

Company Number: 4178371

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
OF
AROMA & FINE CHEMICALS LIMITED
(Passed on 5 December 2001)

Steven Richard Pipe, the undersigned, being the sole member of the above Company for the time being entitled to receive notice of, attend and vote at a general meeting of the Company for the purpose of considering the following resolution **RESOLVE** (pursuant to Regulation 53 of Table A (as prescribed by the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985)), and with the intent that the following resolution shall be as valid and effective as if the same had been passed at a duly convened and held general meeting of the Company, as follows:

SPECIAL RESOLUTION

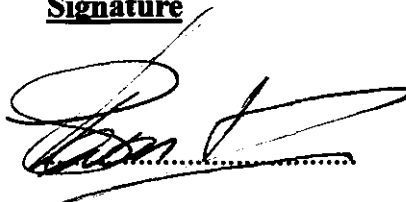
THAT:

- (i) 1,500,000 shares of 10 pence each in the unissued share capital of the Company be converted into 1,450,000 A ordinary shares of 10 pence each and 50,000 B ordinary shares of 10 pence each in the capital of the Company (having the rights detailed in the regulations of the articles of association adopted pursuant to paragraph (ii) below)
- (ii) the regulations contained in the printed document annexed to this resolution and for the purpose of identification signed by the Chairman of the board of Directors of the Company be approved and 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.

Name

Steven Richard Pipe

Signature





AROMA & FINE CHEMICALS LIMITED

ARTICLES OF ASSOCIATION
adopted on 5 December 2001

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

AROMA & FINE CHEMICALS LIMITED

(adopted by special resolution passed on 5 December 2001)

1. PRELIMINARY

In these Articles, the following words and expressions shall (except where the context requires otherwise) have the following meanings:

"**A Shares**" means the A convertible redeemable ordinary shares of 10 pence each in the capital of the Company;

"**Act**" means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;

"**AIM**" means the alternative investment market of the Stock Exchange;

"**Asset Sale**" means the completion of any transaction or series of transactions whereby any person or group of persons purchases the whole or substantially the whole of the business and assets of the Group;

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

"**Bad Leaver**" shall have the meaning set out in Article 7.3;

"**Board**" means the board of directors of the Company from time to time;

"**B Shares**" means the B convertible redeemable ordinary shares of 10 pence each in the capital of the Company;

"**Connected Persons**" has the meaning set out in section 839 Income and Corporation Taxes Act 1988;

"**Deed Poll**" means the loan stock instrument to be dated 7 December 2001 constituting the Loan Stock;

"**Deferred Shares**" means the redeemable deferred shares of 10 pence each in the capital of the Company (if any);

"**Dividend**" means the Participating Dividend as defined in Article 2;

"**Employee Member**" means a person who is or has been a member of the Company and a director and/or an employee of the Company or any of its subsidiaries, save for an Investor Director;

"Equity Shares" means the A Shares, the Ordinary Shares and the B Shares of the Company in issue from time to time;

"Exit" means a Listing or a Sale, whichever first occurs;

"Exit Date" means a Listing Date or a Sale Date, as appropriate;

"Facilities Agreement" shall have the meaning given in the Investment Agreement;

"FSMA" means the Financial Services and Markets Act 2000 and every statutory modification or re-enactment of such Act for the time being in force;

"Good Leaver" shall have the meaning set out in Article 7.3;

"Group" means the Company and all its subsidiary undertakings from time to time, and references to a "member of the Group" or a "Group Member" shall be construed accordingly;

"Independent Expert" means the auditor for the time being of the Company or, if the auditor is unwilling or unable to act, an umpire, acting as an expert and not as an arbitrator, nominated by the parties concerned or, in the event of disagreement as to who to nominate, an umpire appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales;

"Intercreditor Deed" means the intercreditor deed to be dated 7 December 2001 and entered into between (1) the Company (2) National Westminster Bank plc and (3) the Investor (as defined in such deed);

"Investment Agreement" means an agreement to be dated 7 December 2001 made between the Company (1) the Managers (2) and (3) the Investor, relating to the investment by the Investor in the Company;

"Investor" means Close Investment Partners Limited acting as general partner of the Investor Funds and acting, for the purposes of registration as holder of shares and loan stock, through its nominee, Close Securities Limited, and any transferee of A Shares in accordance with these Articles or, where the context requires, any of them;

"Investor Director" means a director appointed pursuant to Article 10;

"Investor Funds" means the Close Brothers Private Equity (UK) Fund VI and any other associated funds of which Close Investment Partners Limited acts as general partner;

"Listing" means the admission of all or any of the Equity Shares to the Official List, together with the admission of such Equity Shares to trading on a market for listed securities operated by the Stock Exchange; or the admission of such Equity Shares to AIM, or, if the Investor in its absolute discretion so determines, to or to trading on any other market wherever situated, together, if necessary, with the admission of such Equity Shares to listing on any official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority, and "listed" shall be construed accordingly;

"Listing Date" means the date on which all or any of the Equity Shares are listed (subject only to the making of any requisite announcement (for example under rule 7.1 of the Listing Rules));

"Listing Rules" means the listing rules of the UK Listing Authority for the time being in force;

"Loan Stock" means the £2,400,000 fixed rate secured loan stock 2005 of the Company constituted by the Deed Poll;

"Managers" means Steven Pipe, Paul Byrne, Allen Brereton, Paul Gladwell, William Lawrenson and William Thompson;

"Net Profit" means the profit on ordinary activities before taxation of the Group, calculated on the historical cost accounting basis and on a basis consistent with accounting policies and principles applied in the previous financial year, and shown in the audited consolidated profit and loss account of the Group for the relevant financial year to the nearest £1, but adjusted (to the extent not already provided for) as follows:

- (a) before any write-off of goodwill;
- (b) before making any provision for the payment of any Dividend or dividends on the Ordinary Shares paid or accrued in respect of the relevant financial year, or the transfer of any sum to reserves;
- (c) before making any credit, provision or reserve for or in respect of any extraordinary items but after making any credit, provision or reserve for or in respect of any exceptional items,

and in the event of dispute as to the amount of Net Profit, the matter shall be referred to the Auditors for final determination (acting as experts and not as arbitrators) at the expense of the Company;

"Official List" means the official list of the UK Listing Authority;

"Ordinary Shares" means the ordinary shares of 10 pence each in the capital of the Company;

"Sale" means a Share Sale or an Asset Sale;

"Sale Date" means the date of completion of a Share Sale or an Asset Sale;

"Share Sale" means the completion of any transaction or series of transactions whereby any person or Connected Persons or group of persons acting in concert purchases or otherwise acquires or obtains all of the Equity Shares;

"Stock Exchange" means the London Stock Exchange plc;

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985;

"Termination Date" means:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;

- (c) where the Employee Member concerned is a director but not an employee, the date on which his contract for services or any other agreement under which his services are provided with the Company or any other member of the Group is terminated; and
- (d) in any other case, the date on which the contract of employment is terminated.

"UK Listing Authority" means the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated.

2. SHARE CAPITAL

- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith, and such regulations (save as so excluded, varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.
- 2.2 Regulations 54, 73-76 (inclusive), 79, 80, 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.
- 2.3 The share capital of the Company is £193,548.50 divided into 1,025,807 A Shares, 870,968 Ordinary Shares and 38,710 B Shares. The rights attaching to the respective classes of shares shall be as follows:

2.3.1 Income

The profits of the Company available for distribution shall be applied as follows:

- 2.3.1.1 First, in paying to the holders of the A Shares as a class, in respect of each financial period of the Company, a cumulative preferential net cash dividend ("**Participating Dividend**") of a sum as shall be equal to 10% of the Net Profit.

The Participating Dividend, if any, shall be paid not later than four months after the end of each financial period to which it relates, or not later than 14 days after the date of the annual general meeting before which the accounts of the Company for such period were laid, whichever is earlier.

- 2.3.1.2 Once the Participating Dividend has been paid, any remaining profits which the Company may determine to distribute shall, with the prior written consent of the Investor, be distributed amongst the holders of the A Shares, the Ordinary Shares and the B Shares *pari passu* as if they constituted one class of shares.

- 2.3.1.3 All dividends shall, unless otherwise provided, accrue on a daily basis.

- 2.3.1.4 Unless the Company has insufficient profits available for distribution, and the Company is thereby prohibited from paying dividends by the Act (notwithstanding regulations 102 to 108 inclusive contained in Table A or any other provision of these

Articles and, in particular, notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting), the Participating Dividend shall be paid immediately on the due date.

If, due to delays in the preparation of the audited accounts of the Company, the Participating Dividend cannot be calculated by the date it is due for payment, then there shall be paid forthwith to the holders of the A Shares, an interim dividend in respect of the Participating Dividend of a sum equal to the last Participating Dividend paid or payable.

The next and (if appropriate) any subsequent Participating Dividend (or interim dividend in respect thereof) shall be adjusted to take account of any overpayment or underpayment in respect of the said previous interim dividend which becomes apparent when the audited accounts are available.

2.3.1.5 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of the Participating Dividend.

2.3.1.6 If the Participating Dividend is not paid in full on the date specified for payment, it shall, to the extent it remains unpaid, become a debt due by the Company. To the extent such unpaid Participating Dividend can be lawfully paid, the Company shall be liable to pay interest on such part of the Participating Dividend which is unpaid but can lawfully be paid at the rate of three per cent (3%) per annum above the base rate from time to time of National Westminster Bank plc. Any unpaid Participating Dividend shall be payable in priority, together with any interest thereon, to any other dividend.

2.3.1.7 Any amount of dividend payable under these Articles shall belong to and be paid to the holders of the relevant shares in the capital of the Company pro rata according to their holdings of such shares.

2.3.1.8 The holders of the Deferred Shares shall not be entitled to receive any dividend or participate in the profits of the Company.

2.3.2 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets and retained profits of the Company remaining available for distribution among its members after the payment of its liabilities shall be applied as follows:

2.3.2.1 First, in paying to the holders of the A Shares, 10 pence per share together with a sum equal to any arrears or accruals of the Participating Dividend, and any interest due thereon calculated down to the date of the return of capital.

2.3.2.2 Second, in paying to the holders of the Ordinary Shares and the B Shares *pari passu* as if they constituted one class of shares, 10 pence per share.

2.3.2.3 Third, in paying to the holder of the Deferred Shares, the amounts credited as paid up on such shares.

2.3.2.4 The balance of such assets shall be distributed amongst the holders of the A Shares, the Ordinary Shares and the B Shares *pari passu* as if they constituted one class of shares. Any such distribution shall be in proportion to the amounts credited as paid up on such shares.

2.3.3 Conversion of A Shares

2.3.3.1 The holders of the A Shares may at any time convert the whole of their holding of A Shares into a like number of Ordinary Shares, and the following provisions of this Article 2.3.3 shall apply to such conversion.

2.3.3.2 The conversion shall be effected by notice in writing given to the Company, signed by the holders of seventy five per cent (75%) of the A Shares. The conversion shall take effect immediately upon the date of delivery of such notice to the Company, unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled, in which case conversion shall take effect when such conditions have been fulfilled.

2.3.3.3 Forthwith after conversion takes effect, the holder of the resulting Ordinary Shares shall send to the Company the certificates in respect of their respective holdings of A Shares. The Company shall issue to such holders certificates for the Ordinary Shares resulting from the conversion.

2.3.3.4 The Ordinary Shares resulting from the conversion shall rank, from the date of conversion, *pari passu* in all respects with the Ordinary Shares.

2.3.3.5 On the date of conversion, the Company shall pay a dividend to the holders of the A Shares of a sum equal to any arrears or accruals of the Participating Dividend. The Participating Dividend shall be calculated *pro rata* according to the profits of the Company and its subsidiaries for the relevant financial year down to the date of such conversion, such profits to be calculated by the Company on a basis reasonably acceptable to the holders of seventy five per cent (75%) of the A Shares.

2.3.4 Conversion of B Shares

2.3.4.1 In the event that the holders of the A Shares at any time hold any B Shares, the holders of the A Shares may at any time convert the whole of their holding of B Shares into a like number of Ordinary Shares, and the following provisions of this Article 2.3.4 shall apply to such conversion.

2.3.4.2 The conversion shall be effected by notice in writing given to the Company, signed by the holders of seventy five per cent (75%) of the A Shares. The conversion shall take effect immediately upon the date of delivery of such notice to the Company, unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled, in which case conversion shall take effect when such conditions have been fulfilled.

2.3.4.3 Forthwith after conversion takes effect, the holder of the resulting Ordinary Shares shall send to the Company the certificates in respect of their respective holdings of B Shares. The Company shall issue to such holders certificates for the Ordinary Shares resulting from the conversion.

2.3.4.4 The Ordinary Shares resulting from the conversion shall rank, from the date of conversion, *pari passu* in all respects with the Ordinary Shares.

3. CLASS RIGHTS

3.1 Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may be varied or abrogated only with the consent in writing of the holders of seventy five per cent (75%) of the issued shares of that class.

3.2 Without prejudice to the generality of Article 3.1, and for the avoidance of doubt, the rights attached to the A Shares would be varied by any of the following actions or events and the consent referred to in Article 3.1 therefore required:

3.2.1 the creation, allotment or issue of any share or loan capital (save as otherwise required or anticipated by these Articles or the Investment Agreement), by the grant or agreement to grant any option or other right to subscribe for shares or loan capital of the Company or any of its subsidiaries, or the issue of any securities or instruments convertible into shares in any such company;

3.2.2 any alteration to the authorised and/or issued share capital of the Company or any of its subsidiaries;

3.2.3 the entering into of any agreement, arrangement or contract for the disposal (by way of sale, transfer, lease, assignment or otherwise) of the business, undertaking, property and/or assets of the Company (otherwise than as part of the ordinary business activities of the Company) or of any of its subsidiaries, or any substantial part thereof, or by the disposal of any shares in the capital of any subsidiary of the Company (whether by a single transaction or a series of transactions, whether related or not);

3.2.4 the acquisition of any interest in any share in the capital of any company by the Company or any of its subsidiaries;

3.2.5 the application, by way of capitalisation, of any sum in or towards paying up any share or loan capital of the Company;

- 3.2.6 the redemption or cancellation of any of the Company's shares (otherwise than pursuant to these Articles), or by the entering into of a contract by the Company to purchase any of its shares;
 - 3.2.7 the establishment of any employee share option or share incentive scheme;
 - 3.2.8 the calling of a meeting of the Company to effect or approve any matter which would be a variation of the class rights of the A Shares;
 - 3.2.9 the creation by the Company or any of its subsidiaries of any mortgage, charge, pledge, lien, encumbrance or other security interest (excluding an interest arising by operation of law in the ordinary course of business or those arising under or required pursuant to the Facilities Agreement);
 - 3.2.10 the passing of any ordinary or special resolution of the members;
 - 3.2.11 any alteration to the memorandum and/or articles of association of the Company or of any of its subsidiaries;
 - 3.2.12 the calling of a meeting of the Company for the purpose of considering a resolution for the winding up of the Company;
 - 3.2.13 the transfer of shares in breach of the transfer provisions set out in these Articles;
 - 3.2.14 the alteration of the accounting reference date of the Company;
 - 3.2.15 the declaration or payment of any dividend, or the making of any other distribution in respect of the profits, assets or resources of the Company or its subsidiaries, other than in accordance with the provisions of these Articles;
 - 3.2.16 the entering into of any transaction, agreement or arrangement which would constitute a related party transaction under the rules of the Financial Services Authority and/or the Stock Exchange in the event that the shares in the capital of the Company were admitted to Listing, or any equivalent transaction on any other market, wherever situated.
- 3.3 Any purported variation of the rights attaching to any class of shares otherwise than in accordance with Article 3 shall be void and have no effect.

4. LIEN AND CALLS

The liability of any member in default in respect of a call pursuant to regulation 12 of Table A shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

5. EQUITY SHAREHOLDER PROCEEDS

On an Exit, the Shareholder Proceeds shall be apportioned between the holders of the Equity Shares in accordance with the provisions of schedule 1.

6. TRANSFER OF SHARES

The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles, but (subject to regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares.

For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant.

Failing such information or evidence being furnished to the reasonable satisfaction of the directors within a period of 28 days after such request, the directors shall be entitled to refuse to register the transfer in question.

6.1 Preliminary definitions

For the purposes of these Articles

- 6.1.1 **"Privileged Relation"** in relation to a member, means the spouse or widow or widower of the member, and the member's adult children or adult grandchildren (including adult step and adult adopted children and their issue) and adult step and adult adopted children of the member's children;
- 6.1.2 **"Family Trust"** in relation to a settlor, means a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that settlor and/or a Privileged Relation of that settlor, and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor; and
- 6.1.3 **"settlor"** includes a testator or an intestate in relation to a Family Trust arising under a testamentary disposition or an intestacy of a deceased member respectively.

6.2 Permitted transfers to Privileged Relations

Notwithstanding any other provision in these Articles, any member may at any time transfer all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor, provided that:

- 6.2.1 any transfer of shares to trustees to be held upon a Family Trust made during the lifetime of such member may only be made with the consent in writing of the Investor (such consent not to be unreasonably withheld); and
- 6.2.2 the transferor must at all times retain fifty one per cent (51%) of the Ordinary Shares or B Shares (as appropriate) which are owned by him at the date of adoption of these Articles as beneficial owner and legal holder.

6.3 Permitted transfers by Family Trusts

Where any shares are held by trustees upon a Family Trust:

- 6.3.1 on any change of trustee such shares may be transferred to the new trustees of that Family Trust; and
- 6.3.2 such shares may be transferred at any time to that settlor or to another Family Trust of which he is the settlor, or to any Privileged Relation of the settlor.

6.4 Permitted transfers by the Investor

Notwithstanding any other provisions of these Articles, the Investor and any person to whom it may have transferred shares pursuant to this Article, or any subsequent transferee of such shares, may transfer shares:

- 6.4.1 to a subsidiary or holding company of the Investor or another subsidiary of such holding company as defined by section 736 of the Act;
- 6.4.2 to each other or any successor to or replacement thereof;
- 6.4.3 to the beneficial owner or owners in respect of which the transferor is a nominee or custodian, or any other nominee or custodian for such beneficial owner or owners;
- 6.4.4 to any unit holder, shareholder, partner, participant, manager or adviser, or any employee or director of, or any consultant to, any such manager or advisers or of any company or other entity in the same group as, or associated with, such manager or adviser, or to the trustees of any family trust of any such person, in or of the Investor or of any investment fund, collective investment scheme or any co-investment scheme in respect of which the Investor or any of its group companies or entities or the transferor is the manager, adviser or administrator or a nominee or custodian, or of any such fund or scheme which otherwise co-invests with the Investor;
- 6.4.5 to any other investment fund or collective investment scheme (now, hereafter or in the future) managed or advised or to be managed or advised by the Investor or any of its group companies or entities;
- 6.4.6 to any entity (now, hereafter or in the future) advised or managed (or to be advised or managed) by the Investor or any of its group companies or which is a manager or trustee of such an entity or is a holder of units in such an entity (each an "**Investor Entity**") may transfer shares to any other Investor Entity acting in such capacity;
- 6.4.7 to any Investor Entity which is a limited partnership and in which the general partner is the Investor or one of its subsidiaries may transfer shares to any partner in such limited partnership (provided such transfer is made in accordance with the fund or partnership agreement governing such entity or partnership) acting in such capacity; or
- 6.4.8 to a nominee, trustee or custodian of, or to a member of the same group as, the transferor or any of the persons referred to in Articles 6.4.2, 6.4.3, 6.4.4, 6.4.5, 6.4.6 or 6.4.7 of this Article.

6.5 Transfers with approval of Investor, holders of Ordinary Shares and holders of B Shares

Notwithstanding any other provisions of these Articles, a transfer of any Ordinary Shares or of any B Shares approved by the Investor and by seventy five per cent (75%) in nominal value of the holders of the Ordinary Shares and by seventy five per cent (75%) in nominal value of the holders of the B Shares may be made without restriction as to price or otherwise, and any such transfer shall be registered by the directors.

6.6 Mandatory transfer relating to Privileged Relations and Family Trusts

6.6.1 Where shares have been transferred under Article 6.2 by a member ("**Original Transferor**") to the trustees of a Family Trust and/or a Privileged Relation ("**Relevant Shares**"), and such shares held by trustees upon a Family Trust cease to be so held upon a Family Trust, otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor, or there cease to be any beneficiaries of the Family Trust, or the transferee ceases to be a Privileged Relation of the Original Transferor, a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the Relevant Shares by the holders thereof, and such shares may not otherwise be transferred unless the Relevant Shares have been transferred back to the Original Transferor within 30 days of such event.

6.6.2 For the purposes of this Article, "**Relevant Shares**" means and includes the shares originally transferred to the trustees and/or Privileged Relation and any additional shares issued or transferred to the trustees and/or Privileged Relation by virtue of the holding of the relevant shares or any of them.

6.7 Mandatory transfer on cessation of employment

If an Employee Member ceases to be a director or employee of the Company or any of its subsidiaries, and does not continue in either capacity in relation to any of them, a Transfer Notice shall be deemed to have been served on the relevant Termination Date in respect of:

6.7.1 all shares then held by the Employee Member; and

6.7.2 all shares then held by the Employee Member's Privileged Relations and/or Family Trusts

("Compulsory Employee Transfers").

7. PRE-EMPTION RIGHTS

7.1 Transfer notices

Save as otherwise provided in these Articles, every member who desires to transfer any shares ("**Vendor**") shall give notice in writing of such desire ("**Transfer Notice**") to the Company. Each Transfer Notice and deemed Transfer Notice ("**Deemed Transfer Notice**") shall constitute the Company the Vendor's agent for the sale of the shares specified therein ("**Sale Shares**") in one or more tranches at the discretion of the directors at the Sale Price (as hereinafter defined).

7.2 Calculation of Sale Price

- 7.2.1 The Sale Price shall be the price agreed by the Vendor and the Board, and to which the Investor Director gives his prior written consent ("**Sale Price**").
- 7.2.2 If the Vendor and the Board or the Investor Director do not agree a price within 28 days of the date of the Transfer Notice or Deemed Transfer Notice, the Sale Price will, subject to Article 7.3.3, be the price which the Independent Expert shall certify in his opinion to be a fair value of the Sale Shares at the date of the Transfer Notice or Deemed Transfer Notice ("**Fair Value**").
- 7.2.3 In arriving at his opinion, the Independent Expert will value the Sale Shares on a going concern basis as between a willing seller and a willing buyer on the assumption that the Sale Shares are capable of transfer without restriction and disregarding the fact, if relevant, that the Sale Shares represent a minority interest, and that the Sale Shares may have more than one vote per share.
- 7.2.4 The decision of the Independent Expert as to the Sale Price shall (in the absence of manifest error) be final and binding.

7.3 Calculation of Sale Price on Compulsory Employee Transfers

- 7.3.1 In this Article 7.3, an Employee Member who ceases to be an Employee Member:
- 7.3.1.1 at any time after the date of adoption of these Articles up to and including the second anniversary of the date of adoption of these Articles will be referred to as a "**Bad Leaver**", unless this is as a result of death or permanent incapacity through ill health, or wrongful dismissal in which case he will be referred to as a "**Good Leaver**";
- 7.3.1.2 at any time after the second anniversary of the date of adoption of these Articles will be referred to as a "**Good Leaver**", unless he:-
- (i) voluntarily resigns (which shall include, for the avoidance of doubt and without limitation, retirement of the Employee Member before the normal retirement age which shall be 65 years); or
 - (ii) is summarily dismissed by the Company in accordance with the terms of his service agreement (unless the summary dismissal is solely on the grounds of ill health in circumstances where the Employee Member is summarily dismissed under clause 18.1.7 of his service agreement with the Company or under the appropriate clause in his employment contract with the Company (as appropriate) and there are no other grounds for such summary dismissal)

in which case he will be referred to as a "**Bad Leaver**".

7.3.2 In the case of a Compulsory Employee Transfer, where the Employee Member is a Bad Leaver, the Sale Price shall be the lower of the issue price of the Sale Shares and the Fair Value.

7.3.3 In the case of a Compulsory Employee Transfer, where the Employee is a Good Leaver, the Sale Price shall be the Fair Value.

7.4 **Right of Vendor to reject partial sales**

A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition ("**Total Transfer Condition**") that unless all the shares comprised therein are sold by the Company pursuant to this Article, none shall be sold. Any such provision shall be binding on the Company.

7.5 **Certificate of Sale Price and right of Vendor to cancel**

7.5.1 In the event that an Independent Expert is requested by the Company to certify the Fair Value of Sale Shares in accordance with Article 7.2, he shall deliver a certificate stating the Fair Value ("**Fair Value Certificate**") to the Company within 14 days of such request being so made. Within 7 days of receipt by the Company of the Fair Value Certificate, the Company shall deliver a copy of the same to the Vendor.

7.5.2 The Vendor shall be entitled, by notice in writing ("**Notice of Cancellation**") given to the Company within 10 days of the service upon him of the Fair Value Certificate, to cancel the Company's authority to sell the Sale Shares, unless the Sale Shares are to be sold pursuant to a Deemed Transfer Notice.

7.5.3 All costs of obtaining the Fair Value Certificate shall be paid by the Company unless the Vendor cancels the Company's authority to sell the Sale Shares, in which case the Vendor shall bear all such costs.

7.6 **Pre-emptive offers - general**

7.6.1 On determination of the Sale Price, unless the Vendor gives Notice of Cancellation, as permitted by Article 7.5.2, the Sale Shares shall be offered for sale as set out below.

7.6.2 All Offer Notices (as hereinafter defined) shall state details of the number and Sale Price of the Sale Shares.

7.6.3 For the purposes of the following provisions of this Article, "**Restricted Parties**" means the Vendor, the Vendor's Privileged Relations, any Family Trust of the Vendor and any other member who has given or is deemed to have given, at the relevant time, a Transfer Notice in relation to all shares then registered in his name.

7.7 **Preliminary offer of B Shares to the Investor**

Unless the Board, with the consent of the Investor Director, agrees otherwise, any Sale Shares which are B Shares and which are the subject of a Compulsory Employee Transfer shall first be offered to the Investor. Any such Sale Shares not so sold within 21 days of such offer will be offered for sale to the Company in accordance

with Article 7.8, and if not sold pursuant to Article 7.8, offered for sale to the members of the Company as set out below.

7.8 Preliminary offer to the Company

Subject to Article 7.7, unless the Board, with the consent of the Investor Director, agrees otherwise, any Sale Shares which are the subject of a Compulsory Employee Transfer shall first be offered to the Company. Any Sale Shares not so sold within 21 days of such offer will be offered for sale to the members of the Company as set out below.

7.9 First Offer

7.9.1 Subject to Articles 7.7 and 7.8, in the case of Sale Shares which are the subject of a Compulsory Employee Transfer, the Sale Shares shall be offered for sale by the Company to all holders of Equity Shares (other than Restricted Parties) pro rata as nearly as may be to the respective numbers of Equity Shares held by such members ("**First Offer**").

7.9.2 The First Offer will invite the relevant members to state in writing the maximum number of shares offered to them which they wish to purchase, and will remain open for 21 days ("**First Offer Period**").

7.10 Second Offer

7.10.1 If, at the end of the First Offer Period, there are any Sale Shares which have not been allocated, such Sale Shares shall be offered to such members as have stated in writing their willingness to purchase all the shares previously offered to them ("**Second Offer**").

7.10.2 The Second Offer will invite the relevant members to state in writing the maximum number of shares offered to them they wish to purchase. If there are insufficient Sale Shares to meet the demand, then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the respective numbers of Equity Shares already held by the relevant members. The Second Offer will remain open for a further period of 21 days.

7.10.3 Thereafter the Company shall continue to make offers on the same terms for so long as any member continues to state in writing his willingness to purchase the shares offered to him.

7.11 Transfer procedure for pre-emptive offers

In the event that the Company finds a purchaser for all or any of the Sale Shares under the terms of this Article, the Vendor shall be bound, upon receipt of the Sale Price, to transfer the Sale Shares (or, where there is no Total Transfer Condition, such of the same for which the Company shall have found a purchaser or purchasers) to such purchaser.

In the event that the Vendor defaults in transferring the Sale Shares, the Company shall, if so required by the person or persons willing to purchase such Sale Shares, receive and give a good discharge for the purchase money on behalf of the Vendor, authorise some person to execute transfers of the Sale Shares in favour of the

purchaser, and enter the name of the purchaser in the register of members as the holder of such of the Sale Shares as shall have been transferred to it as aforesaid.

7.12 **Transfers free of pre-emption**

In the event that the Company does not find purchasers for all the Sale Shares under the terms of this Article, the Vendor shall, at any time within three months after the final offer by the Company to its members, be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is not less than the Sale Price.

In the event that the Sale Shares are the subject of a Total Transfer Condition, such a sale may only be made of all and not part only of the Sale Shares.

7.13 **Effect of non-compliance**

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

8. **TAG ALONG AND DRAG ALONG RIGHTS**

8.1 No sale or transfer shall be made or registered if the same would result in a person or persons acting in concert who are not shareholders of the Company at the date of adoption of these Articles ("**Purchasing Group**") holding or increasing their shareholding in the Company to 50% or more of the Equity Shares, unless:

8.1.1 before the sale is made or the transfer is lodged for registration, the Purchasing Group has made a written offer, which shall have remained open for at least 21 days, to purchase all the A Shares, Ordinary Shares and B Shares in issue immediately before such sale or transfer, at the Third Party Price, and all of the outstanding Loan Stock at par, plus a sum equal to any arrears or accrual of interest on the Loan Stock calculated down to the date of sale or transfer; and

8.1.2 the proposed sale or transfer is approved by the Investor.

8.2 For the purposes of this Article 8, the expression "**Third Party Price**" shall mean the price per share which has been offered for each share whose proposed transfer has led to the offer, plus a sum equal to any arrears or accruals of dividend and/or interest payable in respect of the same.

In the event of disagreement as to the Third Party Price, the matter shall be referred to the Auditors (acting as experts and not as arbitrators) for determination. The costs of the Auditors shall be borne equally by the parties concerned and the decision of the Auditors shall be final and binding.

8.3 If transfers under Article 8.1 result in members of the Purchasing Group holding or increasing their shareholding to 50% or more of the Equity Shares, the members of the Purchasing Group may, by written notice to the Company served within 30 days after the last of such transfers, require the Company, as agent for the Purchasing Group, to serve notices (each a "**Compulsory Purchase Notice**") on each of the other shareholders of the Company ("**Minority Shareholders**") requiring them to sell their shares to one or more persons identified as members of the Purchasing Group at the Third Party Price (provided that if the Third Party Price is based on

consideration paid or agreed to be paid pursuant to a transaction between Connected Persons or between persons acting in concert, the consideration payable shall, if higher, be the Fair Value certified in accordance with Article 7.2).

The Company shall serve the Compulsory Purchase Notices forthwith, and for 28 days from the date of service of the Compulsory Purchase Notices, the Minority Shareholders shall not be entitled to transfer their shares to anyone except the Purchasing Group or persons identified by them.

- 8.4 The Purchasing Group shall complete the purchase of all the shares in respect of which a Compulsory Purchase Notice has been given at the same time and, in any event, no later than 21 days after the date of the service 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, and no member of the Purchasing Group shall be entitled to exercise or direct the exercise of any rights in respect of any shares to be transferred pursuant to this Article 8, until, in each case, the member of the Purchasing Group has fulfilled all his obligations pursuant to this Article 8.4.

- 8.5 If, on the expiration of 28 days after the date of service of the Compulsory Purchase Notices, a Minority Shareholder has not transferred his shares to any member of the Purchasing Group against payment of the price for them, the Investor Director may authorise some person to execute and deliver, on his behalf, any necessary transfer in favour of the relevant member(s) of the Purchasing Group.

The Directors shall receive the consideration in respect of such shares and shall (subject to the transfer being duly stamped) cause the name of the relevant member(s) of the Purchasing Group to be entered into the register of members of the Company 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 on it.

The receipt of the Company for the consideration shall be a good receipt for the price of the relevant Shares, but the Purchasing Group shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder 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 member of the Purchasing Group has been entered in the register of members of the Company in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person.

9. VOTING

9.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles:

9.1.1 on a show of hands, every member who holds Ordinary Shares who, being an individual, is present in person or, being a corporation, is present by a representative not being himself a member, shall have one vote, and on a poll, every member who holds Ordinary Shares who is present in person or by proxy or, being a corporation, is present by a representative or by proxy, shall have one vote for every Ordinary Share in the capital of the Company of which he is the holder;

9.1.2 on a show of hands, every member who holds B Shares who, being an individual, is present in person or, being a corporation, is present by a representative not being himself a member, shall have one vote, and on a poll, every member who holds B Shares who is present in person or by proxy or, being a corporation, is present by a representative or by proxy, shall have one vote for every B Share in the capital of the Company of which he is the holder; and

9.1.3 on a show of hands, every member who holds A Shares who, being an individual, is present in person or, being a corporation, is present by a representative not being himself a member, shall have one vote, and on a poll, every member who holds A Shares who is present in person or by proxy or, being a corporation, is present by a representative or by proxy, shall have one vote for every A Share in the capital of the Company of which he is the holder.

9.2 In the event that:

9.2.1 there is an Event of Default (as defined in the Facilities Agreement); or

9.2.2 any of the events specified in clause 5 of the Deed Poll occurs, or there is a material breach by the Company of any provision of the Deed Poll;

9.2.3 there is a material breach of warranty under the Investment Agreement (for which purpose a "material" breach shall mean any breach where the anticipated claim shall exceed £50,000);

9.2.4 the Participating Dividend is not paid within five Business Days of its due date and/or the Company has failed or been unable to redeem any of the Loan Stock on its due date for redemption, or pay interest due thereon in accordance with the Deed Poll (save where the Company is unable to declare the Participating Dividend or redeem the Loan Stock or pay interest by reason of the provisions of the Facilities Agreement or by law, provided always that this exception will only apply for so long as the restriction by law or under the Facilities Agreement applies to the Company);

9.2.5 the Company has breached or will, by passing any resolution, be in breach of any provision of these Articles,

each holder of A Shares shall have 10 votes for each A Share held by it until such time as is specified under Article 9.4.

- 9.3 In the event that there is a material breach of any of clauses 7.3.1 to 7.3.5 (inclusive) (conduct of business) in the Investment Agreement, the holders of the A Shares shall have 10 votes for each A Share held by them until such breach has been remedied to the reasonable satisfaction of the holders of the A Shares.
- 9.4 The voting rights attached to the A Shares pursuant to Articles 9.2 and 9.3 shall be exercisable at any time after any of the events referred to in Articles 9.2 and 9.3 shall have occurred. Such rights shall continue only until the payment of all such amounts then overdue or until such other breach is waived or otherwise remedied to the reasonable satisfaction, confirmed in writing, of the Investor, whereupon the voting rights attached to the A Shares shall be as provided for in Article 9.1.
- 9.5 The holders of the Deferred Shares shall not be entitled to receive notice of, or to attend or vote at, any general meeting of the Company.

10. INVESTOR DIRECTOR

- 10.1 For so long as the Investor holds any shares in the capital of the Company, it shall have the right, at any time and from time to time, to appoint one person as a non-executive director of the Company and the following provisions shall have effect:
- 10.1.1 any such appointment shall be effected by notice in writing to the Company by the Investor, who may in like manner, at any time and from time to time, *remove from office any Investor Director appointed pursuant to this Article*, and appoint any person in place of any Investor Director so removed or dying or otherwise vacating office as Investor Director;
- 10.1.2 subject to section 303 of the Act, on any resolution to remove an Investor Director, the A Shares held by the Investor shall together carry one vote in excess of fifty per cent of all the other votes exercisable at the general meeting at which such resolution is to be proposed, and if any such Investor Director is removed pursuant to section 303 of the Act or otherwise, the Investor may reappoint him or any other person as a Investor Director.
- 10.2 For so long as the Investor holds any shares in the capital of the Company, the Investor shall have the right, at any time and from time to time, to appoint any one person to attend, observe and speak at meetings of the Board, and the provisions of Article 10.1.1 shall apply mutatis mutandis, but any person so appointed shall not be a director of the Company.

11. DIRECTORS

- 11.1 Unless and until otherwise determined by ordinary resolution of the Company, the number of directors shall be not less than three and not more than eight.
- 11.2 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose, whether or not he is present in the United Kingdom, provided that any director may waive notice of any meeting either prospectively or retrospectively, and any such waiver shall not affect the validity of any such meeting.
- 11.3 A director shall not be required to retire by rotation and a director appointed to fill a vacancy or as an addition to the Board shall not retire from office at the annual

general meeting next following his appointment. Regulations 73 to 77 shall not apply to the Company and Regulations 78 and 79 shall be modified accordingly.

- 11.4 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest he may have, a director, notwithstanding his office:
- 11.4.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - 11.4.2 may be a director or other officer of or employed by, or be 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 in any way interested;
 - 11.4.3 may, and any firm or company of which he is a partner or member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - 11.4.4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from such office, service or employment, or from any such transaction or arrangement, or from any interest in any such body corporate, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - 11.4.5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article.
- 11.5 For the purposes of this Article:
- 11.5.1 a general notice 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;
 - 11.5.2 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; and
 - 11.5.3 an interest of a person who is, for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted), connected with a director shall be treated as an interest of the director, and in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 11.6 The quorum for meetings of the directors (including, for the avoidance of doubt, any adjourned meetings) shall be three, one of whom shall be the Investor Director or his alternate.
- 11.7 Any Director, including his alternate director, may participate in a meeting of the directors or a committee of the directors of which he is a member by means of conference telephone or similar communications equipment, whereby all persons

participating in the meeting can hear each other, and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. Subject to these Articles and the Act, such director shall be entitled to vote and 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 no such group, where the chairman of the meeting then is.

- 11.8 In the case of an equality of votes, the Chairman shall not have a second or casting vote. Regulation 88 shall be modified accordingly.

12. INDEMNITY

Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or 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 the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation solely to the affairs of the Company.

SCHEDULE 1

For the purposes of this Schedule 1 the following words and expressions shall (except where the context requires otherwise) have the following meanings:

1. PRELIMINARY

"A Proportion" means that proportion which is equal to the total number of Equity Shares held by the Investor at the Exit Date divided by the total number of Equity Shares;

"B Proportion" means that proportion which is equal to the total number of B Shares divided by the total number of Equity Shares;

"Excess" means that amount which is equal to the Total Investor Proceeds less the Threshold Investor Proceeds (if any);

"Investor Subscription" means the sum of £2,558,794;

"IRR" means the internal rate of return (expressed as an annual percentage) actually achieved on payments made to the Investor in respect of the Investor Subscription by reference to the Total Investor Proceeds up to and including the Exit Date, such rate being calculated by the Investor in accordance with generally accepted venture capital industry practice;

"Management Proportion" means that proportion which is equal to the total number of Equity Shares held by the Managers at the Exit Date divided by the total number of Equity Shares;

"Shareholder Proceeds" means:

- (a) in the event of a Sale, the aggregate price paid for or properly attributable to the Equity Shares to be received on completion of the Sale after deduction of all professional costs incurred for the benefit of all those persons holding Equity Shares and which costs were incurred for the purposes of the Sale; or
- (b) in the case of a Listing, the price per share at which ordinary shares in the issued share capital of the Company are sold or offered in connection with the Listing (in the case of an underwritten offer for sale, being the price or, in the case of an underwritten offer for sale by tender, being the striking price under such offer or, in the case of a placing, being the price at which shares are sold under the placing) multiplied by the number of ordinary shares in issue immediately following such Listing, but excluding any shares issued for the purpose of raising new money for the Company as part of the Listing arrangements (whether in order to finance the redemption of shares or the repayment of loans or for any other reason whatsoever);

"Threshold Investor Proceeds" means a minimum level of Total Investor Proceeds equal to the higher of:

- (a) the Investor Subscription multiplied by three; and
- (b) a sum representing an IRR of not less than 30% on the Investor Subscription;

"Total Investor Proceeds" means the aggregate of the following amounts:

- (a) dividends actually received on the A Shares and any associated tax credit received by the Investor;
 - (b) interest actually received by the Investor on the Loan Stock and the proceeds of redemption or sale of the Loan Stock;
 - (c) that amount which is equal to the Shareholder Proceeds multiplied by the A Proportion.
2. On an Exit, the Shareholder Proceeds shall be apportioned between the holders of the A Shares, the holders of the Ordinary Shares and the holders of the B Shares as follows:
- 2.1 In the event that the Excess is zero or a negative number, then:
 - 2.1.1 the holders of the A Shares shall receive that amount of the Shareholder Proceeds which is equal to the Shareholder Proceeds multiplied by the A Proportion;
 - 2.1.2 the holders of the Ordinary Shares shall receive that amount of the Shareholder Proceeds which is equal to the Shareholder Proceeds multiplied by the Management Proportion; and
 - 2.1.3 the holders of the B Shares shall receive that amount of the Shareholder Proceeds which is equal to the Shareholder Proceeds multiplied by the B Proportion.
 - 2.2 In the event that the Excess is a positive number then:
 - 2.2.1 the holders of the A Shares shall receive that amount of the Shareholder Proceeds which is equal to: $(A \text{ Proportion} \times \text{Shareholder Proceeds}) - (65\% \times \text{Excess})$;
 - 2.2.2 the holders of the Ordinary Shares shall receive that amount of the Shareholder Proceeds which is equal to: $(\text{Management Proportion} \times \text{Shareholder Proceeds}) + (65\% \times \text{Excess})$; and
 - 2.2.3 the holders of the B Shares shall receive that amount of the Shareholder Proceeds which is equal to the Shareholder Proceeds multiplied by the B Proportion.
 - 2.3 All Shareholder Proceeds payable to the holders of a class of shares pursuant to paragraph 2.1 or 2.2 shall be payable to members holding shares of that class on a pro rata basis by reference to the number of shares of that class held by them immediately prior to the Exit Date.
 - 2.4
 - 2.4.1 If the provisions of paragraph 2.2 apply on an Exit, then on or immediately before Exit, there shall be offered to the Company for purchase (subject to compliance with the Acts), at a price of 0.001 pence per share, such number of A Shares and B Shares as shall leave the holders of the Ordinary Shares as a class with the percentage ("**Relevant Percentage**") of Equity Shares as

will result, after redemption, in the Shareholder Proceeds being apportioned in the resultant proportions determined by applying the formulae in paragraph 2.2. Any fraction resulting from the operation of this paragraph 2.4 shall be rounded up or down (as appropriate) to the nearest whole number (with halves being rounded up)

- 2.4.2 If the number of shares to be purchased pursuant to clause 2.4.1 agreed between the holders of not less than seventy five per cent (75%) in nominal value of the A Shares on the one hand and the holders of not less than seventy five per cent (75%) in nominal value of the Ordinary Shares on the other hand, then their agreement shall be final and binding on all of the holders of Equity Shares. In default of such agreement, the matter shall immediately be referred to an independent chartered accountant ("**Expert**") for determination and certification.

The Expert shall be an independent chartered accountant of not less than five years' standing, who shall be nominated by agreement between the holders of seventy five per cent (75%) in nominal value of the A Shares and the holders of seventy five per cent (75%) in nominal value of the Ordinary Shares, or failing such nomination within 14 days of the Exit Date, as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales upon the request of any holder of shares or the directors of the Company.

Upon being nominated, the Expert shall determine and certify the number of shares to be purchased in accordance with this Schedule, and the written certificate of the Expert (acting as expert and not as arbitrator) as to the number of shares to be redeemed shall (save in the case of manifest error) be conclusive and binding on the Company and its members. The costs of the Expert shall be borne by the Company.

- 2.4.3 There shall be paid on each of the A Shares and the B Shares purchased, 0.001 pence per share. Any arrears, deficiency or accruals of the Participating Dividend shall cease to accrue from that date unless, upon delivery up of the certificate for such shares or an indemnity in lieu of the share certificate, the Company fails to make payment of the appropriate purchase monies, in which case the Participating Dividend shall continue to accrue until the date of payment.
- 2.4.4 Any purchase of some but not all of the A Shares or some but not all of the B Shares shall be made amongst their holders pro rata as nearly as possible to their respective holdings of such shares.
- 2.4.5 Any A Shares or B Shares which it is not lawful or practicable to purchase in accordance with this paragraph 2.4 shall, at the relevant time, forthwith and without resolution of the directors or the shareholders, be converted into "**Deferred Shares**". Such Deferred Shares shall, as from the date of conversion, have the rights and be subject to the restrictions attaching to Deferred Shares set out in the Articles. The Deferred Shares shall be redeemed forthwith for a sum equal to 0.001 pence per share as soon as it may be lawful for the Company to do so.