

Company No: 4371920

THE COMPANIES ACT 1985 TO 1989
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION

of

LOWCOSTBEDS.COM LIMITED

(Passed this...⁹...day of ~~Sept~~^{Sept} 2005)

We, the undersigned, being the members of the above named company (the "**Company**") who, at the date of this resolution, are the only persons entitled to attend and vote at general meetings of the Company, HEREBY PASS the following resolutions as ordinary and special resolutions of the Company pursuant to section 381A Companies Act 1985 and confirm that such resolutions shall, for all purposes be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

ORDINARY RESOLUTIONS

1. THAT the share capital be and is hereby increased by the creation of 400 'A' Ordinary Shares of £1 each, each having the rights, from issue, as set out in the new Articles of Association attached hereto and 2 Ordinary Shares of £1 each to rank pari passu with the existing Ordinary Shares in issue;
2. THAT the directors be and are hereby generally and unconditionally authorized for the purposes of section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £400 provide that this authority is for a period expiring 5 years from the date of this resolution but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority confirmed by this resolution has expired. This authority is in substitution for all subsisting authority to the extent unused.

SPECIAL RESOLUTIONS

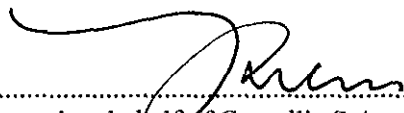
3. THAT further to the resolutions passed at an Extraordinary General Meeting of the Company held on 31 March 2005 the Memorandum and Articles of Association are to be amended as attached hereto.
4. THAT upon the passing of resolution 3 above the members hereby ratify the amendments to the Memorandum and Articles of Association as if such amendments were made at the Extraordinary General Meeting of 31 March 2005.
5. THAT the Memorandum of Association attached hereto and labelled "M" and is hereby adopted.



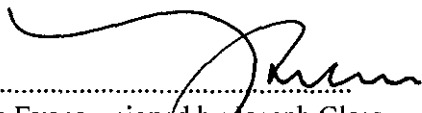
6. THAT the Articles of Association attached hereto and labelled "A" be and are hereby adopted.
7. THAT the pre-emption rights contained in the Articles of Association be and are hereby dis-applied for the purposes of the allotment of relevant securities as set out in resolution 2 above.




Paul Evans



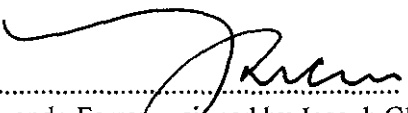
For and on behalf of Comellia S.A. -
signed by Joseph Glass
acting as attorney under a power of
attorney dated 30 August 2005



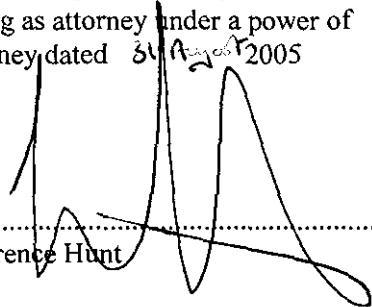
Adrian Evans - signed by Joseph Glass
acting as his attorney under a power of
attorney dated 29 August 2005



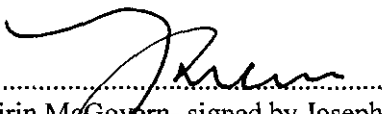
For and on behalf of Alpha Tours
Limited- signed by Joseph Glass
acting as attorney under a power of
attorney dated 31 August 2005



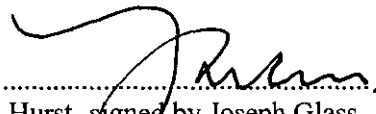
Ferando Ferrer - signed by Joseph Glass
acting as his attorney under a power of
attorney dated 30 August 2005



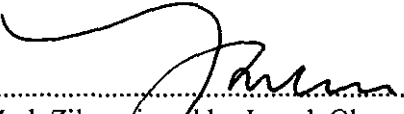
Lawrence Hunt



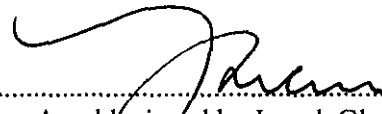
Mairin McGovern- signed by Joseph Glass
acting as her attorney under a power of
attorney dated 26 August 2005



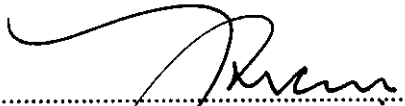
Keith Hurst- signed by Joseph Glass
acting as his attorney under a power of
attorney dated 29 August 2005



Mark Ziles- signed by Joseph Glass
acting as his attorney under a power of
attorney dated 30 August 2005



Simon Arnold- signed by Joseph Glass
acting as his attorney under a power of
attorney dated 30 August 2005



Alan Stewart - signed by Joseph Glass
acting as his attorney under a power of
attorney dated 30 August 2005

Dated 9 September 2005

"A"

Company No 4371920

**The Companies Acts 1985 to 1989
Private Company Limited by Shares**

LOWCOSTBEDS.COM LIMITED

**MEMORANDUM
OF ASSOCIATION**

THE COMPANIES ACTS 1985 to 1989
PRIVATE COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION OF
LOWCOSTBEDS.COM LIMITED

1. The Company's name is "**LOWCOSTBEDS.COM LIMITED**".¹
2. The Company's registered office is to be situated in England & Wales.
3. The Company's objects are :-
 - (a) The object of the Company is to carry on business as a general commercial company.
 - (b) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of the property.
 - (c) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.
 - (d) To acquire or undertake the whole or any part of the business, goodwill and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
 - (e) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
 - (f) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
 - (g) To lend and advance money or give credit on any terms and with or without

¹ As altered by written resolution dated 27 April 2004.

security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contract of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

- (h) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by the mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (i) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- (j) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (k) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (l) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (m) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or

operations of or generally with respect to any such company or companies.

- (n) to promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the Liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (o) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (p) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (q) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (r) To distribute among the Members of the Company in kind any property of the Company of whatever nature.
- (s) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (t) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or of any such subsidiary, holding or fellow subsidiary company, and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and their wives, widows, children and other relatives and dependants and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- (u) Subject to and in accordance with a due compliance with the provisions of

Section 155 to 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or section 151(2) of the Act.

- (v) To procure the Company to be registered or recognised in any part of the world.
- (w) To do all or any of the things or matters aforesaid in any part of the world either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.
- (x) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND so that:-

- (1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.
- (2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each such sub-clause contained the object of a separate Company.
- (3) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
- (4) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference to this Clause to provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 4. The liability of the Members is limited.
- 5. The Company's share capital is £261,917 divided into 1,002 ordinary shares of £1 each, 400 'A' Ordinary Shares of £1 each² and 260,515 4% Non-Voting Cumulative Redeemable Preference Shares of £1 each³.

² As created by written resolution passed by the Company on 9 September 2005

³ As created by special resolutions passed by the Company at an EGM on 31 March 2005.

Company No. 4371920

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
LOWCOSTBEDS.COM LIMITED**

(amended by Special Resolution
passed on 9 September 2005)

Ricksons
The Stock Exchange Building
4 Norfolk Street
Manchester
M2 1DW

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

LOWCOSTBEDS.COM LIMITED

(adopted by special resolution passed on *9 September* 2005)

1 Preliminary

The regulations contained in Table A ('Table A') in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or articles of association. References herein to 'regulations' are to regulations in Table A.

2 Private Company

The Company is a private company within the meaning of Section 1(3) of the Companies Act 1985.

3 Interpretation

3.1 In the first line of regulation 1 after the word 'regulations' the words 'and in any articles adopting in whole or in part the same' shall be inserted.

3.2 In these Articles:

(a) unless the context otherwise requires the following expressions have the following meanings:

'A Ordinary Shares' means the A Ordinary Shares of £1 each in the capital of the Company from time to time

'A Ordinary Shareholders' means the holder(s) of A Ordinary Shares from time to time

'Associate' means any individual connected with the person concerned for the purposes of section 839 Income and Corporation Taxes Act 1988 or any body corporate or partnership directly or indirectly controlled by the person concerned and, for this purpose, "control" shall have the definition ascribed to it in section 840 Income and Corporation Taxes Act 1988

'deemed transfer notice' means a transfer notice deemed to be given under any provision of these Articles

'Equity Shares' means the A Ordinary Shares and Ordinary Shares

'Equity Shareholders' means the holder(s) of Equity Shares from time to time

'Investors' Close Brothers Development VCT plc, Close Technology & General VCT plc, Close Income & Growth VCT plc, Murray VCT plc, Murray VCT 2 plc and Murray VCT 3 plc

'Investors' Director' such person holding office as a director of the Company on behalf of the Investors

'Ordinary Shares' means the Ordinary Shares of £1 each in the capital of the Company from time to time

'Ordinary Shareholders' means the holder(s) of Ordinary Shares from time to time

'paid up' means, in relation to a share, paid up or credited as paid up

- | | |
|---------------------------|--|
| ‘Preference Shares’ | means the 4% Non-Voting Cumulative Redeemable Preference Shares of £1 each in the capital of the Company from time to time |
| ‘Preference Shareholders’ | means the holder(s) of Preference Shares from time to time |
| ‘Relevant Agreement’ | means any agreement relating (in whole or in part) to the management and/or affairs of the Company which is binding from time to time on the Company and the members and which (expressly or by implication) supplements and/or prevails over any provisions of these Articles |
| ‘Representatives’ | means, in relation to a member, any person or persons who have become entitled to his shares in consequence of his death, bankruptcy or mental incapacity |
| ‘Shares’ | means the Equity Shares and the Preference Shares |
| ‘Shareholders’ | means the holders of Shares from time to time (for such time and for so long as such person or persons hold shares) |
| ‘transfer notice’ | has the meaning attributed thereto in Article 11.2 and includes, where the context admits, a deemed transfer notice. |
-
- (b) words or expressions the definitions of which are contained or referred to in the Act shall be construed as having the meaning thereby attributed to them but excluding any statutory modification thereof not in force on the date of adoption of these Articles;
 - (c) words importing the singular include the plural, words importing any gender include every gender, and words importing persons include bodies corporate and unincorporated; and (in each case) vice versa;
 - (d) references to Articles are references to these Articles and references to paragraphs and sub-paragraphs are, unless otherwise stated, references to paragraphs of the Article or references to sub-paragraphs of the paragraph in which the reference appears;
 - (e) in relation to any Shareholders, references to any English legal term for any action, remedy, method of judicial proceeding, insolvency proceeding, event of incapacity, legal status, court, governmental or administrative authority or agency, official or any legal concept, practice or principle or thing shall in respect of any jurisdiction other than England where that member is domiciled, resident, incorporated or carries on business be deemed to include what most approximates in that jurisdiction to the English legal term concerned.

4 Share Capital

- 4.1 The authorised share capital of the Company at the date of adoption of these Articles is £261,917 divided into 1,002 Ordinary Shares of £1 each, 400 A Ordinary Shares of £1 each and 260,515 Preference Shares of £1 each.

5 Share Rights

The rights and restrictions attaching to the Shares shall be as set out in this Article 5.

5.1 Dividends

- (a) The profits of the Company which are available for lawful distribution shall be applied in paying the Equity Shareholders not less than 30 per cent of any distributions made up of reserves of the Company which are otherwise available for distribution to and amongst the Equity Shareholders in the form of dividends and otherwise as the Directors may determine, taking into account matters such as the regulatory constraints and guidelines of inter alia, the Civil Aviation Authority, The Association of British Travel Agents and Air Travel Organisers Licence.
- (b) The Preference Shares are not entitled to a dividend, distribution or other form of return.

5.2 Capital

On a return of capital on liquidation or capital reduction or otherwise (except in the case of the redemption of Preference Shares or the purchase by the Company of its own Shares), the surplus assets of the Company available for distribution amongst the Equity Shareholders shall be applied in distributing the balance of such assets amongst the Equity Shareholders in pro rata the number of Equity Shares they hold.

5.3 Redemption

- (a) the Preference Shares shall be redeemable only in accordance with Article 13.6 or at the option of the Company with the Company giving not less than 14 days notice in writing to the Preference Shareholders to redeem the whole or any part of the Preference Shares then outstanding at par pro rata to the number of Preference Shares held by each Preference Shareholder.
- (b) On the date of redemption each Preference Shareholder shall deliver to the Company at its registered office, the share certificates for the Preference Shares to be redeemed and the Company shall pay to such Preference Shareholder (or in the case of joint holders, to the holder whose name stands first in the register of members of such Preference Shareholders) the amount due to him in respect of such redemption and shall issue a new share certificate in respect of any unredeemed Preference Shares comprised in the certificate delivered by him.

5.4 Conversion

- (a) The Preference Shares if not redeemed in accordance with Articles 5.3 or 13.5 can, at the option of the Company, with the Company giving not less than 14 days notice in writing to the Preference Shareholders convert all of the Preference Shares to 2 Ordinary Shares of £1 each.
- (b) On the date of conversion each Preference Shareholder shall deliver to the Company at its registered office, the share certificates for the Preference Shares to be converted and the Company shall issue to such Preference Shareholder (or in the case of joint holders, to the holder whose name stands first in the register of members of such Preference Shareholders) the number of Ordinary Shares due to him in respect of such conversion and shall issue a new share certificate in respect of such Ordinary Shares.
- (c) Upon conversion of the Preference Shares such Ordinary Shares shall rank *pari passu* with the existing Ordinary Shares and shall have the rights attached to them as set out *hereto*.

5.5 Voting

- (a) Members holding Equity Shares shall be entitled to receive notice of and to attend and vote at any general meeting of the Company.
- (b) Members holding Preference Shares shall have no right to receive notice of or vote at any general meeting of the Company.

6 Variation of Rights

6.1 No variation of the rights attaching to any class of Shares shall be effective except with:

- (a) the consent in writing of the holders of not less than three-quarters in nominal value of the issued Shares of the relevant class; or
- (b) the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of the relevant class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy and holding or representing not less than one-third in nominal value of the issued Shares of the relevant class, that every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him and that any holder of Shares of the class present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. For the purpose of this Article one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

6.2 Each of the following shall be deemed to constitute a variation of the rights attached to each class of Shares:

- (a) any alteration in the memorandum or articles of association of the Company;

- (b) any increase or reduction or subdivision or consolidation or other alteration in the authorised or issued share capital of the Company or any of the rights attaching to any share capital;
- (c) any resolution to put the Company into liquidation; and
- (d) any sale of all of the issued Equity Shares (other than pursuant to Articles 12 or 13).

7 Issue of new shares and alteration of capital

- 7.1 Any unissued Equity Shares in the capital of the Company from time to time shall before they are issued be offered to all the Equity Shareholders of the same class of Equity Shares in the Company in proportion to the nominal value of the Equity Shares held by them respectively (and such offer shall be at the same price and on the same terms to each such holder). Such offer shall be made by notice specifying the number and class of Equity Shares offered, the proportionate entitlement of the relevant member, the price per share and limiting a period (not being less than 15 days) within which the offer, if not accepted, will be deemed to be declined and after the expiration of such period the directors shall offer the Equity Shares so declined to the persons who have, within the said period, accepted all the Equity Shares offered to them in the same manner as the original offer and limited by a period of not less than 14 days. If any Equity Shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn in respect of such Equity Shares. At the expiration of the time limited by the notice(s) the directors shall allot the Equity Shares so offered to or amongst the Equity Shareholders who have notified their willingness to take all or any of such Equity Shares in accordance with the terms of the offer. No Equity Shareholder shall be obliged to take more than the maximum number of Equity Shares he has indicated his willingness to take. Section 89(1) and sub-sections (1) to (6) of Section 90 of the Act shall not apply to the Company.
- 7.2 The allotment of any Equity Shares not accepted pursuant to Article 7.1 shall be offered to the holders of Equity Shares of the other class on the terms of Article 7.1. Following this, any Equity Shares not accepted or not capable of being so offered except by way of fractions shall subject to the provisions of Section 80 of the Act, be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no Equity Shares shall be issued at a discount and provided further that, in the case of Equity Shares not accepted as aforesaid, such Equity Shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the Equity Shareholders.
- 7.3 Any Equity Shares issued or transferred to a holder of Equity Shares of a particular class shall automatically be designated or redesignated as the same class of Equity Shares already held by such holder. Any unissued Preference Shares in the capital of the Company from time to time shall only be issued to persons loaning the Company money by way of investment and with Board approval.
- 7.4 Any Preference Shares issued in accordance with Article 7.3 above shall rank *pari passu* to existing Preference Shares.

8 Lien

The lien conferred by regulation 8 shall attach also to fully paid up Shares and the Company shall also have a first and paramount lien on all Shares, whether fully paid up or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders for all monies presently payable by him or his estate to the Company. Furthermore, such lien shall extend to all amounts payable in respect of a Share. The directors may resolve to exclude any share or any amount payable in respect of a Share from the application of this Article 8. Regulation 8 shall be modified accordingly.

9 Transfer of Shares

9.1 No Equity Shareholder shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any Equity Shares or create or permit to exist any charge, lien, encumbrance or trust over any Equity Shares or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things except (but subject always to Article 14):

- (a) as permitted by Article 10; or
- (b) as permitted by Article 11; or
- (c) in accordance with Article 12; or
- (d) in accordance with Articles 13; or
- (e) in accordance with Article 14.

9.2 If an Equity Shareholder at any time commits a breach of Article 9.1 in relation to any Equity Shares he shall be deemed immediately prior to such breach to have given a transfer notice in respect of such Equity Shares.

9.3 For the purpose of ensuring that a particular transfer of Equity Shares is permitted under these Articles the directors may require the transferor or the person named as transferee in any transfer lodged for registration to them such information and evidence as they may think reasonably 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 refuse to register the transfer in question.

9.4 Where a transfer notice in respect of any Equity Shares is deemed to have been given under any provision of these Articles and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually become aware of such facts and the provisions of Article 10 shall apply accordingly.

9.5 The directors shall not refuse to register any transfer of an Equity Share which is permitted under these Articles but may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Equity Share which would otherwise be permitted hereunder if it is a transfer:

- (a) of an Equity Share on which the Company has a lien;

- (b) of an Equity Share (not being a fully paid Equity Share) to a person of whom they shall not approve

The first sentence of regulation 24 shall not apply.

- 9.6 The Representatives of an Equity Shareholder shall not be entitled to become the registered holders of any Share as a result of the death or incapacity of any Equity Shareholder. Accordingly, regulation 30 shall not apply to the Company.
- 9.7 No Preference Shareholder shall dispose of any interest in, or right attaching to; or renounce or assign any right to receive or subscribe for any Preference Shares. For the avoidance of doubt the Preference Shares are non-transferable.

10 Permitted Transfers

- 10.1 For the purposes of this Article:

- (a) 'privileged relation' in relation to an Equity Shareholder means the spouse of an Equity Shareholder (or widow or widower of a deceased Shareholder) and the Equity Shareholder's lineal descendants and for the purposes aforesaid a step-child or adopted child or illegitimate child of any Equity Shareholder shall be deemed to be a lineal descendant of such Equity Shareholder;
- (b) 'family trust' means, in relation to an Equity Shareholder being an individual or a deceased Equity Shareholder, a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of (i) that Equity Shareholder and/or a privileged relation of that Equity Shareholder or (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities), and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such Equity Shareholder or his privileged relations;
- (c) 'settlor' includes a testator or an intestate in relation to a family trust arising respectively under a testamentary disposition or an intestacy of a deceased Equity Shareholder.

- 10.2 An Equity Shareholder being an individual (not being in relation to the Equity Shares in question a holder thereof as a trustee of a family trust) may at any time transfer any of the Equity Shares held by him:

- (a) to a privileged relation; or
- (b) to trustees to be held upon a family trust of such Equity Shareholder.

- 10.3 Where Equity Shares are held by trustees upon a family trust:

- (a) such Equity Shares may on any change of trustees be transferred to the new trustees of that family trust;
 - (b) such Equity Shares may at any time be transferred to any person to whom under Article 10.2 the same could have been transferred by the settlor if he had remained the holder thereof;
 - (c) if and whenever any such Equity Shares cease to be held upon a family trust (otherwise than in consequence of a transfer authorised by Article 10.3 (b)) or there cease to be any beneficiaries of that family trust other than a charity or charities the trustees shall be deemed immediately to have given a transfer notice in respect of all their relevant Equity Shares; and
 - (d) for the purposes of this paragraph the expression 'relevant shares' means and includes (so far as the same remain from time to time held by the trustees) the Equity Shares originally transferred to the trustees and any additional Shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.
- 10.4 (a) Any Equity Shareholder being a body corporate (not being in relation to the Equity Shares in question a holder thereof as a trustee of a family trust) may at any time transfer all or any Equity Shares held by it to a member of the same group (as hereinafter defined);
- (b) Where Equity Shares have been transferred under Article 10.4 (a) (whether directly or by a series of transfers thereunder) from a body corporate ('the transferor company' which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group ('the transferee company') and subsequently the transferee company ceases to be a member of the same group as the transferor company then the transferee company shall forthwith transfer the relevant shares (as hereinafter defined) to the transferor company; and failure so to transfer such Equity Shares within 28 days of the transferee company ceasing to be a member of the same group as the transferor company shall result in a transfer notice being deemed immediately to be given in respect of the relevant shares;
- (c) For the purposes of this Article 10.4:
- (i) the expression 'a member of the same group' means a company which is from time to time a holding company of which the transferor company is a wholly-owned subsidiary or a wholly-owned subsidiary of the transferor company or of any holding company of which the transferor company is a wholly-owned subsidiary; and
 - (ii) the expression 'relevant shares' means and includes (so far as the same remain from time to time held by the transferee company) the Equity Shares originally transferred to the transferee company and any additional Equity Shares issued or transferred to the transferee company by virtue of the holding of the relevant shares or any of them.
- 10.5 Any Equity Shareholder being a body corporate (not being in relation to the Equity Shares in question a holder thereof as a trustee of a family trust) may at any time transfer all but not

some only of the Equity Shares held by it to another body corporate which has acquired in connection with a bona fide scheme of amalgamation or reconstruction the whole or the main part of the undertaking or assets of such Equity Shareholder.

10.6 An Equity Shareholder may at any time transfer all or any of his Equity Shares:

- (a) with the consent of all members holding shares of any class, to any other member holding shares of the same class; or
- (b) in the case of an Equity Shareholder being a nominee, to the person who is the beneficial owner or to a person to whom the beneficial owner, if he were registered as the holder, would have been entitled to transfer his Equity Shares in accordance with this Article; provided that the provisions of this Article 10.6 (b) shall not apply in circumstances where the beneficial ownership of the Equity Shares in question became vested in the beneficial owner in contravention of any of the provisions of these Articles or any Relevant Agreement; or
- (c) where such Equity Shareholder is an Investor, to any other Investor.

10.7 Unless all the members otherwise agree, no transfer of any Equity Shares permitted by this Article 10 shall be made during the active period of any transfer notice or deemed transfer notice in respect of any Equity Shares (and for this purpose 'active period' in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).

11 Pre-emption Rights

11.1 Except for a transfer of Equity Shares which is permitted under these Articles (as mentioned in Article 10.1), no Equity Shares shall be transferred until the following conditions of this Article are complied with:

11.2 Any Equity Shareholder proposing to transfer an Equity Share ('the proposing transferor') shall give notice in writing ('transfer notice') to the directors that he desires to transfer such Equity Shares. In the transfer notice the proposing transferor shall specify:

- (a) the number and class of Equity Shares which the proposing transferor wishes to transfer ('the Transfer Shares') (which may be all or part only of the Equity Shares then held by the proposing transferor);
- (b) the price at which the proposing transferor wishes to sell each of the Transfer Shares and the identity of any person or group of persons who have indicated a willingness to purchase the Transfer Shares at such price (together the Proposed Transferee);
- (c) a transfer notice shall also state whether the proposing transferor wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold), but in the absence of such a statement the transfer notice shall be deemed not to contain a Total Transfer Condition. Any two or more members

shall be entitled to serve a joint transfer notice (meaning a notice signed by each of them specifying the shares which they wish together to transfer) containing a Total Transfer Condition and such notice shall for all the purposes of this Article take effect as if it were a single transfer notice and the Total Transfer Condition related to all the shares the subject of the joint transfer notice, but the obligations of those members thereunder or in respect thereof shall be several only in proportion to the number of Transfer Shares which they hold respectively;

- (d) the transfer notice shall constitute the Company (by its board of directors) as the agent of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the transfer notice or at any time thereafter) at the Transfer Price being the price specified in the transfer notice on the terms of this Article. Once given a transfer notice may not be revoked save with the prior written consent of all the other members. If a proposing transferor revokes a transfer notice he may not subsequently transfer the Shares the subject of the transfer notice (or any interest therein) otherwise than in accordance with these Articles or any Relevant Agreement.

For the avoidance of doubt this Article 11.2 shall not apply to a deemed transfer notice.

- 11.3 If the transfer notice is a deemed transfer notice the Transfer Price shall be such price as shall be agreed in writing between the transferor and the directors or, in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within 21 days of the date on which a transfer notice is deemed to be given, the Transfer Price will be determined by an independent Chartered Accountant of not less than ten years' standing ("the Expert") who shall be nominated by agreement between all the members or failing such nomination within 14 days after the request of any member to the others therefore nominated at the request of any member by the President from time to time of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not as an arbitrator and his written determination shall be final and binding on the members. A deemed transfer notice shall not be capable of being withdrawn except with the consent of the majority of the Equity Shareholders .
- 11.4 The Expert will certify the open market value of the Transfer Shares as at the date of the transfer notice on the following assumptions and bases:-
 - (i) valuing the Transfer Shares as on an arm's length sale between a willing vendor and a willing purchaser;
 - (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (iii) that the Transfer Shares are capable of being transferred without restriction; and
 - (iv) valuing the Transfer Shares as a rateable proportion of the total value of all the issued shares of the Company which value shall not be discounted or enhanced by reference to the class of the Transfer Shares or the number thereof.

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Expert in such manner as he shall in his absolute discretion think fit. The Transfer Price shall be a sum equal to the open market value of the Transfer Shares determined as aforesaid divided by the number of Transfer Shares. The Company will use its best endeavours to procure that the Expert determines the Transfer Price within 21 days of being requested so to do.

- 11.5 If the determination of the Transfer Price is referred to an Expert the date of determination of the Transfer Price ("the Determination Date") shall be the date on which the directors receive the Expert's determination of the Transfer Price in writing. If the Transfer Price is determined by written agreement between the transferor and the directors then the Determination Date shall be the date on which such agreement is made.
- 11.6 The costs and expenses of the Expert in determining the Transfer Price and of his appointment shall be borne as to one half by the transferor and as to the other half by the purchasers (as hereinafter defined) pro rata according to the number of Transfer Shares purchased by them unless none of the Transfer Shares are purchased pursuant to Articles 11.8, 11.9, 11.10 or 11.12 in which event the proposing transferor shall pay all of such costs and expenses. In the case of default by a person in paying his due proportion of such costs and expenses any of the other contributors or (if the proposing transferor is solely responsible for such costs and expenses) the Company may pay such sum in his stead and any payment made in so doing shall be recoverable from the defaulter as a debt payable on demand.
- 11.7 Within 7 days of the service of the transfer notice or, if the transfer notice is a deemed transfer notice, within 7 days of the Determination Date the Company shall circulate a copy of the transfer notice offering the Transfer Shares at the Transfer Price to the Shareholders. Every such offer shall be made in writing and shall specify (a) the total number of Transfer Shares; (b) the number of Transfer Shares offered to the Shareholder ('Pro-Rata Entitlement'); (c) the Transfer Price and the identity of the Proposed Transferee (if any); (d) whether or not the transfer notice contained a Total Transfer Condition and (e) a period (being not less than 14 days and not more than 21 days) within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the Shareholders in question in applying for his Pro-Rata Entitlement and for any shares in excess (if applicable) of such entitlement which he wishes to purchase.

Upon the expiry of the said offer period, the directors shall allocate the Transfer Shares in the following manner:

- (a) to each Shareholder who has agreed to purchase shares, his Pro-Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;
- (b) if any Shareholder has applied for less than his Pro-Rata Entitlement, the excess shall be allocated to the Shareholder who have applied for any part of such excess in proportion to the number of shares of the class then held by them respectively (but without allocating to any Shareholders a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article 11.7 without taking account of any Shareholder whose application has already been satisfied in full.

- 11.8 If any of the Transfer Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the Shareholders, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.
- 11.9 (a) If by the foregoing procedure the directors shall not receive acceptances from Shareholders in respect of all of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to all the Shareholders, whereupon the holders of the Shares (excluding the shares held by the proposing transferor) shall be entitled within 14 days of the date of service of that notice to nominate (by giving notice in writing to the directors signed by each such holder or on his behalf and which may consist of several notices in the like form) any person or persons (whether or not a Shareholder) who has expressed his willingness in writing to purchase all or any of those Transfer Shares in respect of which acceptances have not been received at the Transfer Price as the purchaser(s) of such Transfer Shares (and the directors shall be deemed to have made an offer of such shares accordingly);
- (b) If the transfer notice in question contained a Total Transfer Condition then no offer of Transfer Shares made by the directors pursuant to this Article shall be capable of acceptance until all of the Transfer Shares shall have been accepted by the Shareholders (or any of them) or any person or persons nominated pursuant Article 11.9 (a). If by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor and none of the Transfer Shares will be sold to the Shareholders or any person or persons nominated as aforesaid (except as mentioned below) pursuant to this Article 11.9 (b). In the case of a transfer notice, but not a deemed transfer notice, the proposing transferor may within a period of 3 months after the date of the directors' said notice sell all (but not some only) of the Transfer Shares to the Proposed Transferee but not to any other person or persons at any price which is not less than the Transfer Price (after deducting, where appropriate, any net dividend or other distribution to be retained by the proposing transferor).
- 11.10 If, by the foregoing procedure, the directors shall receive acceptances (or nominations) in respect of all of the Transfer Shares the directors shall forthwith give notice in writing as hereinafter mentioned to the proposing transferor and to the Shareholders who have agreed to purchase the same (or to the person or persons nominated pursuant to Article 11.9 (a)) ('purchaser' or 'purchasers') and the proposing transferor shall thereupon become bound upon payment of the relevant Transfer Price to the proposing transferor (whose receipt shall be a good discharge to the purchaser, the Company and the directors therefor none of whom shall be bound to see to the application thereof) to transfer to each purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than 7 days nor more than 28 days after the date of the said notice). Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors.
- 11.11 If the transfer notice in question did not contain a Total Transfer Condition and if by the foregoing procedure the directors shall receive acceptances in respect of none or part only of

the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor, and the proposing transferor:

- (a) shall thereupon become bound upon payment of the Transfer Price to transfer to each purchaser (if any) those Transfer Shares accepted by him and the provisions of Article 11.10 shall apply *mutatis mutandis* thereto;
- (b) may within a period of 3 months after the date of the directors' said notice sell all or any of those Transfer Shares which have not been accepted as aforesaid to the Proposed Transferee but not to any other person or persons (without the consent of the Equity Shareholders) at any price which is not less than the Transfer Price (after deducting, where appropriate, the amount of any net dividend or other distribution to be retained by the proposing transferor).

11.12 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article 11, makes default in transferring the same the directors may authorise some person (who is (as security for the performance of the proposing transferor's obligations) hereby irrevocably and unconditionally appointed as the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped with any necessary stamp duty) cause the transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the proposing transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

11.13 Without prejudice to the generality of Article 9.3, the directors may require to be satisfied that any shares being transferred by the proposing transferor pursuant to Articles 11.9(a) or 11.9(b) are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

11.14

- (a) In this Article 11.17(a) "Relevant Event" means :
 - (i) in relation to an Equity Shareholder being an individual, such member being adjudicated bankrupt; or
 - (ii) an Equity Shareholder making any voluntary arrangement or composition with his creditors;
 - (iii) in relation to a Shareholder being a body corporate :
 - (A) a receiver, manager, administrative receiver or administrator being appointed of such member or over all or any part of its undertaking or assets; or

- (B) such member entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction);
- (iv) in relation to an Equity Shareholder, being in material breach of a Relevant Agreement (and where such breach (if capable of remedy) is not remedied within 30 days).
- (b) If a Relevant Event shall occur in relation to an Investor, such Investor shall not be deemed to be in default or to have served a transfer notice but shall immediately transfer its Equity Shares to another Investor(s) and the provisions of Article 11.14 shall not apply to it.
- (c) Upon the happening of any Relevant Event to any Equity Shareholder the Equity Shareholder in question shall (unless the Investor Director, or where no Investor Director is appointed, the Investors, consents in writing) be deemed to have immediately given a transfer notice in respect of all the Equity Shares as shall then be registered in the name of such Shareholder and, in the case of any Shareholder who as acquired any Shares whether directly or indirectly pursuant to the operation of Articles 10.2, 10.3, 10.4, 10.5 (the transferee) that would but for such transfer(s) be subject to a deemed transfer notice on the happening of the Relevant Event in question, the transferee shall also be deemed to have served a transfer notice in respect of the Equity Shares so acquired.

12 Compulsory Transfer

12.1 In this Article:

- (a) "Bad Leaver" means any person who is at the date of adoption of these Articles or later becomes a director and/or employee of the Company and is also an Equity Shareholder and who subsequently ceases to be so employed or engaged as a result of:
 - (i) being summarily dismissed by the Company; or
 - (ii) the Company terminating the employee's engagement in accordance with the terms in such employee's contract of employment.
- (b) "Bad Leaver's Shares" means at the date a person becomes a Bad Leaver:
 - (i) Equity Shares held by the Bad Leaver;
 - (ii) Equity Shares which have been transferred by the Bad Leaver in accordance with Article 10.
- (c) "Good Leaver" means any person who is of the date of adoption of these Articles or later becomes a director and/or employee and is also an Equity Shareholder and who subsequently ceases to be so employed or engaged as a result of:
 - (i) voluntarily terminating their employment;

- (ii) their physical or mental incapacity;
 - (iii) their wrongful or unfair dismissal;
 - (iv) their redundancy;
 - (v) their Retirement; or
 - (vi) their death.
 - (d) "Good Leaver's Shares" means at the date a person becomes a Good Leaver:
 - (i) Equity Shares held by the Good Leaver;
 - (ii) Equity Shares which have been transferred by the Good Leaver in accordance with Article 10.
 - (e) "Retirement" means reaching the age when an employee is entitled to draw the state retirement pension and/or leaving employment of a business of the type carried on by the Company at the date of cessation of employment in order to honour family commitments.
- 12.2 Upon an Equity Shareholder becoming a Bad Leaver unless the Directors otherwise resolve, any transfer notice previously issued or deemed issued in relation to the Bad Leaver's Shares shall be immediately cancelled (unless all the Equity Shares subject to it have already been sold) and a deemed transfer notice shall be issued.
- 12.3 In respect of a deemed transfer notice under Article 12.2 above the price per share for the Bad Leaver's Shares shall be at the discretion of the Board, but in any event no less than 50% of the market value (as defined in Article 12.5 below).
- 12.4 Upon an Equity Shareholder becoming a Good Leaver unless the Directors otherwise resolve, any transfer notice previously issued or deemed issued in relation to the Good Leaver's Shares shall be immediately cancelled (unless all the Equity Shares subject to it have been sold) and at the request of the Good Leaver a transfer notice shall be issued in accordance with Article 11.2.
- 12.5 In respect of a transfer notice under Article 12.4 above the price per share for the Good Leaver's Shares shall be the market value for the Equity Shares with no minority shareholding discount being applied. The market price of each Equity Share shall be determined by the Expert as defined in Article 11.3.
- 12.6 For the avoidance of doubt Paul Evans and Lawrence Hunt are not subject to the provisions of this Article 12.

13 Change of Control – Drag Along Rights

- 13.1 Subject to the provisions of Article 11.8, whenever an Approved Offer, as hereinafter defined, is made, with the prior consent of the holders of 75 per cent or more of the Ordinary Shares and the holders of 51 per cent or more of the A Ordinary Shares, such shareholders, shall have the right ("Drag Along Right") to require (in the manner set out in Article 13.3) all other Equity Shareholders (the "Minority Shareholders") to accept the Approved Offer in full.
- 13.2 For the purposes of this Article 13
- (a) "Approved Offer" means an offer in writing served on all members holding Equity Shares offering to purchase all the shares held by such members (including any Equity Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Shares in existence at the date of such offer) which:
 - (i) offers the same or equivalent consideration for each Equity Share (whether in cash, securities or otherwise in any combination);
 - (ii) includes an undertaking by or on behalf of the Buyer that no other consideration, (whether in cash or otherwise) is to be received or receivable by any Shareholder which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Equity Shares to be sold by such Equity Shareholder, and that neither the Buyer nor any person acting by agreement or understanding with has otherwise entered into more favourable terms or has agreed more favourable terms with any other Shareholder for the purchase of Equity Shares; and
 - (iii) is on terms that the sale and purchase of Equity Shares in respect of which the offer is accepted will be completed at the same time.
 - (b) "Buyer" means either the proposed transferee(s) or a third party wishing to purchase the entire issued share capital of the Company.
- 13.3 The Drag Along Right may be exercised by the service of notice to that effect on the Minority Shareholders at the same time as, or within 5 Business Days following the making of the Approved Offer. Such notice will be accompanied by all documents required to be executed by the Minority Shareholders to give effect to the relevant transfer.
- 13.4 On the exercise of the Drag Along Right, each of the Minority Shareholders will be bound to accept the Approved Offer in respect of its entire holding of Equity Shares and to complete with the obligations assumed by virtue of such acceptance.
- 13.5 If any of the Minority Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of its Equity Shares pursuant to the Approved Offer, or otherwise fails to take any action required of it under the terms of the Approved Offer, any holder of Equity Shares or any persons so authorised by the Board may accept the offer on behalf of the Minority Shareholders in question, or undertake any action required under the terms of the Approved Offer on the part of the Minority Shareholders in question. In particular, such person may execute the necessary transfer(s) on that Minority Shareholder's behalf; and against:

- (a) receipt by the Company (on trust for such Minority Shareholder) of the consideration payable for the relevant Equity Shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it); and
- (b) compliance by the Buyer and, where relevant, the Company with all other terms of the Approved Offer

deliver such transfer(s) to the Buyer (or its nominee). The Board will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the Equity Shares so transferred. After registration, the title to the Buyer (or its nominee) as registered holder of such Equity Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person. The Minority Shareholder will in such a case be bound to deliver up its certificate for its Shares to the Company, or a statutory declaration of loss (as appropriate) whereupon the Minority Shareholder will be entitled to receive the purchase price for such Shares.

- 13.6 Wherever an Approved Offer is made the Company must redeem or convert the Preference Shares in accordance with Article 5.3 or Article 5.4.

14 Change of Control – Tag Along Rights

- 14.1 For the purposes of this Article 14 “Acting in Concert” has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed at the date of adoption of these Articles.

“Controlling Interest” in relation to a person means the ownership by that person and his or its Connected Persons of Equity Shares carrying the right to more than 50 per cent of the total number of votes which may be cast on a poll at a general meeting of the Company.

- 14.2 With the exception of transfers of Equity Shares pursuant to Article 10 (Permitted Transfer), no transfer of Equity Shares which would result, if made and registered, in a person or persons Acting in Concert obtaining or increasing a Controlling Interest, will be made or registered unless:

- (a) an Approved Offer is made by a Buyer;
- (b) such Approved Offer is accepted by 50 per cent or more of the Equity Shareholders; and
- (c) the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it.

- 14.3 If an Approved Offer is made by a Buyer and such offer is not accepted by 50 per cent or more of the Equity Shareholders then such Approved Offer will be deemed to be rejected.

15 Prohibited transfers

Notwithstanding anything else contained in these Articles no share shall be issued or transferred to any infant, bankrupt or person of unsound mind.

16 Proceedings at general meetings

- 16.1 No business shall be transacted at any general meeting unless at least a quorum of Equity Shareholders is present at the time when the meeting proceeds to business. One Ordinary Shareholder (being Paul Evans unless he has given his previous consent for such general meeting to proceed without him) and one A Ordinary Shareholder present in person or by proxy shall be a quorum.
- 16.2 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, shall stand adjourned to the same day in the next week, at the same time and place (or to such other day and at such other time and place as all the Equity Shareholders may agree in writing). If at any adjourned meeting such a quorum is not present within half an hour from the time appointed for the adjourned meeting then any Equity Shareholder present shall constitute a quorum.
- 16.3 At any general meeting a poll may be demanded by any Equity Shareholder present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 16.4 An instrument appointing a proxy may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.
- 16.5 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to vote on a poll on the election of a chairman and on a motion to adjourn the meeting.

17 Written resolutions

Any written resolution of the Equity Shareholders may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

18 Votes of members

- 18.1 Subject as provided below in this paragraph and to any other special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every Equity Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a Equity Shareholder entitled to vote, shall have one vote and on a poll every Equity Shareholder shall have one vote for every share of which he is the holder provided that no shares of any class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of any other class.

Regulation 54 shall not apply.

19 Directors

- 19.1 Clause 64 in Table A shall not apply to the Company.

- 19.2 Unless and until the Company in General Meeting shall otherwise determine, there shall be no limitation as to the number of Directors. Whensoever the minimum number of Directors shall be one, a sole Director may exercise all the powers and authorities vested in the Directors by Table A and by these Articles. Clause 89 in Table A shall be modified accordingly.
- 19.3 The Directors of the Company shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.
- 19.4 (a) No person shall be appointed a Director at any general meeting unless either he or she is recommended by the Directors or if not less than fourteen nor more than thirty five clear days before the general meeting date, notice signed by a Shareholder qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.
- (b) Subject to the above the Company may by Ordinary Resolution in general meeting appoint any person who is willing to act to be a Director, either as an additional Director or to fill a vacant position.
- (c) In Regulation 84 of Table A there shall be inserted in the third sentence after the words "shall terminate" the parenthesis (unless the terms of his appointment otherwise provides).
- 19.5 In the case where as the result of the death of a sole Shareholder of the Company whereon the Company has no Shareholder and no Directors the personal representatives of the deceased Shareholder shall have the right by notice in writing to appoint a person to be a Director of the Company and such appointment shall be as effective as if made by the Company in general meeting pursuant to paragraph 18.4(b) above.
- 19.6 A Director, or any such other person as is mentioned in regulation 65 of Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meetings or committees of the Directors to one vote for every Director whom he/she represents in addition to his/her own vote (if any) as a Director, but in relation to determining a quorum he or she shall count as only one.
- 19.7 In the case of an equality of votes, either by way of a show of hands at a Director's meeting or a Director's Resolution, the chairman shall not be entitled to a second or casting vote.
- 19.8 The Director may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital or any part thereof subject to the following restrictions.
- 19.9 Matters requiring consent of the Investors' Director

In addition to any consent required by law the Company shall not do and (so far as it is able) it will not permit any member of the Group to and the Directors shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and all members of the Group so as to secure that the Company and each member of the Group shall not do any of the following without the prior written consent of the Investors' Director or if there is no Investors' Director the prior written consent of the Investors:

- (a) amalgamate, merge, consolidate, sell or otherwise dispose of its undertaking, property or assets or any material part of them or effect any change in the nature of its business or its business policy and for the purpose of this Article 18 the expression "material" shall mean five per cent. or more of the value of the net assets of the Group as shown in the then latest published audited consolidated balance sheet of the Group;
- (b) carry on any activity, business or trade other than the provision of flights, accommodation and other travel services and shall therefore not have any trade nor a substantial part of any trade which consists of one or more of the following:
 - (i) dealing in land, commodities, futures, shares, securities or other financial instruments;
 - (ii) dealing in goods otherwise than in the course of an ordinary trade of wholesale or retail distribution;
 - (iii) banking, insurance, money lending, debt factoring, hire purchase financing or other financial activities;
 - (iv) leasing (including letting ships on charter or other assets on hire) or receiving royalties or licence fees;
 - (v) providing legal or accountancy services;
 - (vi) providing services or facilities for any of the above activities carried on by a company (not being its holding company) in which a controlling interest is held by a person who also has a controlling interest in the relevant Group member;
 - (vii) farming or market gardening;
 - (viii) holding, managing or occupying woodlands, any other forestry activities or timber production;
 - (ix) operating or managing nursing homes or residential care homes, or managing property used as a nursing home or residential care home.

20 Telephone Meetings

- 20.1 All or any of the members of the board of directors or any committee the board may participate in a meeting of the board or that committee by means of conference telephones or any communication equipment which allows all persons participating in the meeting to hear 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 no such group, where the chairman of the meeting then is.

21 Directors' Interests

- 21.1 A director who is in any way whether directly or indirectly interested in a transaction or arrangement or proposed transaction or arrangement with the Company may vote in respect of any such transaction or arrangement or proposed transaction or arrangement or any matter arising thereout and if he does so vote his vote shall be counted and he shall be capable of constituting a quorum at any meeting of the directors at which any such transaction or arrangement or proposed transaction or arrangement shall come before the board of directors for consideration and may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 97 shall not apply.

22 Notices

A notice sent by post shall be deemed to be given at the time when the same was posted. The second sentence of regulation 115 shall not apply.

23 Indemnity and insurance

- 23.1 Subject to the provisions of and so far as may be permitted by law, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by any court. Regulation 118 shall not apply.
- 23.2 The Company may purchase and maintain for any officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

24 Company seal

The Company need not have a company seal and pursuant to Section 36A of the Act may execute and deliver any document as a deed under the signature of any two directors or of one director and the secretary. A certificate in respect of any shares or other securities in the Company shall be validly issued if it is executed as a deed as aforesaid.

25 Representatives

These Articles shall be binding upon and (except as otherwise provided herein) shall enure for the benefit of each member's Representatives.