

Company number: 05570073

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COMPANIES HOUSE

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

SHOE ZONE GROUP LIMITED

(the “**Company**”)

Circulated on 6 February 2014 (the “**Circulation Date**”)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (“**Act**”), the directors of the Company propose that the following resolutions be passed as special resolutions (the “**Special Resolutions**”)

SPECIAL RESOLUTIONS

- 1 “**THAT** the existing articles of association of the Company be repealed in their entirety and the annexed document be adopted as the new articles of association of the Company ”
- 2 “**THAT** to the extent that the new articles of association of the Company vary the rights attaching to any existing class of shares in issue, each shareholder holding such shares consents to and approves such variation of their share class rights ”
- 3 “**THAT** the directors be empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) up to an amount of 10,000 ordinary shares of £0.01 each to Nicholas Davis and Jeremy Sharman as if section 561 of the Act did not apply to such allotment, provided that this power shall cease on 30 June 2014 ”

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Special Resolutions (collectively, the “**Resolutions**”)

We, the undersigned, being all the eligible members of the Company, hereby confirm that we have received a copy of the Resolutions in accordance with section 291 of the Act and hereby irrevocably agree that the Resolutions be passed as written resolutions pursuant to section 288 of the Act and shall take effect as special resolutions

Signed:

J.C.P. [Signature]

.....
Charles Smith, Shareholder

Date 6 February 2014

[Signature]

.....
Anthony Smith, Shareholder

Date 6 February 2014

NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of them. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company.
- 2 If you do not agree to the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.
- 3 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
- 4 Unless sufficient agreement has been received for the Resolutions to be passed before the end of the period of 28 days beginning on the Circulation Date, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before the end of this period.

COMPANY NUMBER: 5570073

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF
SHOE ZONE GROUP LIMITED



PricewaterhouseCoopers Legal LLP

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SHOE ZONE GROUP LIMITED

as adopted by *Special Resolution of 6th February 2014*

1 PRELIMINARY

1.1 The Regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 (such Table being hereinafter referred to as "**Table A**"), shall apply to the Company, save in so far as they are excluded or varied hereby. Any reference in these Articles to "**a Regulation**" shall be to a regulation contained in Table A.

1.2 In these articles the following words shall have the following meaning unless the context otherwise so requires

"Base Hurdle" the aggregate sum of £65,000,000 or more which

(i) in the case of a Trade Sale, Share Sale or Listing of more than 30% but less than 100% of the Company's shares or assets, shall be calculated as if the transaction were of 100%; and

(ii) in the event that a dividend is paid on the "A" Ordinary Shares after the date of adoption of these articles, shall be calculated by adding to the calculation the sum of the cash dividend so paid,

**“Company
Value”**

- (i) in the case of a Trade Sale, the aggregate amount payable in respect of the assets to be acquired by any person firm or company (the **“Acquirer”**) plus a sum equal to any liability, debt or borrowing of the Company that the Acquirer agrees to repay, assume, take over or forgive (other than creditors of the Company’s business in the ordinary course of trading) in connection with such assets whether in cash or kind or whether by the issue of securities and whether paid immediately or on a deferred or contingent basis and 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 such assets less
 - (a) the value of any taxation paid or payable by the Company as a result of the Trade Sale, and
 - (b) the value of any pension scheme liability assumed by the Acquirer,
- (ii) in the case of a Share Sale, the aggregate amount payable in respect of the shares to be acquired by a purchaser (the **“Purchaser”**) in connection with such Share Sale whether in cash or kind or whether by the issue of securities and whether paid immediately or on a deferred or contingent basis and 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 such shares plus the value of any liability, debt or borrowing of the Company (other than creditors of the Company’s business in the ordinary course of trading) that is either retained within the Company following such Share Sale or repaid, assumed, taken over, or forgiven by the Purchaser), or
- (iii) in the case of a Listing, the amount which the board of directors of the Company or a duly authorised committee thereof deems to be appropriate having regard to, or otherwise taking account of, any anticipated price on a placing, the Listing prospectus or which might otherwise be indicated by the Company’s advisors on the Listing process plus the value of any liability, debt or borrowing of the Company (other than creditors of the Company’s business in the ordinary course of trading) at the time of the Listing, and

in each case less the amount of costs and expenses properly borne by the Shareholders or the Company in respect of such Share Sale, Trade Sale or Listing, or

- (iv) in any other case the value as determined by the directors (acting reasonably) based on a Share Sale of 100% of the share capital of the Company and calculated in accordance with point (ii) above,

“Encumbrance” any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, and any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having similar effect,

“Group” means the Company and its subsidiaries and subsidiary undertakings from time to time, any holding company or parent undertaking of the Company and all other subsidiaries or subsidiary undertakings of any such holding company or parent undertaking from time to time,

“Listing” In respect of any shares in the Company or any Group company, any of

(a) the admission to the Official List by the UK listing authority (or any other competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000),

(b) the admission to trading on the Alternative Investment Market by the London Stock Exchange, or

(c) any equivalent admission to any other “recognised investment exchange” (as the expression is defined in the Financial Services and Markets Act 2000),

“New Holding Company” means a company which obtains control of the Company where the majority of 51% or more of the New Holding Company’s ordinary shares are held in substantially the same proportions by substantially the same persons who previously held the Company’s Ordinary Shares,

“Share Sale” means the disposal of any interest in any of the shares of the Company or a Group company to a person or persons other than where

(a) the disposal is to a New Holding Company in which case such company shall be considered to be the Company for the purposes of

this definition, or

(b) the disposal is to a subsidiary of the Company, or

(c) the relevant transfer is to a person or person(s) connected with the transferring shareholder,

and pursuant to which the Company, ceases (or will cease) following a sale of shares to be controlled by the person who controlled it immediately prior to the date of adoption of these Articles (control having the meaning given to it by section 1124 of the Corporation Tax Act 2010,

“Trade Sale” means the disposal of the whole, or substantially the whole (as determined by the board of directors of the Company or a duly authorised committee of the board) of the undertaking, business and assets of the Group other than to a subsidiary of the Company or a company which controls the Company.

1 3 Regulations 24, 64, 94 and 118 shall not apply to the Company but the Articles hereinafter contained and the remaining Regulations as varied hereby, shall constitute the Articles of the Company

1 4 In these Articles “the Act” means the Companies Act 1985 including any statutory modification means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force

2 PRIVATE COMPANY

2 1 The Company is a private company as defined by section 1 (3) of the Act, and accordingly

2 1 1 the Company shall not offer to the public (whether for cash or otherwise) any shares in or debentures of the Company, and

2 1 2 the Company shall not allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of such shares or debentures being offered for sale to the public, and sections 58 to 60 of the Act shall apply for the purposes of this Article as they apply for the purposes of the Act

3 SHARE CAPITAL

At the date of the adoption of these Articles the authorised share capital of the Company is £1,543,000 divided into 677,053 Ordinary Shares of 1p each, 1,437,496 ‘A’ Ordinary Shares of 1p each, 87,952 ‘B’ Ordinary Shares of 1p each, 10,000 ‘C’ Ordinary Shares of 1p each, 797,499 Preference Shares of 1p each and 1,315,000 Redeemable Shares of £1 each The rights attached to the different classes of shares are set out in these Articles

4 INCOME RIGHTS ATTACHING TO SHARES

4 1 The holders of the Preference Shares shall be entitled with effect from 1 January 2006 to be paid out of the profits of the Company available for dividend and resolved to be distributed in respect of any financial year for which the Company's accounts are made up a fixed preferential cumulative dividend in respect of each share of one half of one percent above Bank of Scotland base rate prevailing on the first day of the six month period in respect of which payment is to be made upon the amount being paid up thereon multiplied by 128. The Preference Shares shall rank for dividend in priority to any other shares or stocks of the Company for the time being in issue and the said dividends shall be payable half yearly in equal amounts on 30 June and 31 December in each year in respect of the half years ending 30 June and 31 December respectively.

4 2 Subject to article 4 1, the holders of all other share classes shall be entitled to share in any dividends so declared in relation to the other share classes on a pro-rata basis provided that, in the case of "C" Ordinary Shares, the holders of "C" Ordinary Shares shall only be entitled to be paid a dividend if the Company Value is at that time equal to or in excess of the Base Hurdle and then shall be entitled to a pro-rata amount of such dividend up to a maximum of 1 8% of the dividend amount which is declared.

5 VOTING RIGHTS ATTACHING TO SHARES

5 1 The holders of the Preference Shares shall not be entitled to receive notice of nor attend or vote at any general meeting of the members of the Company.

5 2 The "A" Ordinary Shares and Ordinary Shares shall be treated as one class of share for the purpose of voting and shall have one vote per share.

5 3 The holders of the "B" Ordinary Shares and the holders of the "C" Ordinary Shares shall not be entitled to receive notice of nor attend or vote at any general meeting of the members of the Company.

6 CAPITAL RIGHTS ATTACHING TO SHARES

Return of Capital

6 1 On a return of assets on a liquidation or otherwise (but excluding the redemption of the Redeemable Shares in accordance with these Articles or a purchase of shares by the Company) the surplus assets of the Company remaining after the payment of its liabilities and available for distribution amongst the members shall be applied

6 1 1 first, in paying to the holders of the Preference Shares the sum of £1 60 per share,

6 1 2 second, subject to payment of the sum required in article 6 1 1, if the Company Value is equal to or in excess of the Base Hurdle, the class of "C" Ordinary Shares shall be entitled to 1 8% of the Company Value less the value of any cash dividend which has been paid on the "C" Ordinary Shares after the date of adoption of these Articles or, if the Company Value is less than the Base Hurdle, the "C" Ordinary

Shares shall be entitled to receive only a sum which is equal to the amount paid up or credited as paid up on those shares, and

- 6 1 3 third, subject to payment of the sums required in Articles 6 1 1 and 6 1 2, any balance of such surplus assets shall be distributed amongst the holders of the "A" Ordinary Shares and "B" Ordinary Shares pro rata to the number of such shares then in issue

Sale

- 6 2 On a Share Sale, the Company Value shall be distributed amongst the holders of the shares in accordance with article 6.1 above as if such event was a return of capital
- 6 3 On a Trade Sale, the Company shall (insofar as it is lawfully able) as soon as reasonably practicable following completion of the Trade Sale distribute (whether by means of dividend, liquidation or otherwise) to the shareholders the proceeds and those proceeds shall, notwithstanding any limitation or provision to the contrary set out in article 4 2, be distributed between the shareholders (including the holders of "C" Ordinary Shares) in the manner set out in Article 6 1 above as if the same constituted a return of capital
- 6 4 If any of the consideration payable in respect of a Share Sale or a Trade Sale comprises deferred consideration and the deferred consideration becomes payable, then the deferred consideration shall be apportioned in accordance with Article 6 1 as if the deferred consideration were part of the original consideration provided that no shareholder shall be entitled to receive such consideration twice i e if a shareholder already has an entitled to deferred consideration it being part of the Company Value then once the deferred consideration is no longer contingent then the shareholders shall receive those proceeds
- 6 5 For the avoidance of doubt, if there are multiple Share Sales or Trade Sales, the value of each Share Sale or Trade Sale shall be cumulative for the purpose of calculating the Base Hurdle

Listing

- 6 6 In the event of a Listing involving the shares of the Company only, if the board of directors of the Company, or a duly appointed committee thereof, determines that the Company Value on such Listing is expected to be greater than the Base Hurdle, then immediately prior to the Listing, the shareholders shall enter into such arrangements as are agreed between them to ensure that the holders of the "C" Ordinary Shares receive (by way of a conversion and re-designation of their "C" Ordinary Shares) such number of "A" Ordinary Shares which are equal in value to the Company Value they would have received using the same order of applications as on a return of capital set out in article 6 1 The following provisions shall apply for this purpose,
- 6 6.1 conversion shall take effect at no cost to the holders of "C" Ordinary Shares,
- 6 6 2 the "A" Ordinary Shares arising on such redesignation and conversion of "C" Ordinary Shares pursuant to this Article 6 6 shall rank pari passu with the "A" Ordinary Shares,

shall be fully paid up and shall entitle the holders of newly converted "A" Ordinary Shares to all dividends and other distributions declared, made or paid on the "A" Ordinary Shares by reference to any record date occurring after such redesignation and conversion

6 7 Upon conversion, each relevant holder of "C" Ordinary Shares shall deliver to the Company at its registered office the certificates for his "C" Ordinary Shares (or an indemnity in a form reasonably satisfactory to the board of directors of the Company) and upon such delivery there shall be issued to him a certificate for the number of shares resulting from the redesignation and conversion of his "C" Ordinary Shares

6 7 Where a Listing is to take place and the board of directors of the Company, or a duly appointed committee thereof, determines that the Company Value is expected to be lower than the Base Hurdle, then the "C" Ordinary Shares shall not participate in the Listing and shall be repurchased by the Company for a sum equal to the amount paid up or credited as paid up on such shares immediately before the Listing

7 VARIATION OF RIGHTS

7 1 Whenever the capital of the Company is divided into different classes, the rights attached to any class of share may be varied, either while the Company is a going concern or during or in contemplation of a winding up, but only if the holders of shares of that class consent in accordance with either of the following.

7 1 1 consent in writing from the holders of at least 75 per cent of the issued shares of that class, or

7 1 2 a special resolution passed at a separate general meeting of the holders of that class sanctioning the variation To every such separate general meeting all the provisions of these articles relating to general meetings of the Company or to the proceedings at them shall apply, with necessary modifications, except that the necessary quorum, other than for an adjourned meeting, shall be two persons, together holding, or representing by proxy, or being the duly authorised representative of a corporation which is, a member holding, at least one third in nominal value of the issued shares of that class or, if all the shares of the class are registered in the name of a single member and at an adjourned meeting, the quorum shall be one person being the member or his proxy or corporate representative, and the holders of shares of that class shall on a poll have one vote in respect of any share of that class held by them respectively

8 ISSUE OF SHARES

8 1 Subject to article 8 2, any original shares for the time being unissued and any new shares from time to time to be created shall, before they are issued, be offered to the members in proportion, as nearly as may be, to the number of shares held by them Such offer shall be made by notice specifying the number of shares offered and limiting a time (being not less

than 7 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 intimation from the person to whom the offer is made that he declines to accept the shares offered, the shares not accepted by him shall be offered to the other members in the proportions and on the like terms as are hereinbefore mentioned. If no such member accepts the shares so offered the directors may, subject to these Articles, dispose of the same in such manner as they think most beneficial to the Company. Subject as aforesaid, the directors may in like manner dispose of any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner hereinbefore provided.

8 2 Article 8 1 shall not apply to the holders of "C" Ordinary Shares. Any further "C" Ordinary Shares may be issued and allotted to any person without being offered to the existing holders of the "C" Ordinary Shares or any other members.

8 3 In accordance with Section 91 (1) of the Act Sections 89 (1) and 90 (1) to (6) (inclusive) of the Act shall not apply to the Company.

8 4 The directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised but unissued share capital of the Company at the date of adoption of these Articles and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

8 5 The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder in accordance with and subject to Sections 159 to 161 inclusive of the Act.

8.6 The lien conferred by Regulation 8 shall extend to fully paid shares and to all shares registered in the name of any person, indebted or under any liability to the Company, whether he is registered alone or jointly with any other persons.

9 TRANSFER OF SHARES

9 1 Unless the directors determine otherwise, in their sole discretion that the restrictions in this article 9 may be waived (and, for the avoidance of doubt, a holder of shares for this purpose shall include the personal representative of a deceased member), no person shall be entitled to transfer any shares unless the transfer is made pursuant to

9 1 1 article 9 (transfer of shares),

9 1 2 article 10 (tag along),

- 9 1 3 article 11 (drag along),
- 9 1 4 article 12 (compulsory transfer cessation of employment),
- 9 1 5 article 13 (compulsory transfer death, bankruptcy or insolvency), or
- 9 1 6 article 14 (put option).
- 9 2 Subject as in these Articles provided, any share except a "C" Ordinary Share to which the provisions of article 9 15 shall apply, may be transferred to any member of the Company and any share may be transferred by a member during his life, or by his personal representatives on his death, to such member's father or mother, or to any lineal descendant of such member's father or mother, or to such member's spouse widow or widower (or to some person whom the directors accept as a partner of a member equivalent to the member's spouse, widow or widower), or to any trustees appointed by deed or will upon trust for the benefit of any such person, or by such trustees to new trustees, or by any such trustees to any such person as aforesaid, or on the death of a member may be registered in the names of such member's personal representatives
- 9 3 Subject to articles 10 to 14, shares except for "C" Ordinary Shares to which the provisions of the article 9 15 shall apply (whether Ordinary or Redeemable) shall not be transferred (otherwise than as provided in Article 9 1) unless it first be offered to the members in accordance with the provisions of Articles 9 4 to 9 9
- 9 4 Every member who wishes to transfer his shares or any of them (hereinafter called the "**Retiring Member**") shall give notice in writing (hereinafter referred to as a "**Sale Notice**") to the directors that he desires to sell the same Every Sale Notice shall specify the denoting numbers (if any) and the class of the shares which the Retiring Member desires to sell, and shall constitute the directors the agent of the Retiring Member for the sale of such shares (hereinafter referred to as the "**Offered Shares**") at the fair value (as hereinafter defined) Save as hereinafter provided no Sale Notice shall be withdrawn except with the sanction of the directors A Retiring Member may not give a Sale Notice within twelve months of any previous Sale Notice given by him
- 9 5 For the purposes of this Article, the fair value of any Offered Share shall be such price as may be agreed between the Retiring Member and the directors In default of such agreement within 21 days of the Sale Notice, the directors shall refer the matter to the auditors for the time being of the Company (acting as experts and not as arbitrators) to certify what in their opinion is the fair value of the Offered Shares The directors shall endeavour to procure that the auditors shall certify the fair value within 30 days after the said question shall have been referred to them For purposes of certifying the fair value and unless all the Ordinary Members shall otherwise agree the auditors shall assume that the Company will continue as a going concern and that the sale of the Offered Shares is as between a willing seller and a willing buyer but shall disregard the number of Offered Shares or the proportion they form of the total number of issued shares or of any class of shares Any fees and expense of the

auditors in connection with such certificate shall be borne as to half by the Retiring Member and as to the remaining half amongst the purchasers (if any) of the Offered Shares in proportion to the number to be purchased by them respectively. If there are no such purchasers or if the Retiring Member gives a counter-notice pursuant to Article **Error! Reference source not found.**, such remaining half shall also be borne by the Retiring Member unless the directors shall resolve otherwise

- 9 6 If the fair value determined as aforesaid is not acceptable to the Retiring Member he may give notice in writing to the directors within 14 days of the issue of the auditors' certificate as aforesaid to withdraw the Sale Notice. If the Retiring Member gives notice hereunder he shall, unless the directors resolve otherwise, bear the whole of the fees and expenses for the preparation of any such certificate as aforesaid
- 9 7 If the Retiring Member has not given a notice withdrawing the Sale Notice pursuant to Article 9 6 the directors shall forthwith, with a view to finding members willing to purchase the Offered Shares (hereinafter referred to as "**Purchasing Members**"), by notice (hereinafter referred to as an "**Offer Notice**") offer the Offered Shares at the fair value. Such offer shall be made to all the ordinary members (other than the Retiring Member and any ordinary member who at the time has or is deemed to have given a Sale Notice) as nearly as may be in proportion to their holdings of Shares in the Company. The Offer Notice shall specify the fair value and shall limit a time within which such offer if not accepted by notice in writing to the directors shall be deemed to be declined. The directors shall make such arrangements as they shall think just and reasonable as regards the finding of Purchasing Members for any of the Offered Shares not accepted by members to whom they shall in the first instance have been so offered as aforesaid. Purchasing Members shall state in writing whether they are willing to purchase any of the Offered Shares at the fair value and (if so) the maximum number thereof
- 9 8 If the directors shall within 56 days after service of an Offer Notice find Purchasing Members in respect of all or any of the Offered Shares pursuant to the foregoing provisions of this Article they shall give notice thereof to the Retiring Member. If the directors shall have found Purchasing Members for some but not all of the Offered Shares, the Retiring Member may within 21 days of the receipt of such notice from the directors give a counter-notice in writing to the directors withdrawing the Sale Notice. If the directors shall have found Purchasing Members for all of the Offered Shares or if no such counter-notice shall have been given by the Retiring Member within the said period, the Retiring Member shall be bound upon receipt of the fair value to transfer the Offered Shares for which Purchasing Members have been found to such Purchasing Members
- 9 9 If the Retiring Member fails to carry out the sale of any of the Offered Shares which he shall have become bound to transfer as aforesaid, the directors shall if so required by any Purchasing Member authorise some person to execute transfers of the same to the Purchasing Members on behalf of the Retiring Member and shall receive and give a good

- receipt for the purchase price of the same, and shall enter the names of the Purchasing Members in the Register of Members as holders thereof and issue to them certificates for the same and thereupon the Purchasing Members shall become indefeasibly entitled thereto. The Retiring Member shall in such case be bound to deliver up his certificates for the said shares and on such delivery shall be entitled to receive the said purchase price, without interest, and if such certificates shall comprise any shares which he has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such shares.
- 9 10 If the Retiring Member shall not have given any notice to the directors pursuant to either of Articles 9 6 or 9.8 or if, through no default of the Retiring Member, the purchase of any of the Offered Shares shall not be completed within 21 days after the service on the Retiring Member of the notice provided for by Article 9 8, the Retiring Member at any time within 6 months after the expiry of the said 56 days from the date of the directors' notice under Article 9 8 may transfer to any person he may wish and at any price (not being less than the fair value) the Offered Shares in respect of which no Purchasing Member was found or in respect of which the sale was not completed as aforesaid.
- 9 11 Subject as mentioned in Article 9 1 the provisions of this Article shall apply mutatis mutandis to any person becoming entitled to any Share in consequence of the death or bankruptcy of a member who wishes either to transfer such share or to elect to be registered himself in respect thereof, any such election shall be treated in all respects as a transfer of the shares to which such election relates.
- 9 12 If any beneficial interest in any Shares in issue for the time being shall be disposed of or agreed to be disposed of in whole or in part in a manner which would not be permitted by these Articles if it were a legal transfer of legal ownership of such shares, then until such time as the holder of such shares can show to the reasonable satisfaction of the directors that the beneficial interest so disposed of has been re-vested in the holder of such shares or vested in some other person to whom the transfer of the legal ownership of such shares by such holder would be permitted under these Articles or that any agreement to dispose of any such beneficial interest has been terminated prior to the completion of any transfer of any such beneficial interest
- 9 12 1 no voting rights or consent required of such holder under these Articles shall be exercisable in respect of any such shares, and
- 9 12 2 no further shares of any class in the Company shall be issued in right of such shares or pursuant to any offer made to their holder, and
- 9 12 3 except in a liquidation, no payment shall be made of any sums due from the Company on such shares, whether in respect of capital or otherwise
- 9 13 For the purpose of ensuring that no circumstances have arisen whereby the provisions of Article 9 12 shall take effect, the directors may from time to time require any member or the legal personal representatives of any deceased member 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 a reasonable time after request and until such information and evidence is so furnished the shares held by such member shall be disenfranchised and excluded from voting, dividends, capital distribution, or benefits

9 14 The Directors may decline to register any transfer of a share which is not fully paid or on which the Company has a lien. They may in their absolute discretion and without assigning any reason therefor decline to register any transfer of a share to which Articles 9 1 to 9 9 do not apply. The Directors may not decline to register any transfer approved in writing by all the members

9 15 Except in accordance with articles 10, 11, 12, 13 and 14, the "C" Ordinary Shares shall not be transferred without the prior approval of the holders of the "A" Ordinary Shares

10 TAG ALONG

10 1 In the event of a sale of shares that would result in an unconnected third party acquiring more than 30% of the Company or 30% of the Company Value in the case of shares in a Group company or companies whether directly or indirectly, the intending transferor of such shares may not complete that transfer unless it has first procured the proposed acquirer to make an offer (the "**Tag Offer**") to buy from all the holders of the Preference Shares, the Ordinary Shares, "A" Ordinary Shares, "B" Ordinary Shares and "C" Ordinary Shares such number of those shares held by them as is equal to the proportion of the shares which are the subject of the sale, together with all their interests in, and rights in respect of, such shares, in accordance with article 10 2

10.2 Any purchases pursuant to the Tag Offer are completed at the same time as the proposed sale. The Tag Offer must

10 2 1 be made by written notice,

10 2 2 be for a purchase price in cash per share which is equal to the value of the price under the proposed sale provided that the total purchase price shall be distributed amongst the members in accordance with article 6 1,

10 2 3 specify that completion of the purchase will be conditional on the completion of the proposed sale and will occur at the same time,

10 2 4 be open for acceptance for a period of not less than 10 working days, and

10 2 5 otherwise have no terms or conditions that are less favourable for the offeree shareholder, taking into account the specific rights of the class of shares held by the offeree, than under the proposed sale

10 3 The purchase of shares pursuant to the Tag Offer is not subject to any of the other restrictions on transfer of shares under these articles

10 4 No Tag Offer need be made if a Drag Along Notice has been served under article 13

11 DRAG ALONG

11 1 If the effect of any proposed transfer of shares would be a sale of shares resulting in an unconnected third party acquiring more than 30% of the Company, the intending transferor(s) of such shares (the “**Drag Along Seller**”) has the right to give notice to all the other holders of the Preference Shares, the Ordinary Shares, “A” Ordinary Shares, “B” Ordinary Shares and “C” Ordinary Shares requiring them to transfer such number of those shares held by them as is equal to the proportion of the shares which are the subject of the sale, together with all their interests in, and rights in respect of, such shares, to the proposed acquirer under the sale (the “**Drag Along Notice**”) in accordance with article 11 2

11 2 The Drag Along Notice must:

11 2 1 be in writing,

11 2 2 specify that completion of the purchase will be conditional on the proposed sale having been completed and will occur at the same time provided that the total purchase price shall be distributed amongst the members in accordance with article 6 1 after first paying the holders of Preference Shares £1 60 per Preference Share, and

11 2 3 be otherwise on the same terms (including as to consideration and completion) and subject to the same conditions as the proposed sale

11 3 The purchase of shares pursuant to the Drag Along Notice is not subject to any of the other restrictions on transfer of shares under these articles

12 COMPULSORY TRANSFER OF SHARES: CESSATION OF EMPLOYMENT

12 1 If any holder of “C” Ordinary Shares ceases to be employed by the Company or its subsidiaries, the holder will be required to transfer their shares to the Company or to any person nominated by the Company

12 2 The transfer price of the “C” Ordinary Shares in accordance with article 14 1 will be the lesser of their current market value and their par value, irrespective of the reason for cessation of employment

12 3 If any shareholder does not execute the transfer in respect of the shares subject to transfer under article 12 1, the defaulting shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent to execute all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the “C” Ordinary Shares, to deliver such transfer to the nominated transferee as the holder thereof After the transferee has been registered as the holder, the validity of such proceedings shall not be questioned by any such person Failure

to produce a share certificate shall not impede the registration of Shares under this article
12

12 4 For the purpose of this article 12, a holder of "C" Ordinary Shares shall not be treated as having ceased to be employed until he no longer holds any employment or office with any company in the Group

13 **COMPULSORY TRANSFER OF SHARES: DEATH BANKRUPTCY OR INSOLVENCY**

13 1 In the event of

13 1 1 the holder being declared bankrupt,

13 1 2 the holder's death, or

13 1 3 if a receiver is appointed having the power of sale over the property of the holder

the holder of "C" Ordinary Shares will be required to transfer their shares to the Company or to any person nominated by the Company

13 2 The transfer price of the "C" Ordinary Shares made under this article 13 will be the lesser of their current market value and their par value

13 3 If any shareholder does not execute the transfer in respect of the shares subject to transfer under article 13.1, the defaulting shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent to execute all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the "C" Ordinary Shares, to deliver such transfer to the nominated transferee as the holder thereof. After the transferee has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article
13

14 **PUT OPTION**

14 1 **Grant of Put Option by the Company**

The Company hereby grants to each holder of "C" Ordinary Shares from time to time an option for each such holder of "C" Ordinary Shares to require the Company (or such person as is nominated by the Company for the purpose) to purchase all of the "C" Ordinary Shares ("**Option Shares**") in issue from time to time on the terms set out in this article 14 ("**Put Option**"). The Put Option is granted in exchange for the original holder of "C" Ordinary Shares undertaking to accept the allotment of the shares on the terms set out in these articles and shall continue in force in relation to any person who subsequently acquires such shares,

14 2 **Option Period and Exercise**

The Put Option is exercisable in whole but not in part by notice in writing from any relevant holder of "C" Ordinary Shares to the Company ("**Exercise Notice**") given at any time during the period commencing upon the date of the realisation of 30% or more of the Company Value howsoever undertaken ("**Realisation Date**") and ending at 5 oopm 30 days thereafter ("**Option Period**") whereupon the holders of "C" Ordinary Shares shall be required to sell and the Company (or such person as is nominated by the Company for the purpose) shall be required to purchase the Option Shares. A notice given under this article shall be irrevocable.

14 3 **Full Title**

The Option Shares shall be sold with full title guarantee free from all liens, charges and Encumbrances and with all rights attached to them at the Completion (as defined below)

14 4 **Expiry of Put Option**

If a holder of "C" Ordinary Shares does not exercise its Put Option during the Option Period, the Put Option shall lapse and shall no longer be capable of being exercised

14 5 **Place and time of Completion**

Completion shall be the completion of the sale and purchase of the Option Shares subject to the Exercise Notice ("**Completion**") and shall take place at the registered offices of Company or at any other place as agreed between the relevant holder of "C" Ordinary Shares and the Company and on the day that is no more than 21 working days after service of an Exercise Notice or such other date as the parties may agree, subject to the determination of the consideration ("**Completion Date**")

14 6 **Actions at Completion**

At Completion, the relevant holder of "C" Ordinary Shares shall deliver or cause to be delivered to the Company

14 6 1 a duly executed transfer or transfers in respect of the Option Shares in favour of the Company or such other person or persons as the Company may nominate and the share certificate or certificates for the Option Shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any share certificate which is alleged to be lost or destroyed), and

14 6 2 such waivers and consents as the Company may require to enable the Option Shares to be transferred

14 7 **Payment of Consideration**

Upon compliance by the relevant holders of "C" Ordinary Shares with the provisions of article 14 6, the Company shall pay or cause to be paid to the relevant holders of "C" Ordinary Shares the consideration (as soon as practicable after it is agreed or determined) in such form as the holder of such "C" Ordinary Shares shall reasonably require

14 8 **Requirements for Completion**

The Company shall not be obliged to purchase or arrange for the purchase of the Option Shares and pay the consideration unless

14 8 1 the relevant holder of "C" Ordinary Shares complies fully with all its obligations under this article 14, and

14 8 2 the purchase of all the Option Shares subject to the relevant Exercise Notice is completed simultaneously

14 9 **Warranties by the holder of "C" Ordinary Shares**

Each relevant holder of "C" Ordinary Shareholder will in advance of Completion warrant to the Company that each of the statements set out in this article 14 9 (the "**C Ordinary Shareholder Warranties**") is true and accurate in all respects and is not misleading at the date of the Exercise Notice and Completion

14 9 1 the relevant holder of "C" Ordinary Shares is the sole legal and beneficial owner of the Option Shares or is otherwise entitled to transfer the full legal and beneficial ownership of the Option Shares,

14 9 2 there is no Encumbrance, nor is there any agreement or obligation to create or give any Encumbrance, on, over or affecting, any of the Option Shares and no claim has been made by any person to be entitled to any Encumbrance,

14 9 3 the Option Shares are fully paid up or credited as fully paid up,

14 9 4 the relevant holder of "C" Ordinary Shares has the legal right and full power and authority to execute and deliver, and to exercise its rights and perform its obligations under, this article 14 and all the documents which are to be executed by it at Completion,

14 9 5 if applicable, all corporate action required by the relevant holder of "C" Ordinary Shares validly and duly to authorise the execution of and delivery of, and the exercise of its rights and performance of its obligations under, this article and all other documents which are to be executed by it at Completion has been duly undertaken, and

14 9 6 this article 14 and all other documents which are to be executed by it at Completion will, when executed, create legal, valid and binding obligations of the relevant holder of "C" Ordinary Shares enforceable against the relevant holder of "C" Ordinary Shares in accordance with their terms

14 10 **Warranties by the Option Acquirers**

The Company warrant to each relevant holder of "C" Ordinary Shares who exercises its Put Option that each of the statements set out in this article 14 10 is true and accurate in all respects and is not misleading at the date of the Exercise Notice and Completion

14 10 1 the Company has the legal right and full power and authority to execute and deliver, and to exercise its rights and perform its obligations under this article 16 and all the documents which are to be executed by it at Completion,

14 10 2 the Company has the legal right and full power and authority to execute and deliver, and to exercise its rights and perform its obligations under, this article 16 and all the documents which are to be executed by it at Completion,

14 10 3 all corporate action required by the Company to validly authorise the execution and delivery of, and the exercise of its rights and performance of its obligations under, this article 14 and all other documents which may be executed by it at Completion has been duly taken, and

14 10 4 this article 14 and all other documents which are to be executed by it at Completion will, when executed, create legal, valid and binding obligations on the Company enforceable against it in accordance with their terms

14 11 **Survival of Warranties**

The warranties given by the holder of "C" Ordinary Shares and the Company shall remain in full force and effect notwithstanding Completion

14 12 **Consideration**

14 12 1 The Consideration for the Option Shares shall be their fair market value as at the date of the Exercise Notice ("**Market Value**")

(a) which shall be calculated taking into account the income and capital rights of such shares as set out in articles 4 and 6 and agreed between the relevant holder of "C" Ordinary Shares and the Company within 14 working days after the date of service of the Exercise Notice, or

(b) failing such agreement, as certified by an Expert in accordance with this article 14

14 12 2 If the relevant holder of "C" Ordinary Shares and the Option Acquirers are unable to agree the Market Value pursuant to article 14 12 1, either the relevant holder of "C" Ordinary Shares or the Company shall be entitled to appoint an Expert to certify the Market Value of the Option Shares

14 12 3 The Market Value shall then be the value that the Expert certifies in his opinion to be the fair market value of the Option Shares, and based on the following assumptions and bases

(a) the sale is between a willing buyer and a willing seller contracting on arms' length terms,

(b) the Option Shares are sold free of all Encumbrances,

(c) the sale is taking place on the date the Exercise Notice is given,

- (d) having regard to the fair value of the business of the Company and its subsidiaries, if any, as a going concern, their historic financial performance, their forecast performance and prospects, and the performance and valuations of comparable businesses,
 - (e) having regard to the particular income and capital rights of the Option Shares, and
 - (f) taking into account any other factors that the Expert reasonably considers should be taken into account
- 14 12 4 If any difficulty arises in applying any of the assumptions or bases set out in article 14 12 3, the Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit
- 14 12 5 On appointment, the Expert shall be requested to deliver its certificate of the Market Value of the Option Shares in writing to the relevant holder of "C" Ordinary Shares and the Company within 30 working days of the appointment
- 14 12.6 The Expert shall act as an expert and not as an arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 14.12 7 The relevant holder of "C" Ordinary Shares and the Option Acquirer must provide all reasonable assistance to the Expert and the Company must give the Expert access to all accounting records or other relevant documents of the Company, subject to any confidentiality restrictions
- 14 12 8 The cost of obtaining the Expert's certificate shall be borne equally by the relevant holder of "C" Ordinary Shares and the Company

15 PURCHASE OF OWN SHARES

Subject to and in accordance with the provisions of the Act the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether above or below the nominal value of the shares), and make a payment in respect of such purchase of its own shares or purchase of any redeemable shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares within such limits as may be specified by the Company in general meeting in compliance with the provisions of the Act and may enter into or vary any contract for such purchase Any shares to be so purchased may be selected in any manner whatsoever Every such purchase or contract providing for the purchase by the Company of shares in the Company shall be authorised by such resolution or resolutions of the Company as may be required by the Act All shares so purchased shall be cancelled immediately upon completion of the purchase Notwithstanding anything to the contrary contained in these Articles the rights and privileges attaching to any class of shares shall be deemed not to be modified or abrogated by anything done by the Company in pursuance of this Article Regulation 35 of Table A shall not apply to the Company

16 PROCEEDINGS AT GENERAL MEETINGS

Regulation 41 shall be read and construed as if there were added at the end thereof the words "and if at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the member or members present shall be a quorum"

17 DIRECTORS

17 1 Unless otherwise determined by ordinary resolution the number of Directors shall not be less than one. If and so long as there is a sole Director, he may exercise all the powers and authorities vested in the Directors by these Articles and the quorum under Regulation 89 shall be one

17 2 A Director need not hold any share qualification

17 3 Subject to the provisions of the Act a Director (including an alternate director) may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a director. A Director shall also be capable of voting in respect of such contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company and the terms thereof and may be counted in the quorum at any meeting at which any such manner is considered

17 4 The power of the Company contained in section 719 of the Act to make provision for the benefit of persons employed by or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or its subsidiaries may be exercised by a resolution of the Directors of the Company. The Directors may exercise the powers contained in Regulation 87 in favour of employees and ex-employees of the Company and their respective families and dependants as well as in favour of the persons specified in such Regulation

17 5 Reference to "meetings of the directors" in Regulation 88 shall be read and construed to include meeting either in person or by telephone or other electronic means provided that all parties to the meeting can hear each other

17 6 A resolution in writing either of the directors (of which each of the directors entitled to receive notice of a meeting of directors has approved) or of a committee of directors (of which each of the members of the committee entitled to receive notice of a meeting of such committee has approved) either by signing the same (whether the same consists of one instrument or of several instruments in like form each signed by one or more directors or members as the case may be or by giving to the Company notice of his approval by letter or telecopy or other device for the transmission of written matter, shall be as valid and effective for all purposes as a resolution passed at a meeting of the directors or (as the case may be) of such committee duly convened and held. A resolution signed or approved by an alternate director need not also be signed or approved by his appointor and, if it is signed or approved by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity

18 DISQUALIFICATION

Regulation 81 shall be modified

18 1 by the deletion in paragraph (c) thereof of the words "either - (1)" to "1960, or (11) and the inclusion therein after the words "property or affairs" of the words " and the directors pass a resolution that he has by reason of mental disorder vacated office",

18 2 by the deletion of paragraph (d) thereof and the inclusion in place thereof of the following

"(d) he resigns (but in the case of a director holding any executive office, subject to the terms of any contract between him and the Company) his office by written notice delivered to the registered office or to the Secretary of the Company or tendered to and accepted by a meeting of the directors "

19 BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow money, whether or not in excess of the nominal amount of the share capital of the Company for the time being issued, and to mortgage or charge all or any part or parts of its undertaking, property and uncalled capital, and (subject to compliance with the requirements of section 80 of the Act) to issue debentures, debenture stock and other securities, whether outright or as a security for any debt, liability or obligation of the Company or of any third party

20 INDEMNITY

Every director and other officer for the time being of the Company shall be entitled to be indemnified out of the assets of the Company against all losses, costs, charges, expenses and liabilities (including without prejudice to the generality of the foregoing any such liability as is mentioned in section 310 (3) (b) of the Act or any statutory modification, amendment or re-enactment thereof from time to time in force) which he may sustain or incur in or about the execution of his office and discharge or purported discharge of his duties or otherwise in relation thereto and whether such duties are owed to the Company or to any other person whomsoever No director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto provided that this Article shall only have effect in so far as its provisions are not avoided by the said section 310 Regulation 118 of Table A shall be modified accordingly