

Company No 3037197

CERTIFIED A TRUE COPY

Dated 17.12.01

Pinsent
Curtis
Biddle

THE COMPANIES ACTS 1985 AND 1989

3 COLMORE CIRCUS
BIRMINGHAM B4 6BH

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

'ROTECH COMPUTER SYSTEMS LIMITED

("the Company")



I, being the sole member of the Company who at the date of this resolution is entitled to attend and vote at general meetings of the Company, unanimously **RESOLVE** that the following resolutions be passed as written resolutions having effect as ordinary and special resolutions of the Company in accordance with section 381A Companies Act 1985 and agree that the 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

Increase in Authorised Share Capital

1. THAT the share capital of the Company be increased from £10,000 to £11,111 by the creation of 1,111 new Convertible Preferred Ordinary shares of £1 each.

Authority to Allot Equity Securities

2. THAT, in substitution for any previous authority, the directors be hereby generally and unconditionally authorised, in accordance with section 80 Companies Act 1985, to allot relevant securities (as defined in that section) up to a maximum aggregate nominal amount of relevant securities of £1,111 provided that this authority will expire on the date being five years from the date on which this resolution is passed, but the Company may before this authority expires make an offer or agreement which would or might require relevant securities to be allotted after this authority expires and the directors may allot relevant securities pursuant to such offer or agreement as if this authority had not expired.

SPECIAL RESOLUTIONS

Power to Allot Equity Securities

3. THAT the Directors be hereby given power in accordance with section 95 Companies Act 1985 to allot equity securities (within the meaning of section 94 of that Act) pursuant to the authority conferred by resolution 2 above as if section 89(1) of the Act did not apply to the allotment. PROVIDED THAT such power shall expire on the date being five years from the date on which this resolution is passed unless previously

renewed, varied or revoked by the Company in general meeting, but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.

Adoption of New Articles of Association

4. THAT the attached articles of association, initialled for the purpose of identification, be adopted to the exclusion of all previous articles of association.

Dated: 12/12 2001


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Mark Trouth

Company number: 3037197



Companies Act 1985 and 1989
Private Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

PROTECH COMPUTER SYSTEMS LIMITED

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Company number: 3037197

COMPANIES ACTS 1985 and 1989
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

PROTECH COMPUTER SYSTEMS LIMITED

(adopted by Special Resolution of the Company
passed on December 2001)

1 PRELIMINARY

These articles together with the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("Table A") shall apply to the Company save insofar as such regulations are excluded or varied by these articles.

2 DEFINITIONS AND INTERPRETATION

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

"Accounting Period" means an accounting reference period of the Company being a period commencing on 1 April and ending on the following 31 March or such other date as is notified to the Registrar of Companies from time to time.

"Accounts" means the audited consolidated accounts of the Group prepared in accordance with generally accepted accounting principles and practices.

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

"Auditors" means the auditors from time to time of the Company.

"Bad Leaver" shall have the meaning set out in Article 10.7.3.

"Beneficial Owner" shall have the meaning set out in Article 8.2.1.

"Board" means all the Directors of the Company from time to time including the Investor Director(s) (if any).

"Business Day" means a day other than a Saturday or Sunday on which banks are open for business in London.

"Cessation Date" means the date on which a Relevant Individual ceases to be a director or employee or consultant of the Company or any of its subsidiary undertakings or the date on which the Investor Director shall by written notice determine that there has been a material breach of the Investment Agreement or by the Relevant Individual as the case may be.

"Commencement Date" means the date of the adoption of these articles.

"Companies Act" means the Companies Act 1985 (as amended).

"Compulsory Vendors" shall have the meaning set out in Article 10.2.

"Connected Person" shall have the meaning ascribed to it in section 839 of the Income and Corporation Taxes Act 1988.

"Convertible Preference Shares" means the 1,111 convertible preference shares of £1 each in the capital of the Company.

"Convertible Preference Shareholder" means a registered holder of any Convertible Preference Shares.

"credited as paid up" means amounts paid up or credited as paid up on the relevant share including any premium.

"Deemed Notice Date" shall have the meaning set out in Article 10.5.

"Directors" means the directors from time to time of the Company.

"Emoluments" means emoluments of every description including, without limitation, salaries, fees, bonuses, commissions, profit shares under any incentive scheme, pension contributions payable, benefits in kind as quantified for income tax purposes and any amounts referred to in schedule 6 part 1 paragraph 1 of the Companies Act.

"Employee Benefit Trust" means any trust which may be established from time to time for the benefit of the employees (which may include past employees) of the Company and/or any other member of the Group, and which satisfies the definition of an "employee benefit trust" set out in section 743 of the Companies Act.

"Employee Priority Notice" shall have the meaning set out in Article 11.1.

"Employee Shares" shall have the meaning set out in Article 11.2.

"Existing Employee" shall have the meaning set out in Article 11.1.1.

"Exit" means a Realisation or Liquidation whichever shall first occur.

"Exit Date" means a Listing Date, a Sale Date or a Liquidation Date, as appropriate.

"Family Trust" means a trust (whether arising under a settlement inter vivos or a testamentary disposition made by any person or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual Beneficial Owner and/or his Privileged Relations, and no power of control over the voting powers conferred by Shares held in trust is for the time being exercisable by or subject to the consent of any person other than the trustees as trustees or the individual Beneficial Owner or his Privileged Relations.

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

"Fund" means any bank, investment trust or investment company (within the meaning of chapter 21 of section 10 of the rules governing admission of securities to listing issued by the UK Listing Authority), unit trust, building society, industrial provident or friendly society, any other collective investment scheme (as defined by the FS Act), any business investor (as defined by the Financial Services (Glossary and Interpretation) Rules and Regulations 1990), partnership, limited partnership, pension fund or insurance company or any person who is an authorised person under the FS Act, any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing.

"Good Leaver" shall have the meaning set out in Article 10.7.2.

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

"Investment Agreement" means an agreement made on the Commencement Date between (1) the Investor (2) the Company and (3) the Manager.

"Investor" means Advantage Technology Fund (a limited partnership with number LP007733) of 3 Priestley Wharf, Holt Street, Birmingham, B7 4BN.

"Investor Director" means a director appointed pursuant to Article 20.

"Liquidation" means the passing of a resolution for the winding-up of the Company.

"Liquidation Date" means the date of a Liquidation.

"Listing" means the admission of all or any of the Shares to the Official List together with the admission of such Shares to trading on any Recognised Investment Exchange's market for listed securities, and "Listed" shall be construed accordingly.

"Listing Date" means the date on which all or any of the Shares are Listed (subject only to any announcement under rule 7.1 of the Listing Rules).

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

"Manager" has the meaning in the Investment Agreement.

"Mandatory Transfer Notice" shall have the meaning set out in Article 9.1.1.

"Member" means a holder of any share in the capital of the Company as stated in its Register of Members from time to time.

"Minority Shareholder" shall have the meaning set out in Article 12.5.

"New Employee" shall have the meaning set out in Article 11.1.2.

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

"Ordinary Share" means an ordinary share of £1 in the capital of the Company.

"Ordinary Shareholder" means a registered holder of any Ordinary Shares.

"Original Undertaking" shall have the meaning set out in Article 8.1.1.

"persons acting in concert" shall have the meaning ascribed to it in the City Code on Takeovers and Mergers.

"Privileged Relation" means in relation to a Member a spouse for the time being or parent or spouse of that Member and all lineal descendants of that Member (including for this purpose any step-child, adopted child or illegitimate child of any such Member or his lineal descendants).

"Proposing Transferee" shall have the meaning set out in Article 9.1.2.1.

"Proposing Transferor" shall have the meaning set out in Article 9.1.1.

"PRs" shall have the meaning set out in Article 10.10.

"Purchasers" shall have the meaning set out in Article 9.1.9.

"Realisation" means an Asset Sale, a Share Sale or a Listing whichever shall first occur.

"Recognised Investment Exchange" shall have the meaning given to it in the FS Act.

"Relevant Transferor(s)" shall have the meaning set out in Article 12.1.

"Remuneration Committee" shall have the meaning set out in Article 17.

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

"Sale Price" shall have the meaning set out in Article 9.1.2 or, as the case may be 9.1.3.

"Sale Shares" shall have the meaning set out in Article 9.1.1.

"Share" means a share in the capital of the Company.

"Shareholder" means a person who is the registered holder of any Share(s).

"Share Sale" means the completion of any transaction or series of transactions whereby any person or Connected Persons or group of persons acting in concert purchases or otherwise acquires or obtains not less than 90 per cent in nominal value of the equity share capital of the Company.

"Table A" means Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052).

"Third Party Price" shall have the meaning set out in Article 12.2.

"Total Transfer Condition" shall have the meaning set out in Article 9.1.1.

"Transferee Undertaking" shall have the meaning set out in Article 8.1.1.

"Transferring Member" shall have the meaning set out in Article 8.3.2.

"Transfer Notice" shall have the meaning set out in Article 9.1.1.

"Trustee in Bankruptcy" shall have the meaning set out in Article 10.10.

"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for the purposes of the FS Act and in the exercise of its functions in respect of the admission to the Official List otherwise than in accordance with the FS Act including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated.

- 2.2 In these articles, where the context admits:
- 2.2.1 words and phrases which are defined or referred to in or for the purposes of the Companies Act or Table A have the same meanings in these articles unless the context otherwise requires;
 - 2.2.2 sections 5, 6, 8 and 9 and schedule 1 to the Interpretation Act 1978 apply in the same way as they do to statutes;
 - 2.2.3 reference to a statutory provision includes reference to:
 - 2.2.3.1 any order, regulation, statutory instrument or other subsidiary legislation at any time made under it for the time being in force (whenever made);
 - 2.2.3.2 any modification, amendment, consolidation, re-enactment or replacement of it or provision of which it is a modification, amendment consolidation, re-enactment or replacement;
 - 2.2.4 reference to a Regulation is to a regulation of Table A, and reference to an Article is to a provision of these articles;
 - 2.2.5 headings are for ease of reference only and shall not affect the construction or interpretation of these articles;
 - 2.2.6 the following shall be deemed (but without limitation) to be a transfer by a Shareholder:
 - 2.2.6.1 any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or transfer of Shares that a Share can be allotted or issued or transferred to some person other than himself; and
 - 2.2.6.2 any sale or other disposition (including by way of mortgage, charge or other security interest) of any legal or equitable interest in a Share (including any voting rights attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing.

- 2.3 Unless otherwise specifically provided, where any notice, resolution or document is required by these articles to be signed by any person, the reproduction of the signature of such person by means of facsimile shall suffice, provided that confirmation by first class letter is despatched by the close of business on the next following business day, in which case the effective notice, resolution or document shall be that sent by facsimile, not the confirmatory letter.

3 **SHARE CAPITAL**

The authorised share capital of the Company at the date of adoption of these articles is £11,111 divided into:

- 3.1 1,111 Convertible Preference Shares;
- 3.2 10,000 Ordinary Shares;

4 **SHARE RIGHTS**

Regulation 2 shall not apply to the Company. The rights and restrictions attaching to the Convertible Preference Shares and the Ordinary Shares shall be as follows:

4.1 **As regards income**

- 4.1.1 Any profits which the Company may determine to distribute (in any event not exceeding the amount recommended by the Directors) in respect of any Accounting Period shall be applied in paying to the Convertible Preference Shareholders and the Ordinary Shareholders a non-cumulative dividend ("Equity Dividend") pari passu as if the same constituted one class of share such dividend (if any) to be paid within 30 days after the annual general meeting of the Company at which the Accounts for the relevant Accounting Period are presented to the Company in general meeting.
- 4.1.2 If for any reason the Company is unable pursuant to the Companies Act to pay any of the dividends in full on any date fixed for payment, then on such date the Company will pay to the relevant shareholders on account of the relevant dividends the maximum sum (if any) which can be lawfully paid by the Company, such payment on account to be made to the Convertible

Preference Shareholders and the Ordinary Shareholders *pari passu* as if the same constituted one class of share.

- 4.1.3 Any amount of dividend payable under these articles shall belong to and be paid to the holders of the relevant Shares *pro rata* according to their holdings of such Shares.

4.2 **As regards capital**

On a return of assets whether on a winding-up or reduction of capital or otherwise (except in the case of the redemption of shares of any class or the purchase by the Company of its own shares) or a Share Sale the assets and retained profits of the Company available for distribution among the Members or (as the case may be) the proceeds payable under a Share Sale and attributable to the Members shall be applied as follows:

- 4.2.1 first in paying to the Convertible Preference Shareholders the greater of the amount of the Investment (as defined in the Investment Agreement) and the amount that would be payable to the holders of the Ordinary Shares resulting from a conversion of the Convertible Preference Shares on the basis that such conversion has, if not a fact, taken place;
- 4.2.2 secondly in paying to the Ordinary Shareholders the amounts credited as paid up on the Ordinary Shares;
- 4.2.3 thirdly in paying the balance to the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by them.

4.3 **As regards conversion of the Convertible Preference Shares**

The holders of the Convertible Preference Shares may at any time convert on a one for one basis their Convertible Preference Shares into Ordinary Shares and the following provisions shall have effect:

- 4.3.1 the conversion shall be effected by notice in writing given to the Company signed by the holders of 75% in nominal value of the Convertible Preference Shares, and the conversion shall take effect immediately upon the date of delivery of such notice to the Company, unless such notice states that conversion is to be effective when any conditions specified in the notice have been

fulfilled, in which case conversion shall take effect when such conditions have been fulfilled;

4.3.2 forthwith after conversion takes effect the holders of the Ordinary Shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of Convertible Preference Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares resulting from the conversion.

4.3.3 the Ordinary Shares resulting from conversion shall as from the date of conversion rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company.

4.3.4 Notwithstanding the foregoing provisions of this Article 4.3, the Convertible Preference Shares shall convert on the basis of Article 4.3 above automatically into Ordinary Shares upon a Share Sale or a Listing when the provisions of Articles 4.3.2 and 4.3.3 shall apply.

4.4 As regards voting

On a show of hands every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative not being himself a Member entitled to vote, shall have one vote, and on a poll every Member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for every Share of which he is a holder PROVIDED ALWAYS that the holders of the Convertible Preference Shares shall only be entitled to such number of votes as would result from a holding of Ordinary Shares upon the operation of the conversion under Article 4.3. Regulation 54 shall not apply to the Company.

4.5 As regards consents of the Convertible Preference Shareholders

MS.
represent
not less than
5% of the
Shares in
issue

So long as ^(the) ~~any~~ Convertible Preference Shares ~~remain in issue~~ the Company shall not without the written consent or sanction of the holders of 75% of the Convertible Preference Shareholders given in accordance with the provisions of Article 5:

4.5.1 modify or vary the rights attaching to the Shares; or

- 4.5.2 reduce, or pass any resolution to reduce all or any of its share capital or any amount standing to the credit of its share premium account or capital redemption reserve fund or reduce any uncalled liability in respect of partly paid shares; or
- 4.5.3 pass any resolution to alter its memorandum or articles of association; or
- 4.5.4 make any distribution payment or return of capital to any shareholder; or
- 4.5.5 capitalise any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of any reserve) or any sums standing to the credit of its share premium account or capital redemption reserve fund; or
- 4.5.6 make any distribution payment or return of an income nature to any shareholder otherwise than in accordance with these Articles; or
- 4.5.7 breach any of the provisions of these articles; or
- 4.5.8 vary the authorised or issued share capital of the Company (otherwise than in accordance with Article 4.3) or any subsidiary undertaking (other than a wholly owned subsidiary undertaking); or
- 4.5.9 create or grant any options or other rights to subscribe for or to convert into or issue any shares or other securities in the capital of the Company or any subsidiary undertaking (other than a wholly owned subsidiary undertaking); or
- 4.5.10 permit any subsidiary to issue (other than to the Company or a wholly owned subsidiary of the Company) any shares; or
- 4.5.11 dispose of any shares or permit any subsidiary to dispose of any shares (other than to the Company or a wholly owned subsidiary of the Company); or
- 4.5.12 take any steps to wind up the Company; or
- 4.5.13 make any material changes in the nature of the business of the Company or any subsidiary, or dispose of the whole or a substantial part of the business and undertaking of the Company.

5 MODIFICATION OF RIGHTS

The rights attached to the Convertible Preference Shares and the Ordinary Shares may, in either case, be altered or abrogated (whether or not the Company is being wound up) with the written consent of the holders of not less than three-quarters of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such Shares. To any such separate general meeting all the provisions of these articles as to general meetings of the Company shall mutatis mutandis apply except that:

- 5.1 the necessary quorum shall be two or more persons holding or representing by proxy not less than one-third of the issued Shares of the class (provided that where all the Shares of a class are registered in the name of one holder that holder present in person or by proxy or (being a corporation) by an authorised representative shall constitute a quorate meeting);
- 5.2 every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him;
- 5.3 any holder of Shares of the class present in person or by proxy may demand a poll; and
- 5.4 at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of Shares held by him) shall be a quorum.

6 ISSUE OF NEW SHARES

- 6.1 Any offer of:-
 - 6.1.1 any shares for the time being unissued; or
 - 6.1.2 any new shares from time to time created,shall require the consent of the holders of not less than 51% of the holders of the existing Ordinary Shares at the time any offer is made.
- 6.2 Subject to Articles 6.1, 6.3 and 6.5 any Shares for the time being unissued and any new shares from time to time created shall before they are issued be offered to the holders of the Ordinary Shares and Convertible Preference Shares (or, in the case of the Investor and if the Investor shall so direct, the partners in or members of the Investor (or their respective nominees)) in proportion (as nearly as may be) to the nominal amount of their existing holdings of Ordinary Shares and, in the case of the Convertible Preference Shares, the holdings of Ordinary Shares that would result from a conversion

of the Convertible Preference Shares on the basis the Convertible Preference Shares have, if not actually the case, converted. The offer shall be made by notice specifying the number and class of Shares offered and the price per Share and limiting a time (not being less than 20 days or more than 30 days) within which the offer if not accepted will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that he/they decline(s) to accept the Shares offered or any of them, the Directors shall offer the Shares declined in like manner (save that the minimum period for acceptance may be seven days) to the other holders of Ordinary Shares or Convertible Preference Shares who have agreed to invest in all the shares offered to them in proportion (as nearly as may be) to the nominal amount of their existing holdings of Ordinary Shares and, in the case of the Convertible Preference Shares, holding of Ordinary Shares that would result from a conversion of the Convertible Preference Shares on the basis the Convertible Preference Shares have, if not actually the case, converted. If the Shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.

- 6.3 If all or any of the Shares to which Article 6.2 applies are not taken up in accordance with the provisions of Article 6.2 the Directors may offer such Shares to a third party (to be approved by the Investor Director, such approval not to be unreasonably withheld or delayed) and, subject to these articles and to the provisions of section 80 of the Companies Act, such Shares shall 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:

6.3.1 no Shares shall be issued at a discount;

6.3.2 no Shares to which Article 6.2 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under Article 6.2 unless the procedure set out in Article 6.2 is repeated in respect of such Shares;

- 6.3.3 no Shares shall be issued at a price less than that at which they were offered to the Members of the Company in accordance with Article 6.2; and
- 6.3.4 (if the Directors are proposing to issue such Shares wholly or partly for non-cash consideration) the cash value of such consideration shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its Members.
- 6.4 The provisions of Articles 6.2 and 6.3 shall mutatis mutandis apply to all equity securities (as defined in section 94(2) of the Companies Act) of the Company from time to time created.
- 6.5 The provisions of sections 89(1) and 90(1) to (6) of the Companies Act shall not apply to the Company.

7 TRANSFERS OF SHARES - GENERAL

- 7.1 The first sentence of Regulation 24 shall not apply to the Company. Without prejudice to the remaining provisions of Regulation 24 the Directors shall not register any transfer of Shares to any person who is a minor, or who for any other reason does not have legal capacity to transfer Shares, or otherwise except pursuant to a transfer permitted by the following provisions of these articles. Regulation 26 shall not apply to the Company.
- 7.2 Subject to the proviso below, the Directors shall register any transfer of Shares effected in accordance with these articles save that (other than in the circumstances contemplated in Article 12.1):
 - 7.2.1 they shall not register the transfer of any Share to any person who, in the reasonable opinion of the Investor Director, is carrying on business directly or indirectly in competition with the Company or any member of the Group; and
 - 7.2.2 they may at any time in their absolute discretion determine that a Transfer Notice shall be deemed served in relation to Shares held by any person who in their opinion (in their absolute discretion) is carrying on business directly or indirectly in competition with the Company or any member of the Group.
- 7.3 For the purposes of:

- 7.3.1 ensuring that a transfer of Shares is permitted under these articles,
or
- 7.3.2 ensuring that no circumstances have arisen whereby a Member
may be bound or required to give or is deemed to have given a
Transfer Notice; or
- 7.3.3 ascertaining when a Transfer Notice should have been or is
deemed to have been given under these articles;

the Directors may from time to time require any Member, the PRs of any deceased Member, the Trustee in Bankruptcy of any Member, the receiver, administrative receiver or liquidator of any corporate member, or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within 7 clear days after request the Directors shall be entitled to refuse to register the transfer in question or (where no transfer is in question) may resolve to require by notice in writing that a Transfer Notice be given in respect of the Shares concerned. If such information or evidence discloses to the satisfaction of the Directors that circumstances have arisen whereby a shareholder may be bound or required to give or be deemed to have given a Transfer Notice the Directors may resolve by notice in writing to require that a Transfer Notice be given in respect of the Shares concerned. Any such resolution of the Directors shall be binding on the Members concerned who shall be bound to give a Transfer Notice in respect of the Shares concerned forthwith upon receipt of the said notice from the Directors.

- 7.4 A Transfer Notice shall be deemed to be given (if not actually given) at the expiry of seven days after the Directors have required the same to be given pursuant to these articles and the provisions of these articles relating to Transfer Notices shall take effect accordingly.
- 7.5 A Transfer Notice given or deemed to be given pursuant to these articles shall not be capable of revocation (except as provided in Article 10.2 or otherwise with the written approval of the Investor Director) nor may it

specify without the written approval of the Investor Director that unless all relevant Shares are sold by the Company pursuant to the Transfer Notice, none shall be so sold. Subject as provided to the contrary in these articles, the provisions of Article 9 shall apply to any Transfer Notice given or deemed to be given under or pursuant to these articles.

- 7.6 In any case where a Member (or his PRs) has or have been required to give or has or have been deemed to have given a Transfer Notice pursuant to the provisions of these articles and subsequently become(s) the holder of (or is or are deemed pursuant to Article 10 to be the holder(s) of) further Shares in the Company by virtue of the holding of any Shares comprised in such Transfer Notice (whether by way of rights or bonus issue conversion transfer or otherwise howsoever) a majority of the Directors may at any time determine in their absolute discretion that the Member (or his PRs) shall be deemed to have served a Transfer Notice pursuant to these articles in respect of such further Shares.

- 7.7 Notwithstanding any other provisions of these Articles, the Manager shall not be entitled to transfer any Share (save as permitted pursuant to Articles 8.3, 10 or 12) during the period from the date hereof until the earlier of:-

MLF
(unless otherwise agreed by the Investor)

- 7.7.1 three years from the date of adoption of these articles of association; and
- 7.7.2 the Sale Date provided that the terms of such Share Sale or Asset Sale have been agreed by the Investor Director; and
- 7.7.3 the first anniversary of the Listing Date.

8 PERMITTED TRANSFERS OF SHARES

8.1 Group Transfers

- 8.1.1 Any Shares held by an undertaking ("Original Undertaking") may be transferred to any other undertaking ("Transferee Undertaking") which is a holding company or a 100% subsidiary of the Original Undertaking or of its holding company ("a Group Undertaking").
- 8.1.2 If any Transferee Undertaking ceases to be a Group Undertaking in relation to the Original Undertaking then such Transferee Undertaking shall within seven days of such cessation transfer any

Shares held by it to the Original Undertaking or to an undertaking which, in relation to the Original Undertaking, is a group undertaking.

- 8.1.3 In the event of any default of Articles 8.1.1 and 8.1.2 above the Original Undertaking or (as the case may be) the Transferee Undertaking shall be deemed to have served a Transfer Notice in respect of all such Shares and the price for such Shares shall be the issue price (including any premium).

8.2 Nominees

- 8.2.1 Any Shares may be transferred by their beneficial owner ("the Beneficial Owner") to a person shown to the reasonable satisfaction of the Investor Director(s) to be a nominee for the Beneficial Owner only.
- 8.2.2 Where any Shares have been transferred to a nominee pursuant to Article 8.2.1 any such nominee may transfer any Shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Investor Director(s) to be a nominee for the Beneficial Owner only.
- 8.2.3 Where a person to whom any Shares have been transferred as a nominee pursuant to this Article 8.2 ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Investor Director(s) to be a nominee for the Beneficial Owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect of all such Shares and the price for such Shares shall be the issue price (including any premium).

8.3 To Privileged Relations and Trustees

- 8.3.1 Any Shares held by a Beneficial Owner who is an individual may be transferred:
- 8.3.1.1 to a Privileged Relation of such Beneficial Owner;
- 8.3.1.2 to trustees to be held upon Family Trusts.

8.3.2 Where any Shares have been transferred to Privileged Relations or trustees pursuant to Article 8.3.1 the Privileged Relation or the trustees (as the case may be) may transfer any such shares to a person or persons shown to the reasonable satisfaction of the Investor Director to be:

8.3.2.1 the trustees for the time being (on a change of trustee) of the Family Trusts in question and/or;

8.3.2.2 the Beneficial Owner or any Privileged Relation of the Beneficial Owner.

In any case where a Member proposing to transfer Shares under this Article 8.3 ("Transferring Member") holds those Shares as a result of an earlier transfer authorised under this Article 8.3 from another Member ("Original Member") the Transferring Member may only transfer those Shares to a person to whom the Original Member could have transferred such Shares under this Article 8.3.

8.4 Where Shares are held by trustees on a Family Trust and any such Shares cease to be held upon Family Trust (otherwise than in consequence of a transfer authorised under Article 8.3.2) the trustees shall forthwith transfer such Shares to a transferee permitted under Article 8.3.2 and in default of doing so the trustees shall be deemed to have given a Transfer Notice in respect of the shares in question and the price for such Shares shall be the issue price (including any premium).

8.5 **Funds**

Any Convertible Preference Share (and/or any interest in any such share) held by or on behalf of a Fund may be transferred:

8.5.1 to (or to a nominee or trustee for) the holders of units in, or any partner in, or members of or investors in (as the case may be) such Fund and any Convertible Preference Share (and/or any interest in any such share) held by any nominee or trustee for such holders, partners, members or investors may be transferred to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors;

8.5.2 to a nominee or trustee for such Fund and any Convertible Preference Share (and/or any interest therein) held by a nominee or trustee for a Fund may be transferred to that Fund or to another nominee or trustee for such Fund;

8.5.3 to (or to a nominee or trustee for) another Fund which is managed or advised by the same manager or adviser as the transferor (or as the Fund on behalf of whom any such Share or interest is held by the transferor as nominee or trustee) or by a group undertaking of such manager or adviser.

8.6 Employee Trusts

8.6.1 Persons holding Shares on trust for Existing Employees or New Employees may transfer any such shares free of restriction to Existing Employees or New Employees as the case may be.

8.6.2 The trustees of any Employee Benefit Trust of the Company may transfer any Shares held by them in such capacity free of restriction to any beneficiary of such trust or to any replacement trustees.

8.7 Other Permitted Transfers

8.7.1 Any Ordinary Shares or any interest in any Ordinary Shares may be transferred at any time to any person with the written consent of the holders of not less than 90 per cent in nominal value of the issued Shares for the time being.

8.7.2 Any Convertible Preference Shares and/or any interest in any Convertible Preference Shares may be transferred at any time without restriction.

8.7.3 The restrictions on transfer contained in these articles shall not apply to any transfer pursuant to Article 12.1 of these articles (Drag along/tag along) provided either an offer has been made and completed in accordance with Article 12.1 or a Compulsory Purchase Notice has been served in accordance with Article 12.5 or 12.6, and the time periods set out in Articles 12.1 and 12.5 and 12.6 have been complied with. Any holder of Shares may transfer

Shares pursuant to the acceptance of such an offer or pursuant to a Compulsory Purchase Notice.

9 **PRE-EMPTION RIGHTS ON TRANSFER**

9.1 Except in the case of a transfer permitted by Article 8, the right to transfer or otherwise dispose of a Share or any interest in or arising from a Share (or an option, warrant or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the following restrictions and provisions, namely:

9.1.1 Before transferring or disposing of any Share or any interest in or arising from any Share or any rights attaching to any Share, the person proposing to transfer or dispose of the same ("Proposing Transferor") shall give a notice in writing ("Transfer Notice") to the Company specifying the Shares, interest and/or rights of which the Proposing Transferor wishes to dispose. Notwithstanding that a Transfer Notice specifies that the Proposing Transferor wishes to dispose only of an interest in or arising from, and/or any right(s) attaching to, such Shares the Transfer Notice shall (regardless of any provisions in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Proposing Transferor for the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to in the Transfer Notice ("Sale Shares") at the Sale Price in accordance with the provisions of this Article 9. Except in the case of any Transfer Notice which a Member is bound to give or is deemed to have given pursuant to these Articles ("Mandatory Transfer Notice"), a Transfer Notice may include a condition ("Total Transfer Condition") that if all the Sale Shares (of whatever class) are not sold to Members and/or such other persons as are referred to in Articles 9.1.4 and 9.1.5, then none shall be so sold. If a Total Transfer Condition is included then any offer of Sale Shares shall be made subject to Article 9.1.8. Shares of different classes may not be included in the same Transfer Notice (other than a Mandatory Transfer Notice).

9.1.2 Except in the case of a Mandatory Transfer Notice, the Transfer Notice may state, in addition to details of the Sale Shares:

9.1.2.1 the name or names of a person or persons ("Proposing Transferee") to whom the Sale Shares (or an interest or right or arising from the Sale Shares) are proposed to be transferred if the Sale Shares are not acquired by Purchasers; and

9.1.2.2 the entire consideration per Share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling a cash price per share which is so expressed and which is reasonably commensurate with the entire consideration);

and in such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the price is a bona fide price (not inflated for particular reasons) agreed between the Proposing Transferor and the Proposing Transferee at arms length and in good faith, such price shall be the Sale Price (subject to the deduction of any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares).

9.1.3 In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in Article 9.1.2.2 or in any case which does not fall within Article 9.1.2:

9.1.3.1 if not more than 15 days after the date on which the Transfer Notice was given or was deemed to be given, the Proposing Transferor and the Directors (with the approval of the Investor Director) have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Proposing Transferor, then such price shall be the Sale Price (subject to the deduction of any net dividend or other distribution

declared (by reference to a record date which is earlier than the date of sale of the Sale Shares) or made after such agreement but prior to the date of sale of the Sale Shares);

9.1.3.2 otherwise, upon the expiry of 15 days after the date on which the Transfer Notice was given (or the date on which the Company became aware that the same had been deemed or had become required to be given) the Directors shall request the Auditors to determine and report the sum per Share considered by them to be the fair value of the Sale Shares. The sum per Share so determined and reported shall be the Sale Price (subject to the deduction of any net dividend or other distribution declared or made after such agreement and prior to the sale of the Sale Shares). The Auditors shall act at the cost and expense of the Company as experts and not as arbitrators and their determination shall (in the absence of manifest error) be final. For the purposes of these articles, the fair value of Sale Shares shall be their market value as between a willing buyer and a willing seller (but disregarding any discount that might attach to such Shares if they constitute a minority interest, any class rights attaching to any other class of Shares, any transfer restrictions which apply to such Shares pursuant to these articles and any discount to reflect the fact that such Shares do not carry a running dividend yield, if such be the case).

9.1.4 Within 21 days after the receipt by the Company of a Transfer Notice or, in a case falling within Article 9.1.3, the agreement or determination of the Sale Price, the Board (with the approval of the Investor Director) may resolve (and, if so, notify the Company

forthwith, which, in turn, shall, within two Business Days after receipt of such notification, notify the Proposing Transferor and all other Members) that:

- 9.1.4.1 the Company and/or any of its subsidiary undertakings shall purchase the Sale Shares pursuant to the provisions of Part V of the Companies Act, in which case the chairman of the Directors shall determine a timetable for such purchase to which all parties and Members shall adhere; or
 - 9.1.4.2 the Company shall offer all or any of the Sale Shares to a third party in accordance with Article 11 (Warehousing of Shares), whose provisions shall apply mutatis mutandis.
- 9.1.5 subject to Articles 9.1.4 and 9.1.6 the Sale Shares shall be offered in writing by the Company within 21 days after the receipt by the Company of a Transfer Notice or, in a case falling within Article 9.1.3, the agreement or determination of the Sale Price
- 9.1.5.1 to all Members (other than the Proposing Transferor and any permitted transferee of the Proposing Transferor under Article 8) in proportion to their then holdings of Shares *pari passu* as if they were all shares of the same class; and
 - 9.1.5.2 next (if and insofar as not accepted following such further offer) to such person or persons (if any) as the Directors (with the approval of the Investor Director) think fit.

Each such offer shall be made within 21 days after the last date for acceptances in respect of the preceding offer, as specified in Article 9.1.7 or, if earlier, the date on which all persons entitled to accept such offer have indicated the maximum number of Sale Shares which they wish to accept.

9.1.6 The Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in Article 9.1.5 is made.

9.1.7 Any such offer as is required to be made by the Company pursuant to Article 9.1.5 shall:

9.1.7.1 state that the offer must be accepted within 21 days or in default will lapse; and

9.1.7.2 give the Members to whom it is made the right (in the event of non-acceptance by other offerees) to claim Sale Shares in addition to their due proportion.

If any Members do not accept their due proportion, the unaccepted Sale Shares shall be distributed amongst those claiming additional Sale Shares in proportion as nearly as may be to their said holdings but no Member shall be bound to take more Sale Shares than those he has claimed.

9.1.8 If a Transfer Notice validly contains a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied.

9.1.9 If pursuant to the foregoing Articles the Company finds Members or other persons ("Purchasers") to purchase some or (if Article 9.1.8 shall apply) all of the Sale Shares and gives notice in writing of the same to the Proposing Transferor he shall be bound, upon payment of the Sale Price, to transfer such Shares to the respective Purchasers. Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him or them and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of such notice.

- 9.1.10 If a Proposing Transferor fails or refuses to transfer any Sale Shares to a Purchaser, the Directors shall authorise some person to execute and deliver on his behalf the necessary transfer and all other documents deeds and other instruments necessary or proper in connection with such transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Shares. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to its application) and after the Purchaser has been registered in purported exercise of the powers set out in this Article 9.1.10 the validity of the proceedings shall not be questioned by any person.
- 9.1.11 If a Proposing Transferor fails or refuses to sell any Sale Shares to the Company, following a resolution that the Company shall purchase the Sale Shares pursuant to Article 9.1.4.1, the Directors shall authorise some person to complete execute and deliver on his behalf all documents, deeds and other instruments necessary or proper in connection with such sale. After the sale has been effected in purported exercise of the powers set out in this Article 9.1.11 the validity of the proceedings shall not be questioned by any person.
- 9.1.12 If by the procedure set out above the Company does not find Purchasers willing to purchase some or (if Article 9.1.8 shall apply) all of the Sale Shares, the Company shall give notice in writing of that fact to the Proposing Transferor within 7 days after the last date for acceptances pursuant to the preceding provisions of this Article 9. Subject to the proviso below, the Proposing Transferor, at any time up to the expiration of 30 days after the date of such notice shall be at liberty to transfer those of the Sale Shares not purchased by Purchasers or all the Sale Shares (as the case may be) to the Proposing Transferee or, where the Transfer Notice is a Mandatory Transfer Notice or does not contain details of a

Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price or, in a situation where the Proposing Transferor is a Relevant Individual (being a Good Leaver), to retain any Sale Shares not taken up. Provided that the Directors may require the Proposing Transferor to provide evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale to the purchaser and for the consideration stated in the transfer without any deduction, rebate, allowance or indulgent terms whatsoever and, if not so satisfied, may refuse to register the instrument of transfer.

10 TRANSFERS BY ORDINARY SHAREHOLDERS ON CEASING TO BE A DIRECTOR OR EMPLOYEE AND TRANSMISSIONS OF SHARES

10.1 If an employee or director or consultant of the Company or any of its subsidiary undertakings ("Relevant Individual") ceases for any reason (including death or bankruptcy) to be an employee or director or consultant as the case may be of the Company or any of its subsidiary undertakings and is not continuing as either a director or employee or consultant of the Company or any of its subsidiary undertakings or commits a material (construed in accordance with the Investment Agreement) breach of the Investment Agreement and:

- 10.1.1 the Relevant Individual is a holder of Ordinary Shares (whether solely or jointly with any other person); and/or
- 10.1.2 the Relevant Individual has established a Family Trust which holds Ordinary Shares; and/or
- 10.1.3 any Ordinary Shareholder holds Ordinary Shares as the nominee of the Relevant Individual; and/or
- 10.1.4 Ordinary Shares are held by a Privileged Relation or other permitted transferee of the Relevant Individual; and/or
- 10.1.5 Ordinary Shares are held by a company the majority of the issued share capital of which is beneficially owned by the Relevant Individual or a Privileged Relation, Family Trust or other permitted transferee of the Relevant Individual;

then the following provisions of this Article 10 shall apply.

- 10.2 On the Cessation Date there shall be deemed to have been served a Transfer Notice by any of the holders of Ordinary Shares referred to in this Article 10 (or their PRs in the case of their death) ("Compulsory Vendors"):-
- 10.2.1 in the case of a Bad Leaver, in respect of all his Shares (including any held by persons listed in Article 10.1);
- 10.2.2 in the case of a Good Leaver, in respect of 50% of his Shares (including any held by persons listed in Article 10.1);
- 10.2.3 in the case of an Agreed Leaver, such number of his Shares (including any held by persons listed in Article 10.1) as shall be determined by the Board.

Such Shares shall be offered for sale (other than to the Compulsory Vendors) in accordance with the provisions of Article 9 (save that, in the case of a Good Leaver, the time period in Article 9.1.7.1 shall be 124 days and Article 9 shall be construed accordingly), which shall apply mutatis mutandis except to the extent that they are varied by the following provisions of this Article 10. In such event, no further Transfer Notice shall be issued in respect of such Shares during the process set out in Article 9, and the Investor Director may also determine in its absolute discretion to revoke any Transfer Notice (save in relation to Shares the sale of which has already been completed) previously given or deemed to have been given by the Compulsory Vendors.

- 10.3 The unanimous decision of the Board (excluding any Relevant Individual) as to whether there has been a material (construed in accordance with the Investment Agreement) breach of the Investment Agreement by a Relevant Individual shall be final and binding and he/they shall not be liable to any person by reason of such decision.
- 10.4 If any person is deemed to have given a Transfer Notice under Article 10.1 in respect of any Shares other than Ordinary Shares the Transfer Notice shall be deemed to include all such other Shares which shall be offered to the other shareholders in accordance with the provisions of Article 9.
- 10.5 A Transfer Notice shall be deemed to have been given under this Article 10 on the date of notification by the Board to the Compulsory Vendors of its

determination that a Transfer Notice is deemed to have been given ("Deemed Notice Date").

10.6 The price for the Sale Shares shall be as follows:

10.6.1 if the Relevant Individual is an "Agreed Leaver", the price shall be the Market Value of the Sale Shares as at the Cessation Date ~~or, if less, the issue price (including any premium) of the Sale Shares;~~

or such other value as shall be agreed by the unanimous decision of the Board

10.6.2 if the Relevant Individual is a "Good Leaver", the price shall be the Market Value of the Sale Shares as at the Cessation Date or, if higher, the issue price (including any premium) of the Sale Shares;

10.6.3 if the Relevant Individual is a "Bad Leaver" the price shall be the lower of the Market Value of the Sale Shares and par value for each Sale Share.

10.7 For the purposes of Article 10.6:

10.7.1 the "Market Value" shall be the price agreed between the Compulsory Vendors and the Board or, if they fail to agree a price within 21 days (or, in the case of an Agreed Leaver, 60 days) of the Deemed Notice Date the price certified by the Auditors pursuant to Article 9.1.3.2 acting as experts and not as arbitrators, to be the market value of the Sale Shares upon the Cessation Date, (calculated on the basis of a sale by a willing seller to a willing buyer disregarding if such be the case, any discount that might attach to the Sale Shares if they constitute a minority interest, any class rights attaching to any other class of Shares any transfer restrictions which apply to the Sale Shares pursuant to these articles and any discount to reflect the fact that the Sale Shares do not carry a running dividend yield, if such be the case, but, in the case of an Agreed Leaver only, taking into account the effects on the Company of the employee or director or consultant in question ceasing to be an employee or director or consultant as the case may be). The costs of the Auditors shall be borne as determined by the Auditors;

10.7.2 a "Good Leaver" is a Relevant Individual who ceases to be an employee and/or director and/or consultant because of death,

retirement or ill health entitling the Company to dismiss him or is dismissed in circumstances where a competent court has finally determined that such dismissal was wrongful or who is otherwise categorised as a Good Leaver by a unanimous decision of the Board (excluding the Relevant Individual);

10.7.3 a "Bad Leaver" is a Relevant Individual who is dismissed for reasons of gross misconduct, dishonesty or fraud or has committed a deliberate and material breach of either the Investment Agreement or of his Service Contract;

10.7.4 an "Agreed Leaver" is a Relevant Individual who ceases to be an employee and/or director and/or consultant and who is neither a Good Leaver nor a Bad Leaver or who is otherwise categorised as an Agreed Leaver by the unanimous decision of the Board (excluding the Relevant Individual);

10.7.5 the unanimous decision of the Board (excluding any Relevant Individual) shall determine whether a Relevant Individual is a Good Leaver, Bad Leaver or Agreed Leaver.

10.8 None of the Shares held by the Relevant Individual who is an Agreed Leaver or a Bad Leaver shall, with effect from the Deemed Notice Date (but subject to the proviso below), entitle the Relevant Individual to receive notice of, attend or vote at any general meeting of the Company, or any meeting of the holders of Shares of the same class, and such Shares shall not be counted in determining the total number of votes which may be cast at any such meeting, or for the purposes of a written resolution of any Members or class of Members. Provided that any Shares so disenfranchised shall be re-enfranchised on a transfer of them in accordance with Article 9 or Article 12 (as varied by this Article 10), or, if they are not so transferred, on the exhaustion of the procedure for the sale and purchase of them set out in Article 9.

10.9 For the avoidance of doubt, where an individual is employed and/or is engaged as a consultant by and/or serves as a director of a company which is a subsidiary undertaking of the Company, Article 10 shall apply upon that company ceasing to be within the Group and the individual not continuing to

be an employee or director or consultant of any other member of the Group.

10.10 Without prejudice to Articles 10.1 and 10.2 (which, in the event of any conflict shall override the provisions of this Article 10.10), if a majority of the Directors (including the Investor Director) so resolve they may at any time give notice to the legal personal representatives of a deceased Member ("PRs") or the trustee in bankruptcy of a Member ("Trustee in Bankruptcy") requiring such person to elect either to be registered himself or to give a Transfer Notice in respect of the Shares to which he/they become entitled in consequence of the death or bankruptcy of any Member. If such notice is not complied with within 14 days from the date of such notice the Directors may authorise some person to execute and deliver a transfer of the shares concerned to some person appointed by the Directors as a nominee for the PRs or Trustee in Bankruptcy and the Company may give a good receipt for the purchase price of such Shares, register the purchaser or purchasers as the holders of them and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled to such Shares. In any such case the PRs or Trustee in Bankruptcy shall be bound to deliver up the certificates for the Shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall in the meantime be held by the Company on trust for such person or persons but without interest.

10.11 Without prejudice to Articles 10.1 and 10.2, a person who becomes entitled to a Share by operation of law (otherwise than on the death or bankruptcy of a Member when Article 10.10 shall apply) will be bound at any time, if and when called on in writing by the Board to do so, to give a Transfer Notice (without specifying the price per share) in respect of all the Shares to which such person has become entitled. This requirement will not apply if such person:

10.11.1 is a person to whom such Shares may be transferred pursuant to Article 8; or

10.11.2 within 90 days of becoming so entitled, transfers such Shares to a person to whom they may be freely transferred as aforesaid.

Regulations 30 and 31 shall take effect accordingly.

II WAREHOUSING OF SHARES AND TRANSFERS TO EMPLOYEES

- 11.1 If a Transfer Notice is given or deemed to be given pursuant to these articles then the Board may within the 21 day period set out in Article 9.1.4 resolve and, if so, give written notice to the Company (an "Employee Priority Notice") requiring that all or any of the Shares to which such Transfer Notice relates should be offered to any of the following:
- 11.1.1 any person or persons who is or are (an) existing Director(s) and/or employee(s) of the Company or of any member of the Group (an "Existing Employee");
 - 11.1.2 a person or persons (whether or not then ascertained) whom it is proposed should be appointed as (a) Director(s) and/or employee(s) of the Company or of any member of the Group (a "New Employee");
 - 11.1.3 two or more persons to be held on trust as set out in Article 11.2.2;
 - 11.1.4 the trustees of any Employment Benefit Trust
- and (in the case of offers pursuant to Articles 11.1.1 and 11.1.2 (or either of them)) the Employee Priority Notice shall state the proportions in which such Shares are to be offered to each Existing Employee and/or New Employee. The Company shall advise the Proposing Transferor and all other Members in writing of the Employee Priority Notice within seven days after receiving the same.
- 11.2 Within four months after the date on which an Employee Priority Notice is given, the Shares subject to it ("Employee Shares") shall be offered by the Board (with the approval of the Investor Director):
- 11.2.1 to such person(s) (and if more than one, in the proportions) specified by the Board (conditional, in the case of any prospective Director and/or employee upon the taking up of his proposed appointment with the Company or any member of the Group); or
 - 11.2.2 if the relevant Employee Priority Notice so requires, to not less than two persons designated by the Board to be held (in the event of their acquiring the Employee Shares) on trust for any one or

- more Existing Employees or for New Employees as and when appointed (but so that in the latter case payment for the Employee Shares shall only be made at the time when the same are transferred to a New Employee and not on transfer to the persons holding such Employee Shares on trust or (if earlier) within six months of the date of the Employee Priority Notice); or
- 11.2.3 if the relevant Employee Priority Notice requires, to the trustees of any Employee Benefit Trust and any Employee Shares which are not acquired by any person referred to in Article 11.2.1 or 11.2.2 shall be offered by the Company to the trustees of any Employee Benefit Trust.
- 11.3 Any offer made by the Company pursuant to Article 11.2 shall state that the offer must be accepted within 28 days or in default will lapse.
- 11.4 If a Transfer Notice validly contains a Total Transfer Condition Article 9.1.8 shall apply mutatis mutandis.
- 11.5 If an offer made pursuant to Article 11.2 is accepted in respect of some or (if Article 11.4 shall apply) all of the Employee Shares the Company shall give notice in writing of the same to the Proposing Transferor and the provisions of Articles 9.1.9 and 9.1.10 shall apply mutatis mutandis as if such persons were Purchasers save that in the case of a transfer pursuant to an offer made under Article 11.2.2 the Proposing Transferor shall be bound to transfer Employee Shares to the respective Purchasers pursuant to Article 9.1.9 and the Directors shall be entitled to exercise the powers conferred on them under Article 9.1.10 despite the fact that payment for such shares may not be made until a later date in accordance with the provisions of Article 11.2.2.
- 11.6 If on the expiry of six months after the date of the Employee Priority Notice any Employee Shares have not been transferred pursuant to an offer made under Article 11.2 such Shares shall forthwith be offered by the Company to its Members in accordance with the provisions of Article 9.1.5 which, together with Articles 9.1.6 to 9.1.11, shall apply mutatis mutandis.
- 11.7 If a Realisation occurs before the Employee Shares have been sold pursuant to an offer made under Article 11.2 then the Employee Shares shall be offered pro rata (without restriction as to price or otherwise) to the existing

holders of Shares (save that in the case of the holders of the Convertible Preference Shares their entitlement shall be calculated on the basis, if not a fact, that the conversion rights in Article 4.3 have been exercised) immediately prior to the occurrence of such Realisation.

12 DRAG ALONG/TAG ALONG RIGHTS

12.1 Subject to Articles 12.3 and 12.4, if the effect of any sale or other transfer of any equity share capital (including a transfer within the meaning of Article 7.2) (whether through a single transaction or a series of transactions) would, if made and registered, result in any person (or persons connected with each other, or persons acting in concert with each other) either who is/are not member(s) at the date of adoption of these Articles holding equity share capital in the Company or increasing their equity shareholding in the Company to 50% or more, the holders of such equity share capital in the Company ("Relevant Transferors") shall procure that:

12.1.1 before the sale or other transfer is made, the proposed transferee makes an unconditional written offer to purchase all the Shares immediately before such sale or transfer at the Third Party Price; and

12.1.2 the proposed sale or other transfer:

12.1.2.1 is stipulated to be open for acceptance for at least 21 days;

12.1.2.2 includes an undertaking by the proposed transferee that neither it nor any person acting by agreement or understanding with it has entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of any Shares; and

12.1.2.3 is approved by the Investor Director.

12.2 For the purposes of this Article 12 the expression "Third Party Price" shall mean the price per Share which has been offered for each Share whose proposed transfer has led to the offer under Article 12.1.1 or notice under Article 12.5 or 12.6 (provided that if the Third Party Price is based on consideration paid or agreed to be paid pursuant to a transaction between

Connected Persons or between persons acting in concert the consideration payable shall, if higher, be the Market Value certified in accordance with Article 10.7). In the event of disagreement as to the Third Party Price the matter shall be referred to the Auditors (acting as experts and not as arbitrators) for determination. The costs of the Auditors shall be borne equally by the parties concerned and their decision shall be final and binding.

- 12.3 No offer shall be required pursuant to Article 12.1 if a Compulsory Purchase Notice has been served under Article 12.5 or 12.6.
- 12.4 The provisions of Article 12.1 shall not apply to any transfer of shares pursuant to Article 8 (other than Article 8.7.3) or to any transfer of Shares by the Investor.
- 12.5 If the effect of any transfer by the Investor (for so long as it holds 5% or more of the equity share capital of the Company (assuming, if not a fact, the Convertible Preference Shares have been converted pursuant to Article 4.3)) of any Shares would be that described in Article 12.1 (as modified by Article 12.3), then the Investor may require either:-
- 12.5.1 all the other shareholders who have not accepted the Offer at the Third Party Price ("Minority Shareholders") to transfer within 28 days of demand all (but not some only) of their Shares to the Proposed Transferee(s) at the Third Party Price; or
- 12.5.2 all Shareholders who have accepted the Offer at the Third Party Price to transfer within 28 days of demand all (but not some only) of their Shares to the Minority Shareholders, or persons nominated by them, at the Third Party Price.

Any such demand shall be by written notice to the relevant Shareholders to that effect (each a "Compulsory Purchase Notice"). For a period of 28 days after the service of the Compulsory Purchase Notices the relevant Shareholders shall not be entitled to transfer their shares to anyone other than the said Proposed Transferees.

- 12.6 If the effect of any transfer by any Member of any Shares after the date falling three years from the date of adoption of these Articles would be that described in Article 12.1 (as modified by Article 12.3), then the Proposed Transferor may require all the other shareholders who have not accepted

the offer at the Third Party Price ("Minority Shareholders") to transfer within 28 days of demand all (but not some only) of their Shares to the Proposed Transferee(s) at the Third Party Price provided always that the Third Party Price is not less than £2,500,000 in aggregate.

- 12.7 If a Shareholder makes default in transferring any Shares pursuant to Article 12.5 or 12.6 against payment of the price for them, the Directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the relevant proposed transferee(s) and the Directors shall receive the consideration in respect of such Shares and shall (subject to the transfer being duly stamped) cause the name of the relevant proposed transferee(s) to be entered into the register of members of the Company as the holder(s) of the relevant Shares. The Company shall hold the consideration in trust for the relevant Shareholder but shall not be bound to earn or pay interest on it. The receipt of the Company for the consideration shall be a good receipt for the price of the relevant Shares, but the proposed transferee(s) shall not be discharged from procuring that the Company applies the money in payment to the relevant Shareholder against delivery by the relevant Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same. After the name of the relevant proposed transferee(s) has or have been entered in the register of members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

13 **SHARE CERTIFICATES**

Share Certificates may be sealed or otherwise executed by the Company in accordance with the provisions of section 36A of the Companies Act. The second sentence of Regulation 6 shall be modified accordingly.

14 **PROCEEDINGS AT GENERAL MEETINGS**

- 14.1 The quorum for any general meeting shall include at least one Member present in person or by proxy from each class of Share. If under Regulation 41 a meeting is adjourned because a quorum is not present and at the adjourned meeting a quorum is not present within half an hour from the time

appointed for the meeting the shareholders present shall form a quorum and Regulations 40 and 41 shall be modified accordingly.

- 14.2 A poll may be demanded by the Chairman or by any Member present in person or by proxy and entitled to vote at the meeting and Regulation 46 shall be modified accordingly.
- 14.3 In the case of on equality of votes, whether on a show of hands or on a poll, the Chairman shall not be entitled to a casting vote in addition to any other vote which he may have and Regulation 50 shall be modified accordingly.
- 14.4 Regulation 53 shall be modified by the addition at the end of the following sentence: "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly."
- 14.5 Regulation 59 shall be modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a Member from attending and voting at the meeting or at any adjournment of the meeting."
- 14.6 Regulation 62 shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation (after the word "invalid") of the words "unless a majority of the Directors (the Investor Director being part of that majority) resolve otherwise".

15 ALTERNATE DIRECTORS

- 15.1 An alternate director's appointment will determine if he resigns by written notice left at or sent to the registered office of the Company.
- 15.2 An alternate director will be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 15.3 No Director designated an Investor Director shall require a resolution of the Directors to the appointment by him of any person to be an alternate director in his place. Regulation 65 shall be modified accordingly.

16 **DIRECTORS**

- 16.1 Unless and until otherwise determined by ordinary resolution of the Company the number of the Directors shall be not less than two nor more than ^{seven}~~six~~.
- 16.2 No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age.
- 16.3 Regulation 68 shall be modified by the addition at the end of the following sentence: "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors."
- 16.4 A Director shall not retire by rotation and a Director appointed to fill a vacancy or as an addition to the board shall not retire from office at the Annual General Meeting next following his appointment. Regulations 73 to 77 (inclusive) and 80 shall not apply to the Company, and Regulations 78 and 79 shall be modified accordingly.
- 16.5 Regulation 81(e) shall not apply to the Investor Director(s).
- 16.6 The office of Director shall be vacated if the Director in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder, illness or injury of discharging his duties as Director, and Regulation 81 shall be modified accordingly; provided that the provisions of this Article 16.6 shall not apply to the Investor Director(s).
- 16.7 The office of an executive Director shall be vacated if he shall, for whatever reason, cease to be employed by the Company or any member of the Group. Regulation 81 shall be modified accordingly.
- 16.8 Subject to the requirements of the Companies Act no Director or alternate director may as a director vote at any meeting of the Board in respect of any contract or arrangement in which he or any Member by whom he is nominated is interested unless such interest is previously disclosed to the Board. If it is so disclosed his vote will be counted and he will be reckoned in the quorum present at the meeting. Regulations 94 to 98 (inclusive) will not apply to the Company.

16.9 The holders of such number of Shares as give the right to a majority of votes at general meetings of the Company may, at any time and from time to time, remove any Director from office or appoint any person to be a Director. Such removal or appointment shall be effected by notice to the Company signed by or on behalf of such holder or holders (which notice may consist of several documents in the like form each signed by or on behalf of one or more holders) and left at or sent by post [or facsimile transmission] to the registered office or such other place designated by the Directors for the purpose. Such removal or appointment shall take effect immediately upon receipt of the notice or on such later date (if any) as may be specified in the notice. The provisions of this Article 16.9 shall not apply to the appointment or removal of an Investor Director. This Article 16.9 is not to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director.

17 **REMUNERATION COMMITTEE**

Without prejudice to Regulation 72 there shall be a standing committee of the Directors called the remuneration committee which shall comprise the Chairman and the Investor Director (or any other non-executive Director if there is no Investor Director) ("Remuneration Committee"). The managing director of the Company shall also be entitled to sit on the Remuneration Committee other than in matters concerning his own remuneration. The Remuneration Committee shall make determinations on all matters concerning the Emoluments of the Directors and the Managers including, without limitation, salary reviews, the setting of bonus levels and performance targets and shall be empowered, on behalf of the Company, to amend any of the terms of the service contracts of any Directors or Managers from time to time. The Remuneration Committee shall act by majority, such majority to include the Investor Director(s). Regulation 82 shall not apply to the Company.

18 **BORROWING POWERS**

The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment

of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to section 80 of the Companies Act) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party not exceeding an aggregate sum of £1,000,000.

19 **PROCEEDINGS OF DIRECTORS**

- 19.1 In the case of an equality of votes, the Chairman shall not have a second or casting vote. Regulation 88 shall be modified accordingly.
- 19.2 The quorum necessary for the transaction of business at any meeting of the Directors shall be two of which one shall be the Investor Director and Regulation 89 shall be modified accordingly. If any meeting of the Directors shall be inquorate then it shall be adjourned for the consideration of the same business until the same time and place the next following week when those Directors present shall constitute a quorum.
- 19.3 Any Director or member of a committee of the Board may participate in a meeting of the Board or of such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting and shall be counted when reckoning a quorum.

20 **INVESTOR DIRECTOR AND REPRESENTATIVE**

- 20.1 So long as the Investor holds ^{any} ~~not less than 5%~~ of the Shares it shall have the right at any time and from time to time to appoint one person or company as a non-executive Director of the Company but so that not more than one person shall hold office under this Article 20 at any one time and the following provisions shall have effect:
- 20.1.1 any such appointment shall be effected by notice in writing to the Company by the Investor who may in like manner at any time and from time to time remove from office any Investor Director appointed pursuant to this Article 20 and (following consultation

and agreement with the Board (such agreement not to be unreasonably withheld or delayed) as to the identity of the replacement) appoint any person in place of any Investor Director so removed or dying or otherwise vacating office as Investor Director;

20.1.2 subject to section 303 of the Companies Act, on any resolution to remove an Investor Director, the Convertible Preference Shares held by the Investor shall together carry one vote in excess of fifty per cent of all the votes exercisable at the general meeting at which such resolution is to be proposed, and if any such Investor Director is removed pursuant to section 303 of the Companies Act or otherwise, the Investor may appoint any other person as a Investor Director.

20.2 So long as the Investor holds not less than 5% of the Shares the Investor shall have the right at any time and from time to time to appoint any one person to attend observe and speak at meetings of the Board and the provisions of Article 20.1.1 shall apply mutatis mutandis but any person so appointed shall not be a director of the Company.

21 **NOTICES**

The Company may give any notice or other document, including a share certificate, to a Member:

- 21.1 by delivering it by hand to the registered address of the Member;
- 21.2 by sending it by post or other delivery service in an envelope (with postage or delivery paid) to the registered address of the Member;
- 21.3 by fax (except for share certificates) to a fax number notified by the Member to the Company in writing.

Regulation 112 shall be modified accordingly.

22 **DELIVERY OF NOTICES**

- 22.1 If a notice or document is delivered by hand, it will be treated as being delivered at the time it is handed to or left with the Member.
- 22.2 If a notice or document is sent by post or other delivery service not referred to below, it will be treated as being delivered:

22.2.1 24 hours after it was posted, if first class post was used; or

22.2.2 72 hours after it was posted or given to delivery agents if first class post was not used.

Proof that an envelope containing a notice or document was properly addressed, prepaid and posted or given to delivery agents shall be conclusive evidence that the notice was given.

22.3 If a notice or document (other than a share certificate) is sent by fax, it will be treated as being delivered at the time it was sent as long as the whole transmission was received in legible form at the recipient's end.

Regulation 115 shall be modified accordingly

23 **INDEMNITIES**

Subject to the provisions of the Companies Act but without prejudice to any indemnity to which he may otherwise be entitled every Director alternate director secretary and other officer or employee for the time being of the Company shall be indemnified out of the assets of the Company against any liability [(other than any liability arising out of the Investment Agreement)] sustained or incurred by him in defending any proceedings whether civil or criminal relating to his conduct as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 144 or section 727 of the Companies Act in which relief is granted to him by the Court. Regulation 118 shall not apply to the Company.