence of such agreement shall be determined by the Auditors who shall, if so requested, certify that value as at the date of completion of the sale of the relevant shares and such determination by the Auditors shall, in the absence of manifest error, be conclusive and binding for all purposes relating to the transfer of the Selling Ordinary Shareholder's shares.

11. PRE-EMPTION AND TAG-ALONG ON TRANSFERS OF ORDINARY SHARES

- 11.1 Save in respect of a Permitted Transfer or a Compulsory Transfer required under Articles 8 or 9, if at any time a Shareholder (a **"Selling Shareholder"**) shall wish to accept an offer from or enter into any agreement with any person (an **"Offer"**) for the sale or transfer of all or part of its holding of Shares (the **"Sale Shares"**), it shall give notice in writing (a **"Sale Notice"**), of the same to the Company and the Company shall notify all Shareholders (other than the Selling Shareholder) (the **"Receiving Shareholders"**) of receipt of the Sale Notice.
- 11.2 Any Sale Notice shall set out the full details of the Offer (including, but without limitation, the identity of the offeror or proposed transferee (the **"Acquirer"**) and the consideration payable under the Offer.
- 11.3 The Company may, within 30 Business Days of the receipt of the Sale Notice, serve notice (**"Company Notice"**) on the Selling Shareholder requiring the Selling Shareholder to sell to the Company all or some of the Sale Shares on the same terms as the Offer. The completion of the purchase of any Sale Shares by the Company pursuant to a Company Notice shall occur within such reasonable period so as to enable the Company to comply with the relevant provisions of the Act. If: (a) the Company does not serve a Company Notice or (b) the number of Shares applied for in the Company Notice is less than the Sale Shares, the remaining provisions of this Article 11 shall apply to the Sale Shares not the subject of the Company Notice.
- 11.4 Subject to Article 11.6, and, in the event the Company fails to serve a Company Notice in accordance with Article 11.3, any Receiving Shareholder shall be entitled within 30 Business Days of receipt by it of the Sale Notice or in the event of the Company failing to complete the purchase within 30 Business Days (the **"Option Period"**) to serve a counter notice on the Selling Shareholder rejecting the Sale Notice and requiring the Selling Shareholder instead to sell to the Receiving Shareholder all or some of the Sale Shares (the **"Purchase Shares"**) for a consideration per Share of an amount equal to the consideration per Share payable under the Offer,) (a **"Purchase Notice"**).
- 11.5 Subject to Article 11.6, if more than one Receiving Shareholder serves a Purchase Notice then the Sale Shares to be sold shall be sold to such Receiving Shareholders pro rata to their respective holdings of Shares (the **"Proportionate Entitlement"**). It shall be open to each such Receiving Shareholder to specify if it is willing to purchase shares in excess of its Proportionate Entitlement (**"Excess Shares"**) and, if the Receiving Shareholder does so specify, it shall state the number of Excess Shares.
- 11.6 After the expiry of the Purchase Notice(s) made pursuant to Article 11.4 (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in Article 11.3), the Board shall allocate the Sale Shares in the following manner:

- 11.6.1 if the total number of Shares applied for is equal to or less than the available number of Purchase Shares the Company shall allocate the number applied for in accordance with the applications; or
- 11.6.2 if the total number of Shares applied for is more than the available number of Purchase Shares, each holder shall be allocated its Proportionate Entitlement (or such lesser number of Purchase Shares for which it may have applied); applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which Shares of the relevant class held by such holder bears to the total number of Shares of that class held by all such holders applying for Excess Shares PROVIDED THAT such holder shall not be allocated more Excess Shares than it shall have stated itself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an **"Allocation Notice"**) to the Selling Shareholder and each of the persons to whom Purchase Shares have been allocated (a **"Member Applicant"**).

- 11.7 If the Selling Shareholder shall have included in the Sale Notice a stipulation that unless all the Sale Shares are sold none shall be sold and if the total number of Shares applied for by Receiving Shareholders is less than the number of Sale Shares then the Selling Shareholder shall serve a further Sale Notice on the Receiving Shareholders who served a Purchase Notice referring to such provision and containing a further invitation, open for 10 Business Days, to those Receiving Shareholders to apply for further Sale Shares and completion of the sales in accordance with this Article 11 shall be conditional upon such stipulation by the Selling Shareholders as aforesaid being complied with in full or waived by the Selling Shareholder. The provisions of Article 11.3 shall apply mutatis mutandis in respect of such further Sale Notice and all references to these Articles to **"Option Period"** shall be extended to include such further period of 10 Business Days.
- 11.8 Any purported transfer of any Ordinary Shares pursuant to an Offer by the Selling Shareholder before a Sale Notice has been served in respect of the same or before the expiry of the Option Period shall be void.
- 11.9 Any Sale Notice or Purchase Notice shall state the date on which completion of the sale and purchase of the Sale Shares or Purchase Shares is to take place (in the case of a Sale Notice, being not less than 20 Business Days and not more than 30 Business Days after the date of the Sale Notice) and (in the case of a Purchase Notice) being the date falling 10 Business Days after the date of expiry of the Option Period (the **"Completion Date"**).
- 11.10 Following service of an Allocation Notice, the Selling Shareholder shall by the Completion Date deliver a duly executed stock transfer form or forms (if there shall be more than one acquiring Member Applicant in respect of the Purchase Shares) for the Purchase Shares, together with the relevant share certificate (or an indemnity in respect thereof) to the Company. On the Completion Date the Company shall pay the Selling Shareholder, on behalf of the Member Applicant(s) the consideration due to it under the Allocation Notice(s) (**"Purchase Funds"**) to the extent the Member Applicants(s) shall have put the Company in the requisite funds.
- 11.11 If a Member Applicant shall have received an Allocation Notice and shall fail by the Completion Date to put the Company in funds to pay the Purchase Funds due to the Selling Shareholder pursuant to the Allocation Notice, the Company shall return the stock transfer

forms and share certificates for the Purchase Shares and its Allocation Notice shall be deemed to have been withdrawn.

- 11.12 If the Selling Shareholder following service on it of an Allocation Notice fails to deliver a duly executed stock transfer form for the Purchase Shares to the Company by the Completion Date, the Directors may authorise any Director to transfer the Purchase Shares on the Selling Shareholder's behalf to the relevant Member Applicant(s) provided that the relevant Member Applicant(s) has, by the Completion Date, put the Company in funds to pay the Purchase Funds due in respect of such Purchase Shares. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Purchase Shares to the Company and on such surrender (or delivery of an indemnity in a form acceptable to the Board if such share certificate has been lost or destroyed), it shall be entitled to the consideration due.
- 11.13 Any Sale Notice, Purchase Notice or Allocation Notice once served shall be irrevocable.
- 11.14 Subject to Articles 11.6 and 11.8, if Receiving Shareholder(s) do not serve a Purchase Notice(s) within the Option Period in respect of all of the Sale Shares then the Selling Shareholder shall be entitled within the period of one month from the date of expiry of the Option Period to accept the Offer in respect of such of the Sale Shares not subject to an Allocation Notice and shall be entitled to transfer such Sale Shares on the Offer Terms free of pre-emption to the Acquirer and the Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid.
- 11.15 Any transfer made or executed under article 28 of the Model Articles is subject to the articles.
- 11.16 If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name, or the name of any other person nominated under article 27(2) of the Model Articles has been entered in the register of members.
- 11.17 Article 29 of the Model Articles shall not apply to the Company.

12. GENERAL MEETINGS

The Directors may call General Meetings and, on the requisition of Shareholders pursuant to the provisions of the Act, shall forthwith proceed to convene a General Meeting for a date not later than four weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to call a General Meeting, any Director or any Shareholder may call a General Meeting.

13. NOTICE OF GENERAL MEETINGS

- 13.1 Every notice calling a general meeting shall comply with the provisions of section 325 of the Act giving information to members in regard to their right to appoint proxies.
- 13.2 All business at any general meeting of the Company shall be deemed to be special business and shall be notified in the notice convening the meeting.

- 13.3 A General Meeting shall be called by at least 14 clear days' notice but may be called by shorter notice if it is so agreed by a majority in number of the Shareholders having the right to attend and vote being a majority together holding not less than 90 per cent in nominal value of the Shares giving that right.
- 13.4 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.
- 13.5 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all Shareholders, to all persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder and to the Directors and Auditors for the time being of the Company.
- 13.6 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

14. PROCEEDINGS AT GENERAL MEETINGS

- 14.1 No business shall be transacted at any meeting unless a quorum is present. The quorum shall be three persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a Shareholder being a corporation.
- 14.2 The Chairman, if any, of the Board of Directors shall preside as Chairman of the Meeting, but if neither the Chairman nor such other Director (if any) be present within 30 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chairman and, if there is only one Director present and willing to act, he shall be Chairman. If no Director is willing to act as Chairman, or if no Director is present within 30 minutes after the time appointed for holding the meeting, the Shareholders present and entitled to vote shall choose one of their number to be Chairman.
- 14.3 A Director shall, notwithstanding that he is not a Shareholder, be entitled to attend and speak at any General Meeting and at any separate meeting of the holders of any class of Shares in the Company.
- 14.4 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on declaration of the result of, the show of hands a poll is duly demanded.

Subject to the provisions of the Act, a poll may be demanded:

- 14.4.1 by the Chairman; or
- 14.4.2 by any Shareholder having the right to vote at the meeting;

and a demand by a person as proxy for a Shareholder shall be the same as a demand by the Shareholder.

- 14.5 Articles 44(2) and (3) of the Model Articles shall not apply to the Company.
- 14.6 Unless a poll is duly demanded a declaration by the Chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a

particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- 14.7 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 14.8 A poll shall be taken as the Chairman directs and he may appoint scrutineers (who need not be Shareholders) and fix a time and place for declaring the result of the poll. The result of the poll (unless it was held at an adjourned meeting) shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 14.9 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote he may have.
- 14.10 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs not being more than 10 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than a question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the Chairman, the meeting shall continue as if the demand had not been made. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

15. VOTING AT GENERAL MEETINGS

- 15.1 On a show of hands every Shareholder present in person or (if a corporation) present by a representative duly authorised in accordance with the Act who is not also himself a Shareholder entitled to vote, shall have one vote, and on a poll every Shareholder shall have one vote for every Share of which he is the holder.
- 15.2 No Shareholder shall be entitled to vote at any General Meeting or at any separate meeting of the holders of any class unless all calls or other sums presently payable by it in respect of Shares of the Company have been paid.
- 15.3 On a poll votes may be given either personally or by proxy.
- 15.4 An instrument appointing a proxy shall be in writing executed by or on behalf of the appointor (if a corporation, under the hand of a duly authorised officer of the corporation) and shall be in such form as the Directors may determine or, failing such determination, in any usual form. Article 45(1) of the Model Articles shall not apply to the Company.
- 15.5 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:
 - 15.5.1 be deposited at the registered office, or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting, not later than 48 hours before the time for

holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

15.5.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

15.5.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in the manner so permitted shall be invalid.

15.6 In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the Register of Shareholders.

16. NUMBER OF DIRECTORS

16.1 The number of Directors shall not be less than two and not more than five.

16.2 The holders of the Ordinary Shares, by resolution of the Ordinary Majority in accordance with Article 16.4, may from time to time appoint five persons to be Directors.

16.3 Each Director shall hold office subject to Article 20 and may at any time be removed from office by the Ordinary Majority.

16.4 Any appointment, replacement or removal of a Director shall be made in writing by the Ordinary Majority and shall take effect on and from the date on which notice in writing thereof is lodged at the registered office for the time being of the Company or delivered to the Secretary or to a meeting of the Directors.

16.5 No Director shall be required to vacate his office as a Director nor shall any person be ineligible for appointment as a Director by reason of his having attained any particular age.

16.6 Article 17 of the Model Articles shall not apply to the Company.

17. ALTERNATE DIRECTORS

17.1 Each Director shall be entitled to nominate by notice in writing to the Company either another Director or any other person willing to act as his alternate Director, and at his discretion to remove such alternate Director by notice in writing to the Company. An alternate Director shall have the same entitlement as his appointor to receive notices of meetings of the Directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and generally in the absence of his appointor at such meeting to exercise and discharge all the functions, powers and duties of his appointor.

17.2 Save as otherwise provided in these Articles an alternate Director shall during his appointment be deemed to be a Director for the purposes of these Articles, shall not be

deemed to be an agent of his appointor, shall alone be responsible to the Company for his own acts or defaults and shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

- 17.3 An alternate Director shall not in respect of his office of alternate Director be entitled to receive any remuneration from the Company nor to appoint another person as his alternate.
- 17.4 The appointment of an alternate Director shall ipso facto determine if his appointor ceases for any reason to be a Director or on the happening of an event which, if he were a Director, would cause him to vacate the office of Director, or if by written notice to the Company he shall resign such appointment.

18. POWERS OF DIRECTORS

- 18.1 Subject to the provisions of the Act and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.
- 18.2 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 18.3 The Directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including Directors and other officers) who are or were at any time in the employment or service of the Company, or of any company which is or was a subsidiary of the Company or allied to or associated with the Company or any such subsidiary, or of any of the predecessors in business of the Company or of any such other company as aforesaid, and the spouses, civil partners, surviving spouses, surviving civil partners, families and dependants of any such persons, and make payments to, for or towards the insurance of or provide benefits otherwise for any such persons as aforesaid.

19. DELEGATION OF DIRECTORS' POWERS

The Directors may delegate any of their powers to any committee consisting of three or more Directors. They may also delegate to any Managing Director, CEO, or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with three or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

20. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 20.1 The office of a Director shall be vacated in any of the following events:
- 20.1.1 if he resigns his office by notice in writing to the Company;
 - 20.1.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - 20.1.3 if he is, or may be, suffering from mental disorder and either:
 - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (b) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - 20.1.4 if he becomes prohibited by law from being a Director.
- 20.2 Article 18 of the Model Articles shall not apply to the Company.
- 20.3 Subject to sections 177 and 182 of the Act, and provided that he has disclosed to the Directors the nature and extent of his interest in an existing or proposed transaction or arrangement with the Company in accordance with sections 177 or 182 of the Act, a Director notwithstanding his office:
- 20.3.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 20.3.2 may be a Director or other officer of or employed by or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise (directly or indirectly) interested; and
 - 20.3.3 shall not, by reason of his office, be accountable to the Company for any benefit which he (or a person connected with him as defined in section 252 of the Act) derives from any such office or employment or from any such transaction or arrangement or from any interest in such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 20.4 For the purposes of Article 20.3:
- 20.4.1 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
 - 20.4.2 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.

20.5 The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

20.5.1 any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and

20.5.2 a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of Article 20.5.1 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that the authorisation is only effective if:

20.5.3 any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

20.5.4 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

20.6 If a matter, or office, employment or position, has been authorised by the Directors in accordance with Article 20.5 then (subject to such terms and conditions, if any, as the Directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below):

20.6.1 the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;

20.6.2 the Director may absent himself from discussions, whether in meetings of the Directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position;

20.6.3 a Director shall not, by reason of his office as a Director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

21. PROCEEDINGS OF DIRECTORS

21.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. Subject to Article 4.3 questions arising at a meeting shall be decided by a majority of votes with each director present having one vote. In the case of an equality of votes, the Chairman shall not have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

- 21.2 Subject to Article 21.3 notice of every meeting of the Directors shall be given to every Director and to his alternate (if any) and the non-receipt of notice by any Director or alternate Director shall invalidate the proceedings of the Directors. Unless all the Directors indicate their willingness to accept shorter notice of a meeting of Directors at least 5 Business Days' notice save in the case of emergency shall be given of the time place and purpose of the meeting. Every notice of a meeting of the Directors required to be given under these Articles shall be in writing and may be served personally or sent by prepaid letter post or facsimile to the address for the time being supplied for the purpose to the Company and shall be accompanied by an agenda specifying the business to be transacted. In the case of an emergency a notice period of less than 5 Business Days is permitted on the basis that before such emergency meeting is held a telephonic conference call shall be attempted with any Director not present at such meeting and in respect of whom no apology for non-attendance at such meeting has been received. Not fewer than 10 fixed meetings of the Board shall take place in each financial year of the Company on such dates as the Board shall agree prior to the start of each financial year of the Company.
- 21.3 Every notice of meeting referred to in Article 21.2 shall be sent to any Director resident outside the United Kingdom by pre paid letter by post or facsimile to the address or number for the time being supplied for the purpose to the Company.
- 21.4 The quorum necessary for the transaction of the business of the Directors shall be three persons present in person or represented by an alternate. An alternate Director who is not himself a Director may, if his appointor is not present, be counted towards the quorum. If a notice of meeting has been given and a quorum is not present within 30 minutes following the time of the meeting, such meeting shall be adjourned for the same day in the next week at the same time and in the same place or as near to the same time and in the same place as is practicable.
- 21.5 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, they or he may act only for the purpose of proposing a written resolution of shareholders or calling a general meeting provided that if the only other remaining Director has become a Leaver (pursuant to the provisions of Article 9) then the sole continuing Director may act alone.
- 21.6 All or any of the members of the Board or any committee of the Board may participate in a meeting of the Board or that committee by means of a telephonic conference or any communication equipment which allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is not such group, where the chairman of the meeting then is.
- 21.7 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

- 21.8 A resolution in writing signed or approved by letter, facsimile or electronic mail by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the same terms each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.
- 21.9 Articles 7, 8, 9, 10(2), 11, 13, 14(1),(2),(3),(4) and (5) of the Model Articles shall not apply to the Company.

22. DIVIDENDS

Article 31(a) to (d) (inclusive) of the Model Articles shall be modified by the deletion, in each case, of the words "either" and "as the directors may otherwise decide".

23. MEANS OF COMMUNICATION TO BE USED

- 23.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 23.2 The Company may send or supply documents or information to shareholders by making them available on a website.
- 23.3 Subject to the Articles, any notice or document or other information to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents or other information for the time being.
- 23.4 A director may agree with the Company that notices or documents or other information sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 23.5 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 23.5.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or four business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least four business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 23.5.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

- 23.5.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 23.5.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later), when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 23.5, no account shall be taken of any part of a day that is not a working day.

- 23.6 Proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or other document was sent. Proof that a notice or other document contained in an electronic communication was sent in accordance with guidance issued from time to time by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or other document was sent.
- 23.7 Article 48 of the Model Articles shall not apply to the Company.
- 23.8 In the case of joint holders of a Share, all notices shall be given to the joint holder whose name stands first in the Register of Shareholders in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
- 23.9 Except as otherwise provided herein, all notices to be given pursuant to these Articles shall be in writing.

24. INDEMNITY

- 24.1 Subject to article 20.4.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 24.1.1 each relevant officer may be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in connection with:
 - (a) any negligence, default, breach of duty or breach of trust in relation to the company of which he is a relevant officer;
 - (b) the Company's (or any of its associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
 - (c) the actual or purported execution and/or discharge of his duties.
- 24.2 This Article 24 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 24.3 In this Article 24 a "**relevant officer**" means any director, alternate director, or other officer of the Company or of an associated company of the Company, but excluding any person engaged by that company as auditor.
- 24.4 Article 52 of the Model Articles shall not apply to the Company.

25. INSURANCE

- 25.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 25.2 In this Article 25:
- 25.2.1 a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’s duties or powers in relation to the Company, any associated company of the Company, or a pension fund, employee share scheme or another trust in which current or former employees of the Company or any such associated company are or have been interested; and
- 25.2.2 a “**relevant officer**” means any current or former director, alternate director or other officer of the Company or of an associated company of the Company (but excluding any person engaged by that company as auditor) or a current or former trustee of a pension fund, employee share scheme or another trust in which current or former employees of the Company or any such associated company are or have been interested.
- 25.3 Article 53 of the Model Articles shall not apply to the Company.