Company No. 10625893

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

CHAPMAN GUITARS LIMITED (Company)

Passed on: 31 March 2017

By a written resolution agreed to in accordance with Chapter 2 of Part 13 of the Companies Act 2006 (the **2006 Act**) by or on behalf of the required number of the members of the Company who, at the date of circulating the resolution, were entitled to vote on the resolution the following resolution of the Company were duly passed:

SPECIAL RESOLUTION

THAT the articles of association of the Company be modified by the adoption of the new attached articles of association in substitution for, and to the exclusion of, the existing articles of association.

Signed .....
Lee Anderton, Director

Dated: .....31/3/17.....

ARTICLES OF ASSOCIATION OF CHAPMAN GUITARS LIMITED

Morrisons
SOLICITORS

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Article

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CHAPMAN GUITARS LIMITED

INTRODUCTION

1. Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

Acceptance Period: has the meaning given in Article 14.5.1.

Act: the Companies Act 2006.

Acting in Concert: has the meaning given by the City Code on Takeovers and Mergers as in force and construed on the Adoption Date.

Adoption Date: the date of adoption of these articles.

Allocated Person: has the meaning given in Article 14.8.1.

Articles: the company's articles of association for the time being in force.

Bad Leaver: either:

(a) a shareholder who becomes a Leaver as a result of the shareholder ceasing to be an Employee (or in the case of a body corporate which is a shareholder its Relevant Controller ceases to be an Employee) where that cessation occurs as a result of gross misconduct or fraud; or

(b) a shareholder who has a bankruptcy order made against him (or in the case of a body corporate has an order for winding up made against it or enters into any form of insolvency process or its Relevant Controller has a bankruptcy order made against him); or

(c) a shareholder who commits a material breach of any shareholder agreement governing the

affairs and holding of shares in the Company to which the Leaver is a party (or in the case of a body corporate its Relevant Controller commits such a material breach);

(d) in respect of a Principal Shareholder which is a body corporate any change in the identity of its Relevant Controller; or

(e) a shareholder who undertakes a transfer of Shares or attempts to transfer Shares in breach of these Articles,

save that in the case of any of the circumstances at limbs (c) and (e) of this definition, if the breach is capable of remedy the shareholder shall not be deemed a Bad Leaver where he remedies the breach within 14 days of the earlier of the breach arising or being requested to remedy the breach by the Company or any other shareholder.

Committed Shareholder: has the meaning given in Article 17.

Company: Chapman Guitars Limited.

Completion: completion of the sale of the relevant Sale Shares in accordance with these articles.

Conflict: has the meaning given in Article 7.

Connected Person: a person connected with another within the meaning of section 839 of the Income and Corporation Taxes Act 1988.

Controlling Interest: an interest (within the meaning of Schedule 1 to the Act) in more than 50% of the Shares.

Controlling Shares: has the meaning given in Article 17.1.

Close Date: has the meaning given in Article 17.2.2.

Director: a director of the Company, including any person occupying the position of director, by whatever name called.

Dragged Shareholders: has the meaning given in Article 16.1.

Dragged Shares: has the meaning given in Article 16.1.

Drag Notice: has the meaning given in Article 16.2.

Drag Option: has the meaning given in Article 16.1.

Drag Price: has the meaning given in Article 16.2.3.

Electronic Form: has the meaning given in section 1168 of the Act.

Eligible Shareholders: each shareholder who is a shareholder at the Transfer Notice Date (excluding the relevant Seller, any Excluded Person and any other shareholder who at any time before that date has given (or is deemed to have given) a current Transfer Notice in respect of any Share or who is bound under these articles to give a Transfer Notice in respect of any Share).

Employee: a director and/or employee of any Group Company.

Equity Securities: has the meaning given in section 560(1) of the Act.

Excluded Person: a person who is:

(a) a Leaver; or

(b) an Employee who has given or been given notice to terminate his contract of employment (or engagement in office) with any Group Company and following that termination will cease to be an Employee; or

(c) or in the case of a body corporate which is a shareholder its Relevant Controller an Employee who has given or been given notice to terminate his contract of employment (or engagement in office) with any Group Company and following that termination will cease to be an Employee.

Expert: a firm of chartered accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination for a period of seven days, appointed on the application of any of the parties concerned by the President for the time being of the Institute of Chartered Accountants in England and Wales.

Fair Price: the price per Sale Share agreed between the relevant Seller and the Company within 10 days after the Transfer Notice Date or, failing such agreement, the price determined by the Expert pursuant to Article 14.4.

Family Members: in relation to any Principal Shareholder, that

Principal Shareholder's spouse and children (including step and adopted children) provided in each case they are over the age of 18 and provided that in respect of a Principal Shareholder which is a body corporate, all references to the a Family Trust of the Principal Shareholder shall be deemed to refer to a Family Trust of its Relevant Controller.

Family Trust: in relation to a Principal Shareholder, a trust:

(a) of which that Principal Shareholder is the settlor;

(b) which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of:

(i) that Principal Shareholder and/or a Family Member of that Principal 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 from it 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

(c) 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, that Principal Shareholder or any Family Member of that Principal Shareholder;

and **trust** includes a trust arising under a settlement, or declaration of trust, inter vivos but excludes testamentary disposition or a trust arising on an intestacy, provided that in respect of a Principal Shareholder which is a body corporate, all references to the a Family Trust of the Principal Shareholder shall be deemed to refer to a Family Trust of its Relevant Controller.

Fully Paid: in relation to a Share, that the nominal value and any premium to be paid to the Company in respect of that Share have been Paid to the Company.

Group: the Company and each Subsidiary.

Group Company: any member of the Group.

Hard Copy Form: has the meaning given in section 1168 of the Act.

Holder: in relation to a Share, the person whose name is entered in the register of members as the holder of that Share from time to time.

Interested Director: has the meaning given in Article 7.1.

Interested Shareholders: has the meaning given in Article 17.1.

Issue Price: in relation to any Share, the price at which that Share is issued (being the aggregate of the amount Paid in respect of the nominal value of that Share and any share premium on that Share).

Leaver:

(a) any Principal Shareholder who (or in the case of a body corporate whose Relevant Controller):

(i) dies; or

(ii) otherwise ceases to be an Employee; or

(b) any Principal Shareholder who otherwise falls within the definition of Bad Leaver or whose Permitted Transferees otherwise fall within the definition of Bad Leaver;

(c) in respect of any Principal Shareholder which is a body corporate any matter affects its Relevant Controller which would if that Relevant Controller were himself the Principal Shareholder make that person a Leaver;

(d) any shareholder who:

(i) is a trustee of a Family Trust of any Principal Shareholder who becomes a Leaver;

(ii) is a Family Member of a Principal Shareholder who becomes a Leaver

(provided that such trustee or Family Member shall only be deemed to be a Leaver in respect of any Shares he holds which were either transferred to him by that Principal Shareholder or any Family Member or trustee of any Family Trust of that Principal Shareholder pursuant to Article 34.1 or Article 34.2 or were obtained as a result of Shares that were so transferred); or

(e) any person who is a Transmittee of any

Hard Copy Form: has the meaning given in section 168 of the Act.

Holder: in relation to a Share, the person whose name is entered in the register of members as the holder of that Share from time to time.

Interested Director: has the meaning given in Article 77.

Interested Shareholder: has the meaning given in Article 17.

Issue Price: in relation to any Share, the price at which that Share is issued (being the aggregate of the amount paid in respect of the nominal value of that Share and any share premium on that Share).

Leaver:

(a) any Principal Shareholder who (or in the case of a body corporate, whose Relevant Controller):

(i) dies; or

(ii) otherwise ceases to be an Employee; or

(b) any Principal Shareholder who otherwise falls within the definition of Bad Leaver or whose Permitted Transferees otherwise fall within the definition of Bad Leaver;

(c) in respect of any Principal Shareholder which is a body corporate, any matter which is the Relevant Controller which would if that the Relevant Controller were himself the Principal Shareholder make that person a Leaver;

(d) any shareholder or who:

(i) is a trustee of a Family Trust of any Principal Shareholder who becomes a Leaver;

(ii) is a Family Member of a Principal Shareholder who becomes a Leaver;

(provided that such trustee or Family Member shall only be deemed to be a Leaver in respect of any Shares he holds which were either transferred to him by that Principal Shareholder or any Family Member or trustee of any Family Trust of that Principal Shareholder pursuant to Article 34.1 or Article 34.2 or were obtained as a result of Shares that were so transferred); or

(e) any person who is a Transmittee of any

shareholder; or

(f) any person who becomes entitled to any Shares on the exercise of an option after ceasing to be an Employee or ceasing to hold any other Shares.

Leaver's Shares: all of the Shares held by a Leaver, or to which that Leaver is entitled, on the Leaving Date and any Shares acquired by that Leaver after the Leaving Date.

Leaving Date: in relation to any Leaver, the date on which he becomes a Leaver (which, in the case of any Leaver who becomes a Leaver by virtue of any person ceasing to be an Employee, shall be the Termination Date in relation to that former Employee) and in the case of any person becoming a Leaver by reason of the circumstances set out in limbs (c) and (e) of the definition Bad Leaver the date on which any right to remedy such breach terminates.

Non-Cash Consideration: has the meaning given in Article 16.2.2

Majority Decision: a majority decision taken at a Directors' meeting.

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

Offer: has the meaning given in Article 11.2.

Offer Notice: has the meaning given in Article 11.2.

Offer Period: has the meaning given in Article 11.2.5.

Offered Securities: has the meaning given in Article 11.2.1.

Ordinary Resolution: has the meaning given in section 282 of the Act.

Paid: paid or credited as paid.

Permitted Transferee: any person to whom shares are transferred by a Principal Shareholder as a Family Member or as a trustee of a Family Trust (or to whom shares are transferred by a Permitted Transferee in accordance with the Articles).

Principal Shareholder:	any person who is shareholder excluding: (a) any Permitted Transferee; and (b) any Transmittee; (c) any person who becomes a shareholder in breach of these Articles, unless in any such case it is agreed with Shareholder Consent that the person is to be treated as an Principal Shareholder.
Proposed Controller:	has the meaning given in Article 17.1.
Relevant Proportions:	in relation to the relevant shareholders, in proportion (as nearly as possible without involving fractions) to the nominal value of the Shares held by them respectively at the date of the Offer Notice.
Relevant Controller:	in the case of a Principal Shareholder which is a body corporate the individual exercising control of that body corporate, being at the Adoption Date: (a) in respect of Monkey Lord Limited, Robert Chapman; and (b) in respect of L Anderton (UK) Limited, Lee Anderton.
Relevant Shares:	has the meaning given in Article 16.1.
Sale Notice:	has the meaning given in Article 14.8.2.
Sale Price:	the price per Share at which the relevant Sale Shares are offered to the relevant Eligible Shareholders.
Sale Shares:	has the meaning given in Article 14.2.1.
Seller:	has the meaning given in Article 14.1.
Shareholder Consent:	the prior consent in Writing of the Shareholder Majority.
Shareholder Majority:	shareholders who together, at the relevant time, hold more than 75% in number of the Shares.
Shares:	ordinary shares of £1 each in the Company.
Special Resolution:	has the meaning given in section 283 of the Act.

Subsidiary:	any company which is a subsidiary of the Company from time to time.
Tag Notice:	has the meaning given in Article 17.2.
Tag Offer:	has the meaning given in Article 17.1.
Tag Price:	has the meaning given in 17.2.1.
Termination Date:	(a) where employment ceases by virtue of notice given by the employer to the Employee concerned, the date on which that notice expires; (b) where a contract of employment is terminated by notice given by the employer and a payment is made in lieu of notice, the date on which that notice was given or, if later, the date the Employee concerned ceases to be an Employee; (c) where the Employee concerned is a director and an employee of any Group Company, the date on which that Employee's contract of employment with that Group Company is terminated; (d) where the Employee concerned is a director (but not an employee) of any Group Company, the date on which the contract for the provision of that Employee's services (whether entered into directly with him or with a third party) with that Group Company is terminated; or (e) in any other case, the date on which the contract of employment is terminated.
Third Party Purchaser:	any person who is not a shareholder or a Connected Person of a shareholder.
Total Sale Condition:	has the meaning given in Article 14.2.4.
Transfer Form:	an instrument of transfer of Shares in any usual form or in any other form approved by the Directors, which is executed by or on behalf of the transferor.
Transfer Notice:	has the meaning given in Article 14.1.
Transfer Notice Date:	the date of the relevant Transfer Notice.

Transfer Offer Notice:	*has the meaning given in Article 14.5.*
Transfer Proportions:	in relation to the relevant Eligible Shareholders, in proportion (as nearly as possible without involving fractions) to the nominal value of the Shares held by them respectively at the Transfer Notice Date.
Transmittee:	a person entitled to a Share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law.
Uncommitted Shareholders:	has the meaning given in Article 17.1.
Uncommitted Shares:	has the meaning given in Article 17.1.
Unsold Shares:	has the meaning given in Article 14.12.2.
Unsold Shares Notice:	has the meaning given in Article 14.12.
Writing or Written:	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

1.2 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.

1.3 Regulations 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.

1.4 Regulation 7 of the Model Articles shall be amended by:

1.4.1 the insertion of the words "for the time being" at the end of regulation 7(2)(a); and

1.4.2 the insertion in regulation 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

1.5 Regulation 20 of the Model Articles shall be amended by the insertion of the words "*and the secretary*" *before the words* "*properly incur*".

1.6 In regulation 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

1.7 Regulation 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to regulation 10," after the word "But".

1.8 Regulation 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under regulation 28(2) of the Model Articles," after the words "the transmittee's name".

1.9 Regulations 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Regulation 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

1.10 The rules of interpretation set out in Articles 1.11 to 1.17 (inclusive) apply in these articles.

1.11 A reference to:

1.11.1 a **person** includes a reference to:

(a) any individual, firm, partnership, unincorporated association or company wherever incorporated or situate; and

(b) that person's legal personal representatives, trustees in bankruptcy and successors;

1.11.2 **bankruptcy** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

1.11.3 a **document** includes, unless otherwise specified, any document sent or supplied in Electronic Form; and

1.11.4 a **company** shall include any company, corporation or other body corporate, however incorporated or established and in whichever jurisdiction.

1.12 Unless the context otherwise requires:

1.12.1 words denoting the singular shall include the plural and vice versa;

1.12.2 words denoting a gender shall include all genders; and

1.12.3 references to (or to any specified provision of) these articles or any other document shall be construed as references to these articles, that provision or that document as in force and as amended from time to time.

1.13 Unless stated to the contrary, a reference to a statute, statutory provision or subordinate legislation includes a reference to it as modified, replaced, amended and/or re-enacted from time to time (before or after the Adoption Date) and any prior or subsequent legislation made under it but this Article 1.13 shall not operate so as to impose on any person any greater obligation than would otherwise apply.

1.14 Unless the context otherwise requires, words or expressions used in these articles shall have the same meaning as in the Act.

1.15 Terms **including**, **include**, **in particular** or similar expression, shall not limit the sense or application of any words preceding those terms.

1.16 A reference to an **Article** is to an article of these articles.

1.17 A reference to a **transfer of Shares** or any similar expression shall include a sale or transfer of any interest in any Shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over any Shares.

DIRECTORS

2. Unanimous decisions

2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.

2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3. Calling a directors' meeting

Any director may call a directors' meeting by giving notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

4. *Quorum for directors' meetings*

4.1 Subject to Article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors, however if the number of directors in office is one, the provisions of regulation 7(2) of the Model Articles shall apply.

4.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

5. Casting vote

5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting does not have a casting vote.

5.2 Article 5.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

6. Transactions or other arrangements with the company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether *directly or indirectly, interested in an existing or proposed transaction or* arrangement with the company:

6.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;

6.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

6.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

6.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;

6.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and

6.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7. Directors' conflicts of interest

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this Article 7 will be effective only if:

7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and

7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.

7.3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently):

7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and

7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9. Number of directors

Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than two.

10. Appointment of directors

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

SHARES

11. Pre-emption rights on allotment

11.1 Except with the prior Written consent of all shareholders, all Equity Securities which the Directors propose to allot after the Adoption Date shall first be offered to the shareholders in accordance with the provisions of this Article 11.

11.2 Any offer of Equity Securities pursuant to Article 11.1 (an **Offer**) shall be made by notice in Writing (an **Offer Notice**) to the shareholders at that time. The Offer Notice shall specify:

11.2.1 the aggregate number of Equity Securities offered (the **Offered Securities**);

11.2.2 the price per Offered Security;

11.2.3 that the shareholder may not assign the right to apply for the Offered Securities to any person, save that a Permitted Transferee may transfer such rights to his Principal Shareholder;

11.2.4 that each shareholder is entitled to apply for all or any of the Offered Securities; and

11.2.5 the period (the **Offer Period**) (which shall be at least 14 days from the date of the Offer Notice) within which each shareholder must deliver his application for Offered Securities to the Company.

11.3 After the expiration of the Offer Period:

11.3.1 if the total number of Offered Securities applied for is equal to or less than the total number of Offered Securities, each shareholder shall be allotted the number of Offered Securities he applied for; or

11.3.2 if the total number of Offered Securities applied for exceeds the total number of Offered Securities:

(a) the Company shall allot the Offered Securities, in the Relevant Proportions, to the shareholders who have applied for them (but without allotting to any shareholder more Offered Securities than he applied for); and

(b) any remaining Offered Securities shall be allotted, in the Relevant Proportions, to those shareholders whose applications for Offered Securities have not yet been satisfied in full (but without allotting to any shareholder more Offered Securities than he applied for) and any remaining Offered Securities shall be apportioned by re-applying the provisions of this Article 11.3.2(b); and

11.3.3 any Offered Securities not allotted or not capable of being allotted as specified above except by way of fractions, shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of them to such persons, on such terms, and in such manner as they think fit, provided that those Offered Securities shall not be disposed of on terms which are more favourable than the terms on which they were offered to the shareholders.

11.4 In accordance with section 568 of the Act , the requirements of sections 561 and 562 of the Act shall not apply to any allotment of Equity Securities by the Company.

12. Purchase of own shares

12.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

12.1.1 £15,000; and

12.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

13. Permitted transfers

13.1 Permitted transfers to Family Members and Family Trusts

Any Principal Shareholder who is not an Excluded Person may at any time transfer any Shares held by him to any Family Member or to trustees to be held on a Family Trust provided that:

13.1.1 no Principal Shareholder may transfer any Shares pursuant to this Article 13.1 if, after the registration of that transfer in the register of members of the Company, that Principal Shareholder would be left with no Shares;

13.1.2 any Family Member and/or the trustees of any Family Trust to whom any Shares are transferred by a Principal Shareholder pursuant to this Article 13.1 shall themselves be entitled to transfer those Shares pursuant to Article 13.2 but not pursuant to this Article 13.1;

13.1.3 if any Shares held by the trustees of a Family Trust of a Principal Shareholder cease to be so held on a Family Trust (otherwise than in consequence of a transfer in accordance with Article 13.2) or there ceases to be any beneficiaries of that Family Trust other than a charity or charities,:

(a) the trustees of that Family Trust and the relevant Principal Shareholder shall immediately notify the Company in writing of that cessation; and

(b) unless the Directors direct otherwise, the trustees of that Family Trust shall immediately transfer those Shares back to the relevant Principal Shareholder;

13.1.4 if a Family Member to whom any Shares have been transferred pursuant to this Article 13.2 or Article 13.2 ceases to be a Family Member of the relevant Principal Shareholder:

(a) that former Family Member and the relevant Principal Shareholder shall immediately notify the Company in writing of that cessation; and

(b) unless the Directors direct otherwise, that former Family Member shall immediately transfer to that Principal Shareholder any Shares held by that former Family Member which were transferred to him by

the relevant Principal Shareholder or any of that Principal Shareholder's Family Trusts pursuant to Article 13.2 or Article 13.2 and any other Shares that former Family Member holds which were obtained as a result of holding those transferred Shares;

13.1.5 if the trustees of a Family Trust or a former Family Member of a Principal Shareholder fail to comply with Articles 13.1.3 or 13.1.4 respectively, the Company:

(a) is unconditionally and irrevocably authorised to appoint any person as agent of those trustees or that former Family Member (as the case may be) to execute and deliver the required Transfer Form in their name and on their behalf (and to do such other things as are necessary to transfer the relevant Shares pursuant to this Article 13); and

(b) may (subject to that Transfer Form being stamped or duly certified) register the transfer;

and the validity of those proceedings shall not be questioned by any person.

13.2 **Permitted transfers by Family Members and Family Trusts**

13.2.1 A Family Member of a Principal Shareholder may transfer to that Principal Shareholder any Shares that Family Member holds which were transferred to him by that Principal Shareholder or any of that Principal Shareholder's Family Trusts pursuant to Article 13.1 or this Article 13.2 and any other Shares held by that Family Member which were obtained as a result of holding those transferred Shares.

13.2.2 Where any Shares are held by trustees on a Family Trust of a Principal Shareholder:

(a) on any change of trustees those Shares may be transferred to the new trustees of that Family Trust; and

(b) those Shares may be transferred at any time:

(i) to the relevant Principal Shareholder;

(ii) to another Family Trust of the relevant Principal Shareholder; or

(iii) to any Family Member of the relevant Principal Shareholder.

13.3 **Transfers to the Company**

Any shareholder may at any time with Shareholder Consent transfer any Shares to the Company in accordance with the Act and these Articles provided that prior to any such transfer to the Company becoming legally binding, the relevant Shares shall first be offered to the other Shareholders in accordance with Article 14.

13.4 **Transfers with Shareholder Consent**

Notwithstanding any other provisions of these articles, any transfer of Shares made with the prior Written consent of all Shareholders may be made without restriction.

the relevant Principal Shareholder or any of that Principal Shareholder's Family Trusts pursuant to Article 13.2 or Article 13.2 and any other Shares that former Family Member holds which were obtained as a result of holding those transferred Shares

13.1.5 if the trustees of a Family Trust or a former Family Member of a Principal Shareholder fail to comply with Articles 13.1.3 or 13.1.4 respectively, the Company,

(a) is unconditionally and irrevocably authorised to appoint any person as agent of those trustees or that former Family Member (as the case may be) to execute and deliver the required Transfer Form in their name and on their behalf (and to do such other thing as are necessary to transfer the relevant Shares pursuant to this Article 13) and

(b) may (subject to that Transfer Form being stamped or duly certified) register the transfer

and the validity of those proceedings shall not be questioned by any person.

13.2 **Permitted transfers by Family Members and Family Trusts**

13.2.1 A Family Member of a Principal Shareholder may transfer to that Principal Shareholder any Shares that Family Member holds which were transferred to him by that Principal Shareholder or any of that Principal Shareholder's Family Trusts pursuant to Article 13.1 or this Article 13.2 and any other Shares held by that Family Member which were obtained as a result of holding those transferred Shares

13.2.2 Where any Shares are held by trustees on a Family Trust of a Principal Shareholder

(a) on any change of trustees those Shares may be transferred to the new trustees of that Family Trust and

(b) those Shares may be transferred at any time

(i) to the relevant Principal Shareholder;

(ii) to another Family Trust of the relevant Principal Shareholder; or

(iii) to any Family Member of the relevant Principal Shareholder

13.3 **Transfers to the Company**

Any shareholder may at any time with Shareholder Consent transfer any Shares to the Company in accordance with the Act and these Articles provided that prior to any such transfer to the Company becoming legally binding, the relevant Shares shall first be offered to the other Shareholders in accordance with Article 14

13.4 **Transfers with Shareholder Consent**

Notwithstanding any other provisions of these articles, any transfer of Shares made with the prior Written consent of all Shareholders may be made without restriction

14. Voluntary transfers

14.1 Any shareholder who wishes to transfer any Shares other than pursuant to Article 13 (the **Seller**) shall give the Company notice in Writing (the **Transfer Notice**). Once given the Transfer Notice shall be irrevocable.

14.2 The Transfer Notice shall specify:

14.2.1 the number of Shares the Seller wishes to transfer (the **Sale Shares**);

14.2.2 whether the Seller has received an offer from a third party for the Sale Shares and if so the identity of that third party and the price offered by that third party for the Sale Shares;

14.2.3 the price per share at which the Seller wishes to sell the Sale Shares; and

14.2.4 whether the Seller wishes to impose a condition that unless all the Sale Shares are sold none shall be sold (a **Total Sale Condition**).

14.3 By giving the Transfer Notice, the Seller appoints the Company (acting by the Directors) as his agent with the power to sell the Sale Shares (with all rights attaching to them) in accordance with the provisions of these articles.

14.4 The Sale Price shall be the Fair Price. If the Fair Price is to be determined by an Expert:

14.4.1 the Company shall immediately instruct the Expert to determine the Fair Price on the basis which, in the Expert's opinion, represents a fair price for the Sale Shares at the Transfer Notice Date as between a willing seller and a willing buyer and, in making that determination, the Expert shall ignore the fact that the Sale Shares represent (if that is the case) a minority or majority interest in the share capital of the Company and can be subject to the compulsory transfer requirements of Articles 15 and 16);

14.4.2 the Expert shall certify the Fair Price as soon as possible after being instructed by the Company and in so certifying the Expert shall be deemed to be acting as expert and not as arbitrator and the Arbitration Act 1996 shall not apply;

14.4.3 the certificate of the Expert shall, in the absence of manifest error, be final and binding; and

14.4.4 the Company shall procure that any certificate required pursuant to this Article 14.4 is obtained as soon as possible and the cost of obtaining that certificate shall be borne equally by the Company and the Seller unless the Expert directs otherwise.

14.5 Within seven days of the Sale Price being agreed or determined in accordance with these articles, the Company shall give notice in Writing (the **Transfer Offer Notice**) to the Eligible Shareholders offering for sale the Sale Shares at the Sale Price. The Transfer Offer Notice shall specify:

14.5.1 that each Eligible Shareholder:

(a) is entitled to apply for some or all of the Sale Shares;

(b) may not assign the right to apply for the Sale Shares to any person, save that a Permitted Transferee may transfer such rights to his Principal Shareholder; and

(c) shall, if he wishes to apply, have a period of 21 days from the date of the Transfer Offer Notice (the **Acceptance Period**) within which to deliver his application for Sale Shares, including notice of any assignment of such rights from a Permitted Transferee to his Principal Shareholder to the Company; and

14.5.2 whether the Transfer Notice contained a Total Sale Condition.

14.6 Subject to Article 14.7, on the expiry of the Acceptance Period:

14.6.1 if the total number of Sale Shares applied for is equal to or less than the total number of Sale Shares, the Company:

(a) shall allocate to each Eligible Shareholder the number of Sale Shares he applied for; and

(b) may allocate any remaining Sale Shares to itself (and it shall, subject to the Act, be entitled to acquire them); or

14.6.2 if the total number of Sale Shares applied for is greater than the total number of Sale Shares, the Company shall allocate:

(a) the Sale Shares, in the Transfer Proportions, amongst the Eligible Shareholders who have applied for them (but without allocating to any Eligible Shareholder more Sale Shares than he applied for); and

(b) any remaining Sale Shares, in the Transfer Proportions, to those Eligible Shareholders whose applications for Sale Shares have not yet been satisfied in full (but without allocating to any Eligible Shareholder more Sale Shares than he applied for) and any remaining Sale Shares shall be allocated by re-applying the provisions of this Article 14.6.2(b).

14.7 If the Transfer Notice contained a Total Sale Condition the Company shall not allocate any of the Sale Shares pursuant to Article 35.6 unless all of the Sale Shares can be so allocated.

14.8 If any of the Sale Shares are allocated by the Company pursuant to Article 14.6:

14.8.1 the persons to whom they are allocated (each an **Allocated Person**) shall be bound to acquire the Sale Shares allocated to them on the terms on which they were offered for sale; and

14.8.2 the Company shall immediately on allocating any Sale Shares give notice in Writing (the **Sale Notice**) to the Seller and to each Allocated Person specifying:

(a) the number of Sale Shares allocated to that Allocated Person and the aggregate price payable for those Sale Shares; and

(b) the time, date and place of Completion (which shall be not less than seven and not more than 28 days after the date of the Sale Notice).

(b) may not assign the right to apply for the Sale Shares to any person, save that a Permitted Transferee may transfer such rights to his Principal Shareholder; and

(c) shall, if he wishes to apply, have a period of 21 days from the date of the Transfer Offer Notice (the **Acceptance Period**) within which to deliver his application for Sale Shares, including notice of any assignment of such rights from a Permitted Transferee to his Principal Shareholder to the Company; and

14.5.2 whether the Transfer Notice contained a Total Sale Condition.

14.6 Subject to Article 14.7, on the expiry of the Acceptance Period:

14.6.1 if the total number of Sale Shares applied for is equal to or less than the total number of Sale Shares, the Company:

(a) shall allocate to each Eligible Shareholder the number of Sale Shares he applied for; and

(b) may allocate any remaining Sale Shares to itself (and if shall, subject to the Act, be entitled to acquire them); or

14.6.2 if the total number of Sale Shares applied for is greater than the total number of Sale Shares, the Company shall allocate:

(a) the Sale Shares, in the Transfer Proportions, amongst the Eligible Shareholders who have applied for them (but without allocating to any Eligible Shareholder more Sale Shares than he applied for); and

(b) any remaining Sale Shares, in the Transfer Proportions, to those Eligible Shareholders whose applications for Sale Shares have not yet been satisfied in full (but without allocating to any Eligible Shareholder more Sale Shares than he applied for) and any remaining Sale Shares shall be allocated by re-applying the provisions of this Article 14.6.2(b).

14.7 If the Transfer Notice contained a Total Sale Condition the Company shall not allocate any of the Sale Shares pursuant to Article 14.6 unless all of the Sale Shares can be so allocated.

14.8 If any of the Sale Shares are allocated by the Company pursuant to Article 14.6:

14.8.1 the persons to whom they are allocated (each an **Allocated Person**) shall be bound to acquire the Sale Shares allocated to them on the terms on which they were offered for sale; and

14.8.2 the Company shall immediately on allocating any Sale Shares give notice in writing (the **Sale Notice**) to the Seller and to each Allocated Person specifying:

(a) the number of Sale Shares allocated to that Allocated Person and the aggregate price payable for those Sale Shares; and

(b) the time, date and place of Completion (which shall be not less than seven and not more than 28 days after the date of the Sale Notice)

14.9 On Completion:

14.9.1 each Allocated Person (other than the Company) shall pay the purchase price in respect of the relevant Sale Shares:

(a) to the Seller; or

(b) if the Seller is not present at Completion, to the Company to be held on trust (without interest) for the Seller (and the receipt of the Company for the purchase price shall be a good discharge to that Allocated Person (who shall not be bound to see to the application of it));

14.9.2 if the Company is an Allocated Person, it shall:

(a) pay the purchase price for the relevant Sale Shares to the Seller; or

(b) if the Seller is not present at Completion, hold the purchase price for the relevant Sale Shares on trust (without interest) for the Seller; and

14.9.3 the Seller shall transfer the relevant Sale Shares to the relevant Allocated Person and deliver the relevant share certificates.

14.10 If the Seller defaults in transferring any Sale Shares to an Allocated Person pursuant to Article 14.9, the Company is unconditionally and irrevocably authorised to appoint any person as agent of the Seller to execute a Transfer Form for those Sale Shares in the name, and on behalf, of the Seller (and to do such other things as are necessary to transfer the relevant Sale Shares pursuant to this Article 14) and when that Transfer Form has been duly stamped:

14.10.1 where the Allocated Person is not the Company, the Company shall cause the name of that Allocated Person to become the holder of those Sale Shares; or

14.10.2 where the Allocated Person is the Company, the Company shall cause those Sale Shares to be cancelled in accordance with the Act;

and after that, the validity of the proceedings shall not be questioned by any person.

14.11 Any money held on trust by the Company for the Seller in respect of any Sale Shares shall only be released to the Seller on production of the relevant share certificates (or an appropriate indemnity for any lost share certificates) for the Sale Shares that have been transferred to Allocated Persons.

14.12 If the Company cannot allocate all of the Sale Shares pursuant to Article 14.6, the Company shall immediately notify the Seller in Writing (the **Unsold Shares Notice**). The Seller may within three months of the date of the Unsold Shares Notice:

14.12.1 if the Transfer Notice contained a Total Sale Condition, sell all (but not some only) of the Sale Shares; or

14.12.2 if the Transfer Notice did not contain a Total Sale Condition, sell all or any of the Sale Shares that have not been allocated pursuant to Article 14.6 (the **Unsold Shares**);

to the person identified in the Transfer notice at any price per Share which is not less than the price notified in the Transfer Notice. The Directors may require the

Seller to satisfy them that any transfer of Shares pursuant to this Article 14.12 is in pursuance of a sale in good faith for the consideration stated in the transfer and if they are not satisfied they may refuse to register the relevant Transfer Form.

15. Transfers in respect of leavers

15.1 Any person who becomes a Leaver shall immediately give the Company notice in Writing detailing the relevant circumstances.

15.2 A Leaver who is not a Bad Leaver may offer their Shares for sale under the provisions of Article14, but the provisions of this Article 15 shall not apply.

15.3 Any Bad Leaver shall (unless the Directors resolve otherwise) be deemed to have served a Transfer Notice on the Leaving Date in respect of the Bad Leaver's Shares and the provisions of Article 14 shall apply except that:

15.3.1 the Seller shall be the Bad Leaver;

15.3.2 the Sale Shares shall be the Bad Leaver's Shares;

15.3.3 the Transfer Notice Date shall be the Leaving Date;

15.3.4 the Sale Price for the Bad Leaver's Shares shall be the Fair Price;

15.3.5 in relation to the Fair Price, the Bad Leaver and the Company shall have 10 days after the Leaving Date or (if later) the date on which all the Directors become aware of the fact that the Bad Leaver is a Bad Leaver, in which to agree the Fair Price before the matter is referred to an Expert;

15.3.6 if a Principal Shareholder is a Bad Leaver, any Permitted Transferee who becomes a Leaver as a consequence (including without limitation the Permitted Transferees of any Principal Shareholder who has become a Bad Leaver) shall also be deemed to be a Bad Leaver;

15.3.7 that Transfer Notice shall be deemed not to contain a Total Sale Condition; and

15.3.8 in relation to any Unsold Shares, a Transmittee who produces such evidence of entitlement to those Shares as the Directors may properly require, may choose either to become the holder of those Shares or to have them transferred to any Family Member of the relevant shareholder and the provisions of regulations 27 and 28 of the Model Articles shall apply.

16. Drag along

16.1 If the Shareholder Majority want to transfer all their Shares (the **Relevant Shares**) on arms length terms and in good faith to a Third Party Purchaser they shall have the option (the **Drag Option**) to require the other shareholders (the **Dragged Shareholders**) to transfer all their Shares (the **Dragged Shares**) to the Third Party Purchaser with full title guarantee in accordance with this Article 16.

16.2 Subject to and following compliance with the provisions of Article 14, to exercise the Drag Option the Shareholder Majority shall give an irrevocable notice in Writing (the **Drag Notice**) to the Dragged Shareholders. The Drag Notice shall specify:

Seller to satisfy them that any transfer of Shares pursuant to this Article 14.12 is in pursuance of a sale in good faith for the consideration stated in the transfer and if they are not satisfied they may refuse to register the relevant Transfer Form.

15 Transfers in respect of leavers

15.1 Any person who becomes a Leaver shall immediately give the Company notice in writing detailing the relevant circumstances.

15.2 A Leaver who is not a Bad Leaver may offer their Shares for sale under the provisions of Article 14, but the provisions of this Article 15 shall not apply.

15.3 Any Bad Leaver shall (unless the Directors resolve otherwise) be deemed to have served a Transfer Notice on the Leaving Date in respect of the Bad Leaver's Shares and the provisions of Article 14 shall apply except that:

15.3.1 the Seller shall be the Bad Leaver;

15.3.2 the Sale Shares shall be the Bad Leaver's Shares;

15.3.3 the Transfer Notice Date shall be the Leaving Date;

15.3.4 the Sale Price for the Bad Leaver's Shares shall be the Fair Price;

15.3.5 in relation to the Fair Price, the Bad Leaver and the Company shall have 10 days after the Leaving Date or (if later) the date on which all the Directors become aware of the fact that the Bad Leaver is a Bad Leaver within which to agree the Fair Price before the matter is referred to an Expert;

15.3.6 if a Principal Shareholder is a Bad Leaver any Permitted Transferee who becomes a Leaver as a consequence (including without limitation the Permitted Transferees of any Principal Shareholder who has become a Bad Leaver) shall also be deemed to be a Bad Leaver;

15.3.7 that Transfer Notice shall be deemed not to contain a Total Sale Condition; and

15.3.8 in relation to any Unvoid Shares a Transmittee who produces such evidence of entitlement to those Shares as the Directors may properly require may choose either to become the holder of those Shares or to have them transferred to any Family Member of the relevant shareholder and the provisions of regulations 27 and 28 of the Model Articles shall apply.

16. Drag along

16.1 If the Shareholder Majority want to transfer all their Shares (the **Relevant Shares**) or any less (arms length and in good faith to a Third Party Purchaser (they shall have the option (the **Drag Option**) to require the other shareholders (the **Dragged Shareholders**) to transfer all their Shares (the **Dragged Shares**) to the Third Party Purchaser with full title guarantee in accordance with this Article 16.

16.2 Subject to and following compliance with the provisions of Article 14, to exercise the Drag Option the Shareholder Majority shall give an irrevocable notice in Writing (the **Drag Notice**) to the Dragged Shareholders. The Drag Notice shall specify:

16.2.1 that the Dragged Shareholders are required to transfer their Dragged Shares to the Third Party Purchaser;

16.2.2 the price receivable by the Shareholder Majority for the Relevant Shares (including details of any non-cash consideration (**Non-Cash Consideration**) receivable by the Shareholder Majority (or any of them) 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 Relevant Shares (or any of them));

16.2.3 the price the Dragged Shareholders will receive for each Dragged Share (the **Drag Price**) and details of how that price has been calculated;

16.2.4 the name of the Third Party Purchaser; and

16.2.5 the proposed date for completion of the transfer of the Relevant Shares and the Dragged Shares (which shall be at least seven days after the date of the Drag Notice).

16.3 The Drag Price shall be equal to the price per Relevant Share receivable by the Shareholder Majority (including the cash equivalent of any Non-Cash Consideration). Any dispute about the calculation of the Drag Price shall immediately be referred to an Expert (whose decision shall, in the absence of manifest error, be final and binding) and pending its determination neither the Relevant Shares nor the Dragged Shares shall be transferred to the Third Party Purchaser.

16.4 Unless the Shareholder Majority and the Dragged Shareholders agree otherwise, the transfer of the Relevant Shares and the Dragged Shares (including payment of the consideration) shall take place on the same day.

16.5 The Company is unconditionally and irrevocably authorised to appoint any person as agent of each Dragged Shareholder to execute the required Transfer Forms for the Dragged Shares in the name and on behalf of that Dragged Shareholder and to do such other things as are necessary to transfer the Dragged Shares pursuant to this Article 16.

17. Tag along

17.1 Subject to Articles 14 and 16, a shareholder (the **Committed Shareholder**) may not transfer any Shares (the **Controlling Shares**) to any person (the **Proposed Controller**) if it would result in the Proposed Controller (together with his Connected Persons and any persons Acting in Concert with him (together the **Interested Shareholders**)) obtaining or increasing a Controlling Interest unless before that transfer is made the Proposed Controller has made a bona fide offer (the **Tag Offer**) to the shareholders (other than the Proposed Controller, the Committed Shareholder and the Interested Shareholders) (the **Uncommitted Shareholders**) in accordance with this Article 17 to purchase a proportion of their Shares equal to the highest percentage of shares being sold by any of the Committed Shareholders (including in such calculation any Shares which may be allotted to any shareholder pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into Shares, in existence at the date of the Tag Notice) (the **Uncommitted Shares**).

17.2 The Tag Offer shall be made by notice in Writing (the **Tag Notice**) and shall specify:

17.2.1 the price the Uncommitted Shareholders will receive for each Uncommitted Share (the **Tag Price**) and details of how that price has been calculated; and

17.2.2 the date (the **Close Date**) by which each Uncommitted Shareholder must accept the Tag Offer (which shall be at least 21 days after the date of the Tag Notice).

17.3 Any Uncommitted Shareholder who has not accepted the Tag Offer by the Close Date shall be deemed to have rejected the Tag Offer.

17.4 The Tag Price shall be equal to the highest price paid or payable by the Proposed Controller (or any Interested Shareholder) for any Share (including the cash equivalent of any non-cash consideration paid or payable 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 that Share). Any dispute about the calculation of the Tag Price shall be immediately referred to an Expert (whose decision shall, in the absence of manifest error, be final and binding) and pending its determination the Controlling Shares shall not be transferred to the Proposed Controller.

17.5 Each accepted Tag Offer shall be completed and the consideration in respect of it paid (except insofar as failure to complete is due to the fault of the relevant Uncommitted Shareholder) before any of the Controlling Shares are transferred to the Proposed Controller.

17.6 For the purpose of Article 17.1 the expression **transfer** shall include the renunciation of a renounceable letter of allotment.

18. Compliance with transfer provisions

18.1 For the purpose of ensuring compliance with the Act, any other law and the provisions of these Articles (including Articles 14 to 17 (inclusive)), the Directors may require any Leaver or shareholder to procure (to the extent he is able) that:

18.1.1 he;

18.1.2 any proposed transferee of any Shares; or

18.1.3 such other person as is reasonably believed to have information and/or evidence relevant to that purpose;

provides to the Directors any information and/or evidence relevant to his holding of Shares and any proposed transfer of shares and until that information and/or evidence is provided the Directors may (without limitation to any other rights of the Directors and the Company) refuse to register any relevant transfer of Shares (except with Shareholder Consent).

18.2 Each shareholder unconditionally and irrevocably authorises the Company to appoint any person as his agent to give effect to the provisions of these articles.

DECISION MAKING BY SHAREHOLDERS

17.2.1 the price the Uncommitted Shareholders will receive for each Uncommitted Share (the Tag Price) and details of how that price has been calculated, and

17.2.2 the date (the Close Date) by which each Uncommitted Shareholder must accept the Tag Offer (which shall be at least 21 days after the date of the Tag Notice)

17.3 Any Uncommitted Shareholder who has not accepted the Tag Offer by the Close Date shall be deemed to have rejected the Tag Offer.

17.4 The Tag Price shall be equal to the highest price paid or payable by the Proposed Controller for any interested Shareholder) or any Share (including the cash equivalent of any non-cash consideration paid or payable 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 that Share). Any dispute about the calculation of the Tag Price shall be immediately referred to an Expert (whose decision shall, in the absence of manifest error, be final and binding) and pending its determination the Controlling Shares shall not be transferred to the Proposed Controller

17.5 Each accepted Tag Offer shall be completed and the consideration in respect of it paid (except insofar as failure to complete is due to the fault of the relevant Uncommitted Shareholder) before any of the Controlling Shares are transferred to the Proposed Controller

17.6 For the purposes of Article 17.1 the expression **transfer** shall include the renunciation of a renounceable letter of allotment

18. Compliance with transfer provisions

18.1 For the purposes of ensuring compliance with the Act any other law and the provisions of these Articles (including Articles 14 to 17 (inclusive)) the Directors may require any Leaver or shareholder to procure (to the extent he is able) that

18.1.1 the

18.1.2 any proposed transferee of any Shares or

18.1.3 such other person as is reasonably believed to have information and/or evidence relevant to that purpose,

provide to the Directors any information and/or evidence relevant to his holding of Shares and any proposed transfer of shares and until that information and/or evidence is provided the Directors may (without limitation to any other rights of the Directors and the Company) refuse to register any relevant transfer of Shares (except with Shareholder Consent)

18.2 Each shareholder unconditionally and irrevocably authorises the Company to appoint any person as his agent to give effect to the provisions of these articles

DECISION MAKING BY SHAREHOLDERS

19. Poll votes

19.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

19.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

20. Proxies

20.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

20.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

21. Means of communication to be used

21.1 Subject to Article 21.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

21.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

21.1.2 if sent by fax, at the time of transmission; or

21.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 a.m. on the second Business Day after posting; or

21.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 a.m. on the fifth Business Day after posting; or

21.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

21.1.6 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or

21.1.7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; or

21.1.8 if deemed receipt under the previous paragraphs of this Article 21.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt),

19. Poll votes

19.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

19.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand to withdraw shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

20. Proxies

20.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting or adjourned meeting to which they relate".

20.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

21. Means of communication to be used

21.1 Subject to Article 21.2, any notice, document or other information shall be deemed served on or delivered to the intended recipient:

21.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address;

21.1.2 if sent by fax, at the time of transmission; or

21.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 a.m. on the second Business Day after posting; or

21.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 a.m. on the fifth Business Day after posting; or

21.1.5 if sent by recognised international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

21.1.6 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or

21.1.7 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; or

21.1.8 if deemed receipt under the previous paragraphs of this Article 21.1 would occur outside business hours (meaning 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt),

at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

21.2 To prove service, it is sufficient to prove that:

21.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

21.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

21.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or

21.2.4 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

22. Indemnity

22.1 Subject to Article 22.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

22.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and

(b) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, 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 the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

22.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 22.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

22.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

22.3 In this article:

22.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

22.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

23. Insurance

23.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

23.2 In this article:

23.2.1 a relevant officer means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

23.2.2 a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

23.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.