

**WRITTEN RESOLUTION TO ADOPT NEW ARTICLES OF ASSOCIATION**

Company number: 05514098

The Companies Act 1985  
**COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS**  
**OF**

**STRATEGIC COMMUNICATION LABORATORIES LIMITED**

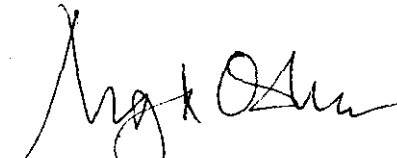
Pursuant to Section 381A of the Companies Act 1985 ('the Act')

Passed on 7<sup>th</sup> November 2005

WE, the undersigned members of the above named Company being all the members who at the date hereof would be entitled to attend and vote at a general meeting of the Company, hereby resolve as follows.

"THAT the draft regulations attached hereto and initialled by the chairman of the Board of Directors for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association."

The resolution hereby passed shall take effect as a special resolution in accordance with Section 378 of the Act.

Signed:  Date: 4<sup>th</sup> November 2005  
Nigel Oakes (Member)

Signed:  Date: 4<sup>th</sup> November 2005  
Alexander Nix (Member)

Signed:  Date: 4<sup>th</sup> November 2005  
Alexander Oakes (Member)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_ November 2005  
Harry Rollo Gabb (Member)



**WRITTEN RESOLUTION TO ADOPT NEW ARTICLES OF ASSOCIATION**

Company number: 05514098

The Companies Act 1985  
COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTIONS

OF

**STRATEGIC COMMUNICATION LABORATORIES LIMITED**

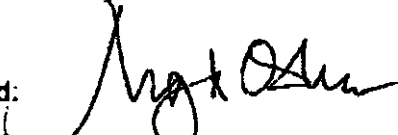
Pursuant to Section 381A of the Companies Act 1985 ('the Act')

Passed on 4<sup>th</sup> November 2005

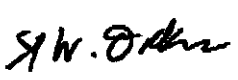
WE, the undersigned members of the above named Company being all the members who at the date hereof would be entitled to attend and vote at a general meeting of the Company, hereby resolve as follows.

"THAT the draft regulations attached hereto and initialled by the chairman of the Board of Directors for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association."

The resolution hereby passed shall take effect as a special resolution in accordance with Section 378 of the Act.

Signed:  Date: 4<sup>th</sup> November 2005  
Nigel Oakes (Member)

Signed:  Date: 4<sup>th</sup> November 2005  
Alexander Nix (Member)

Signed:  Date: 4<sup>th</sup> November 2005  
Alexander Oakes (Member)

Signed:  Date: 6<sup>th</sup> November 2005  
Harry Rollo Gabb (Member)

**ARTICLES OF ASSOCIATION**

(adopted on 7 November 2005)

of

**STRATEGIC COMMUNICATION LABORATORIES LIMITED**

Incorporated on 20 July 2005

Registered number: 5514098

**CMS Cameron McKenna LLP**

**Mitre House**

**160 Aldersgate Street**

**London EC1A 4DD**

**T +44(0)20 7367 3000**

**F +44(0)20 7367 2000**

## Table of Contents

1.	Interpretation.....	1
2.	Share capital.....	5
3.	Lead Investor and Lead Founder Rights.....	5
4.	Share transfers - general provisions .....	8
5.	Permitted share transfers .....	9
6.	Share transfers: pre-emption provisions.....	10
7.	Share transfers: mandatory transfer notices.....	14
8.	Transfer of a Controlling Interest .....	20
9.	Lien .....	23
10.	Forfeiture .....	24
11.	Appointment, retirement and removal of Directors .....	24
12.	Proceedings of Directors .....	24
13.	Indemnity .....	25
14.	Subsidiary Undertakings .....	26

**ARTICLES OF ASSOCIATION**  
(adopted on 7 November 2005)  
of  
**STRATEGIC COMMUNICATION LABORATORIES LIMITED**

**1. Interpretation**

- 1.1 Subject as provided in paragraph 1.2 below, the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) ("**Table A**") shall, together with the following regulations, constitute the articles of association of the Company.
- 1.2 Regulations numbered 8, 9, 24, 40, 50, 73 to 80 (both inclusive), 82, 94 to 98 (both inclusive) and 118 in Table A shall not apply to the Company.
- 1.3 In these Articles:
- 1.3.1 headings are used for convenience only and shall not affect the construction hereof;
- 1.3.2 words and expressions which are defined in Table A shall bear the same meaning where used herein and, unless the context otherwise requires or does not so admit or save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (as defined below) (but excluding any statutory modification or re-enactment thereof not in force on the date on which these Articles become binding on the Company);
- 1.3.3 in the event of there being any conflict or inconsistency between any provision in Table A which is applicable to the Company and any provision set forth herein, the latter shall prevail;
- 1.3.4 the following words and expressions shall have the following meanings:
- "**Act**": the Companies Act 1985 and every statutory modification or re-enactment thereof and every statutory instrument relevant thereto or derived therefrom for the time being in force
- "**Adoption Date**": 7 November 2005
- "**these Articles**": these articles of association as amended from time to time (and reference to an "**article**" shall be construed accordingly)
- "**Associate**": has the meaning ascribed thereto in article 8.1
- "**Bad Leaver**": is a Leaver:

- (a) whose employment is terminated by a Group Company in circumstances other than where he is wrongfully dismissed by such Group Company; or
- (b) who ceases to be employed by a Group Company in circumstances where he has voluntarily resigned from his employment with such Group Company

**“Bad Leaver Price”**: the price per Share which is the lesser of:

- (i) fair value, as agreed or determined pursuant to articles 6.6 and 6.7; and
- (ii) the Issue Price

**“Board”**: the board of directors of the Company as from time to time constituted

**“Clear Days”**: in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

**“Consensus”**: Consensus Business Group Limited, a company incorporated in England and Wales under number 4890494 whose registered office at the Adoption Date is at 18 Upper Grosvenor Street, London W1K 7PW

**“Consensus Director”**: any Director of the Company appointed pursuant to article 3.1.1

**“Consensus Group”**: Consensus, any parent undertaking of Consensus and any subsidiary undertaking of Consensus or such parent undertaking *from time to time and any reference to “Consensus Group Company”* shall be construed accordingly

**“Consultancy Agreements”** means the amended consultancy agreements to be entered into on the Adoption Date between the Company and each of Peter Varnish, John Tollhurst and Sir Geoffrey Pattie pursuant to which Peter Varnish has been granted options over 2,386 Ordinary Shares, John Tollhurst has been granted options over 1,590 Ordinary Shares and Sir Geoffrey Pattie has been granted options over 1,590 Ordinary shares;

**“Controlling Interest”** has the meaning ascribed thereto in article 8.1

**“Directors”**: the Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors

**“Exempt Member”** means Roger Gabb, Glendower Trust and any person who acquires Shares originally held by Roger Gabb and/or

Glendower Trust pursuant to a Permitted Transfer (as defined in article 4.3.1)

**“financial year”**: a financial year within the meaning of section 223 of the Act

**“Founders”**: Nigel Oakes, Alexander Nix and Alexander Oakes and **“Founder”** shall mean any one of them (as the context may require)

**“Founder Bad Leaver Price”**: is fair value, as determined pursuant to articles 6.6 and 6.7

**“Founder Good Leaver”**: is a Founder Leaver who is not a Level 1 Bad Leaver, a Level 2 Bad Leaver, or a Level 3 Bad Leaver

**“Founder Leaver”**: has the meaning ascribed thereto in article 7.4

**“Founders’ Option Agreements”**: means the certificates issued by the Company dated 26 August 2005 and countersigned by the relevant Founder pursuant to which the Company granted Options to the Founders which may be exercised subject to the terms thereof;

**“Glendower Trust”**: the trustees from time to time of the Glendower Settlement who at the Adoption Date are R M Gabb, M A Gabb and M J Thompson

**“Glendower Trust Director”**: any Director of the Company appointed pursuant to article 3.1.2

**“Good Leaver”**: a Leaver who is not a Bad Leaver

**“Group Company”**: the Company and any other company (or other entity) which is for the time being a subsidiary undertaking of the Company as defined in section 258 of the Act (and **“Group”** shall be construed accordingly)

**“holder”**: in relation to Shares the person whose name is entered in the register of members as the holder of those Shares

**“Issue Price”**: the price per Share at which the relevant Shares are issued (being the aggregate of the amount paid up or credited as paid up in respect of the nominal value thereof and any share premium thereon) and, in the event that any Leaver or Founder Leaver or any Associate of any Leaver or Founder Leaver acquires Shares at different Issue Prices, the Issue Price in relation to the relevant Shares shall be the average of the different Issue Prices (calculated by reference to the number of Shares acquired at the relevant Issue Price)

**“Lead Founder”**: any person so designated in accordance with article 3.4

**“Lead Founder Approval”**: subject to article 3.4, the prior written approval of the Lead Founder (and for this purpose written shall include electronic communication as defined in the Electronic Communications Act 2000)

**“Lead Investors”**: means Consensus and the Glendower Trust Director

**“Lead Investor Approval”**: the prior written approval of both Consensus and the Glendower Trust Director (and for this purpose written shall include electronic communication as defined in the Electronic Communications Act 2000)

**“Leaver”**: has the meaning ascribed thereto in article 7.3

**“Level 1 Bad Leaver”**: is a Founder Leaver whose employment is terminated as a result of being convicted of (i) any criminal offence in the United Kingdom other than a motoring offence which does not result in imprisonment or (ii) any criminal behaviour outside of the United Kingdom constituting a *criminal offence under English law* punishable by a custodial sentence

**“Level 2 Bad Leaver”** is a Founder Leaver save for a Level 1 Bad Leaver whose employment is terminated by a Group Company in circumstances such that the Group Company would be entitled to *dismiss him/terminate his service agreement summarily*

**“Level 3 Bad Leaver”**: is a Founder Leaver other than a Level 1 Bad Leaver or a Level 2 Bad Leaver (a) whose employment is terminated by a Group Company in circumstances other than where he is wrongfully dismissed by such Group Company; or (b) who ceases to be employed by a Group Company in circumstances where he has voluntarily resigned from his employment with such Group Company

**“Listing”**: the admission of all or any of the ordinary share capital of the Company to the Official List of the UK Listing Authority or the admission of the same to trading on the AIM market of the London Stock Exchange plc on any other Recognised Investment Exchange’s market for listed securities and in each case, admission becoming effective in accordance with the relevant rules

**“Member”**: any holder for the time being of Shares

**“Office”**: the registered office of the Company for the time being

**“Ordinary Shares”**: Ordinary Shares of 10 pence each in the capital of the Company having rights as set out in these Articles

**“Permitted Transfer”**: the transfer of a Share as permitted under article 5



**“Recognised Investment Exchange”**: has the meaning ascribed thereto in section 285 of the Financial Services and Markets Act 2000

**“Secretary”**: the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary

**“Shares”**: shares in the capital of the Company (of whatever class)

**“UK Listing Authority”**: the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

1.4 A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Act.

1.5 Insofar as Table A shall require that the seal be affixed to any document (including a share certificate) such requirement shall be treated as satisfied if such document is executed as provided in section 36A(4) of the Act (as in force on the Adoption Date).

## 2. **Share capital**

The authorised share capital of the Company at the date of adoption of these Articles is £100,000 divided into 1,000,000 Ordinary Shares of 10 pence each.

## 3. **Lead Investor and Lead Founder Rights**

3.1 As regards appointment of Directors:

3.1.1 Consensus shall be entitled for so long as it holds not less than 10 per cent. of the issued share capital of the Company from time to time to appoint one Director in each Group Company and at any time to require the removal or substitution of any such Director so appointed and upon his removal to appoint another Director in his place, in each case subject to receiving Lead Founder Approval, such approval not to be unreasonably withheld or delayed. The first Consensus Director shall be Julian Wheatland.

3.1.2 The Glendower Trust shall be entitled for so long as the Glendower Trust and Roger Gabb hold in aggregate not less than ten per cent. of the issued share capital of the Company from time to time to appoint one Director in each Group Company and at any time to require the removal or substitution of any such Director so appointed and upon his removal to appoint another Director in his place, in each case subject to receiving Lead Founder Approval, such approval not to be unreasonably withheld or delayed. The Founders shall raise no objection or impediment to Roger Gabb being the first Glendower Trust Director.

- 3.1.3 Lead Investor Approval and Lead Founder Approval shall be required in relation to the appointment of the Chairman of the Company and each other Group Company and in relation to the removal of any such person from office.
- 3.1.4 Any such appointment or removal as is referred to in article 3.1.1 or 3.1.2 shall be made by notice in writing to the Company and/or the relevant Group Company signed by or on behalf of Consensus in the case of the Consensus Director and the Glendower Trust in the case of the Glendower Trust Director and served upon the Company at the Office and such appointment(s) or removal(s) shall take effect immediately on the date on which the relevant notice is so served provided Lead Founder Approval has been given.
- 3.1.5 Notwithstanding any provision of these Articles to the contrary, the Consensus Director and the Glendower Trust Director may each appoint such person as he thinks fit to be his alternate director, such appointment to be subject to Lead Founder Approval and such approval not to be unreasonably withheld or delayed.
- 3.1.6 If a resolution to remove the Consensus Director and/or the Glendower Trust Director shall be moved at any general meeting of the Company, then (on a poll) those holders of Ordinary Shares who are present (whether in person or by corporate representative or proxy) and who vote against such resolution shall be deemed to have had, and to have exercised, such number of votes as will result in such resolution being defeated (and to that extent the relevant provisions in Table A (as to the number of votes which may be cast on a poll) shall be deemed to have been amended accordingly).
- 3.2 Except with Lead Investor Approval and Lead Founder Approval:
- (a) no Group Company shall modify or vary the rights attaching to any class of its shares;
  - (b) no Group Company shall vary or permit any variation in its authorised or issued share capital or grant any option or other rights to subscribe for shares or securities convertible into shares in its capital save in accordance with the Founders' Option Agreements or the Consultancy Agreements;
  - (c) no Group Company shall pass any resolution for reducing its issued share capital or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or for reducing any uncalled liability in respect of partly paid shares;
  - (d) no Group Company shall purchase or redeem any of its shares;
  - (e) no Group Company shall dispose of all or any part of, or any interest in, the shares or securities convertible into shares or any right to acquire shares or securities so convertible of any other Group Company;

- (f) no Group Company shall dispose of the whole or a substantial part of its business, undertaking or assets;
- (g) no Group Company shall alter its memorandum or articles of association;
- (h) the Company shall not exempt any Share from the provisions of article 9.1; and
- (i) no resolution for the winding-up of a Group Company shall be passed (unless a licensed insolvency practitioner shall have advised that such company is required to be wound up by reason of having become insolvent).

3.3 As regards quorums:

- 3.3.1 No meeting of Members shall be quorate unless those Members present include (whether in person or by a duly authorised representative or a proxy) the holders of not less than 50 per cent. of the Ordinary Shares for the time being in issue including both of the Lead Investors.
- 3.3.2 Save with Lead Investor Approval, no meeting of the Directors shall be quorate unless both the Consensus Director and the Glendower Trust Director (if any) (or a duly appointed alternate Director of such person) is present at such meeting or participates by telephone.
- 3.3.3 If, in the case of either a meeting of the Directors or a meeting of Members, a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present the meeting shall stand adjourned to the same day in the next week at the same time and place and in the case of any meeting so adjourned both the Consensus Director and the Glendower Trust Director (if any) shall be present in order for such adjourned meeting to be quorate.

3.4 Lead Founder:

- 3.4.1 For such time as any of the Founders continues in office as a Director of the Company, the Founders shall be entitled to designate one of their number as the Lead Founder. The first Lead Founder shall be Alexander Nix and he shall continue to act as the Lead Founder unless and until the Founders shall agree and notify the Lead Investors otherwise or he ceases to be a Director of the Company.
- 3.4.2 Upon Alexander Nix ceasing to be a Director of the Company at a time when he is the Lead Founder he shall forthwith cease to be the Lead Founder and the remaining Founders shall agree and notify a new Lead Founder to the Lead Investors and failing such notification Alexander Oakes shall be designated as the Lead Founder in substitution provided always that he is a Director of the Company at such time. If Alexander Oakes is not a Director of the Company at such time, Nigel Oakes shall

be designated as the Lead Founder provided he is a Director of the Company.

3.4.3 In the event that at any time none of the Founders are also Directors of the Company, there shall be no Lead Founder and no requirement to obtain Lead Founder Approval and all references to Lead Founder or Lead Founder Approval or any requirement to obtain the consent of the Lead Founder shall cease to have any effect whatsoever in these Articles.

#### 4. Share transfers - general provisions

4.1 The instrument of transfer of a Share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor (but shall not require to be executed by or on behalf of the transferee unless any Share to which it relates is not fully paid). The transferor shall remain the holder of the Shares concerned until the name of the transferee is entered in the register of members in respect thereof.

4.2 The Directors may refuse to register the transfer of any Share:

4.2.1 which is not fully paid, to a person of whom they do not approve;

4.2.2 on which the Company has a lien;

4.2.3 unless:

(a) it is lodged at the Office or at such other place in England as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of Shares; and

(c) it is in favour of not more than four transferees;

4.2.4 to an individual who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval.

4.3 The Directors shall refuse to register the transfer of any Share unless they are satisfied that such transfer is either:

4.3.1 a transfer permitted under article 5 (a **“Permitted Transfer”**); or

4.3.2 a transfer made in accordance with and permitted under article 6.

4.4 Subject as provided in articles 4.2 and 4.5 or as required by law, the Directors shall register any such transfer as is referred to in article 4.3.1 or 4.3.2.

- 4.5 If, in relation to a transfer of a Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) or in the event of an allotment of a new Share to a person who is not a Member then the Directors may or, if the Lead Investors so require, shall:
- 4.5.1 require the transferee or allottee of such Share (as the case may be) to enter into a written undertaking (in such form as the Directors may with Lead Investor Approval prescribe) to be bound (to the same extent as the transferor or to such other extent as the Directors and/or the Lead Investors may reasonably stipulate) by the provisions of such agreement; and
  - 4.5.2 decline to register the transfer or allotment of such Share unless and until the transferee has entered into such written undertaking.

## 5. Permitted share transfers

- 5.1 Subject to article 4, article 5.2 and (subject as provided in article 5.1.5) to article 8.2, a Member shall be permitted to transfer the legal title to and/or beneficial ownership of a Share:
- 5.1.1 with the exception of Consensus or a Consensus Group Company, if the Member is a company, to any holding company or subsidiary of that Member or to any other subsidiary of any such Member's holding company, subject to receiving Lead Founder Approval, such approval not to be unreasonably withheld or delayed; or
  - 5.1.2 to a person who is the beneficial owner of such Share or (in the case of the legal title only) to a different or additional nominee or trustee on behalf of such beneficial owner provided that such person has not become the beneficial owner thereof other than in accordance with the provisions of these Articles; or
  - 5.1.3 if the Member is an individual, to an Associate (within the meaning of paragraphs (a) and (b) of the definition of "Associate" contained in article 8.1.3) of such Member provided that no Shares may be transferred by a Member pursuant to this article 5.1.3 (other than an Exempt Member) if and to the extent that as a result the number of Shares transferred by such Member pursuant to this article 5.1.3 (when aggregated with any previous transfer hereunder) would amount to more than 50 per cent. of the aggregate number of Shares held by such Member when he was first registered as a Member, subject to receiving Lead Investor Approval, such approval not to be unreasonably withheld or delayed. For the avoidance of doubt the proviso to this article 5.1.3 shall not apply to an Exempt Member; or
  - 5.1.4 to a Buyer pursuant to the provisions of article 8 (including, without limitation, articles 8.6 and 8.7) provided that prior to or contemporaneously with such transfer the Buyer has duly acquired or

will duly acquire a Controlling Interest and the provisions of article 8 have been complied with; or

- 5.1.5 where a Priority Notice (as defined in article 7.5) has been given, to any prospective transferees specified in such notice and, where Shares have been transferred to Custodians (as also referred to in article 7.5), on any subsequent transfer by them of all or any such Shares made in accordance with article 7.5.3; or
- 5.1.6 with the prior written consent of the holders of not less than 95 per cent. (by number) of the aggregate number of Shares for the relevant time being in issue; or
- 5.1.7 if the Member is a Consensus Group Company, to any other Consensus Group Company; or
- 5.1.8 if the Member is the Glendower Trust to any beneficiary of the Glendower Settlement or if there is a change of trustees of the Glendower Settlement to the new trustees of the Glendower Settlement or to Roger Gabb or any Associate (within the meaning of paragraphs (a) and (b) of the definition of "Associate" contained in article 8.1.3) of Roger Gabb; or
- 5.1.9 if the Member is Roger Gabb to the Glendower Trust; or
- 5.1.10 if a person has become entitled to Shares in consequence of the death or bankruptcy of Roger Gabb then that person or Member may transfer those Shares to Glendower Trust or to any beneficiary of the Glendower Settlement or to any Associate (within the meaning of paragraphs (a) and (b) of the definition of "Associate" contained in article 8.1.3) of Roger Gabb.

5.2 Save with such consent as is referred to in article 5.1.6, no Member may transfer or otherwise dispose of any Share or any interest therein pursuant to article 5.1.1 or 5.1.2 or 5.1.3 at a time when the same is the subject of a Transfer Notice (as defined in article 6.2) or a Mandatory Transfer Notice (as defined in article 6.4).

## **6. Share transfers: pre-emption provisions**

- 6.1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a Share or any interest or right in or arising from a Share (an option, warrant or other right to acquire any Share (whether by subscription, conversion or otherwise) being deemed (without limitation) to be an interest in a Share for this purpose) shall be subject to the provisions contained in these Articles and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.
- 6.2 Before transferring or otherwise disposing of any Share or any interest or right in or arising from any Share the person proposing to transfer or otherwise dispose of the same (the "**Transferor**") shall give notice in writing (a "**Transfer Notice**") to the Company specifying the Shares, interest and/or rights of which the Transferor

wishes to dispose. The Transferor shall, contemporaneously with the giving of a Transfer Notice, deliver up and lodge with the Company the share certificate(s) in respect of the relevant Shares.

- 6.3 Notwithstanding that a Transfer Notice specifies that the Transferor wishes to dispose only of an interest or right in or arising from or attaching to the Shares referred to therein, the Transfer Notice shall (notwithstanding anything in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Transferor in relation to the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the “**Sale Shares**”) at the Sale Price as hereinafter referred to in accordance with the provisions of this article. A Transfer Notice shall not be revocable except with the consent of the Directors.
- 6.4 Except in the case of a Transfer Notice which a Member is required to give or is deemed to have given pursuant to article 7 (a “**Mandatory Transfer Notice**”), a Transfer Notice may include a condition (a “**Total Transfer Condition**”) that if all the Sale Shares (of whatever class) are not sold to Approved Transferees (as hereinafter defined), then none shall be so sold.
- 6.5 Except in the case of a Mandatory Transfer Notice, the Transfer Notice may state, in addition to details of the Sale Shares:
- 6.5.1 (if applicable) the name or names of a person or persons (such person or persons being hereinafter referred to as the “**Proposed Transferee**”) to whom the Sale Shares (or an interest or right in or arising therefrom) are proposed to be transferred in the event that the Sale Shares are not acquired by Approved Transferees; and
- 6.5.2 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, an amount per share which is so expressed and which is commensurate with the entire consideration). In such event, subject to the Directors being reasonably satisfied (and to that end being provided with such evidence as they may reasonably require) that the consideration so stated is a bona fide consideration agreed between the Transferor and the Proposed Transferee at arms’ length and in good faith, such consideration shall be the Sale Price and the Prescribed Period (as hereinafter referred to) shall commence on the date on which the Transfer Notice is given and shall expire 60 days thereafter.
- 6.6 In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in article 6.5 relating to consideration or where the Directors are not satisfied that the consideration stated is a bona fide consideration within the terms of article 6.5 and subject always to the provisions of articles 7.3 and 7.4:
- 6.6.1 if, not more than 30 days after the date on which the Transfer Notice was given or was deemed to be given (or such longer period (if any) as

the Directors may, prior to the expiry of such period of 30 days, determine to allow for this purpose) the Transferor and the Directors shall have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Transferor and not more than the fair value thereof then such price shall be the Sale Price and the Prescribed Period shall commence on the date on which such agreement is reached and shall expire 60 days thereafter; or

- 6.6.2 failing such agreement, upon the expiry of 30 days (or such longer period (if any) as aforesaid) after the date on which the Transfer Notice was given or was deemed to be given the Directors shall instruct the auditors for the time being of the Company to determine and report to the Directors the sum per Share considered by them to be the fair value of the Sale Shares and (subject always to the provisions of articles 7.3 and 7.4) the sum per Share so determined and reported shall be the Sale Price and the Prescribed Period shall commence on the date on which the auditors shall so determine and report and shall expire 60 days thereafter.
- 6.7 For the purposes of article 6.6, the auditors shall act as experts and not as arbitrators and (save only for manifest error) their determination shall be final and binding upon the Company and all Members. The costs and expenses of the auditors in relation to the making of their determination shall be borne by the Company unless the Sale Price as so determined is the same as, or substantially the same as, that (if any) which the Directors had notified to the Transferor as being in their opinion the Sale Price, in which event such costs and expenses shall be borne by the Transferor. For the purposes of article 6.6 and this article, the fair value of Sale Shares shall be the market value thereof as at the date when the relevant Transfer Notice or Mandatory Transfer Notice was given or deemed to have been given (as the case may be) as between a willing buyer and a willing seller at arms' length but with no discount being made by reason of such Shares (if such be the case) constituting a minority holding (and the auditors shall be instructed accordingly).
- 6.8 Subject as provided in articles 6.9 and 7.5, Sale Shares shall be offered for sale to all the Members of the Company for the relevant time being holding Ordinary Shares but so that Sale Shares may also be offered to such person or persons (if any) as the Directors (with Lead Investor Approval) think fit ("**Other Nominees**") provided that any such offer is made upon the condition that such Sale Shares shall only be available for purchase by such person or persons if and to the extent that such Shares are not acquired by holders of Ordinary Shares following acceptance of such offer as is referred to above.
- 6.9 The Company shall not be required to, and shall not, offer any Sale Shares to the Transferor, any Associate of the Transferor or 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 6.8 is made. In addition, if during the period between the date on which any such offer is made and (following the acceptance of such offer by a Member) the sale of Sale Shares to such Member is completed, such Member is deemed to have given a Mandatory Transfer Notice then such Member shall be deemed not to have



accepted such offer and the relevant Sale Shares shall be re-offered for sale (at the same Sale Price and as if such price had been determined on the date on which the Mandatory Transfer Notice is deemed to have been given).

- 6.10 Any such offer as is required to be made by the Company pursuant to article 6.8 shall limit a time (not being less than 14 days or more than 21 days) after such offer is made within which it must be accepted or, in default, will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares which is in excess of that offered then the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Ordinary Shares held by each acceptor (or in the case of Other Nominees on such basis as the Directors (with Lead Investor Approval) shall determine) provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this article 6.10 shall continue to apply *mutatis mutandis* until all Shares which any such acceptor would, but for this proviso, have acquired on the proportionate basis specified above have been allocated accordingly.
- 6.11 If a Transfer Notice shall validly contain 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. Subject thereto, any such offer as is required to be made by the Company pursuant to article 6.8 shall be unconditional.
- 6.12 If, prior to the expiry of the Prescribed Period, the Company shall, pursuant to the foregoing provisions of this article 6 or the provisions of article 7.5, find Members or Other Nominees ("**Approved Transferees**") to purchase some or, if the relevant Transfer Notice validly contains a Total Transfer Condition, all the Sale Shares, it shall forthwith give notice in writing thereof to the Transferor and the Approved Transferees. Every such notice shall state the name and address of each of the Approved Transferees and the number of the Sale Shares agreed to be purchased by him and shall specify a place and time and date (not being less than three days nor more than 10 days after the date of such notice) at which the sale and purchase shall be completed. Upon the giving by the Company of any such notice as aforesaid the Transferor shall be unconditionally bound (subject only to due payment of the Sale Price) to complete the sale of the Sale Shares to which such notice relates in accordance with its terms.
- 6.13 If a Transferor shall (save only for the reason that an Approved Transferee does not duly pay the Sale Price) fail duly to transfer (or complete the transfer of) any Sale Shares to an Approved Transferee, the Directors shall be entitled to, and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Transferor and (notwithstanding (if such is the case) that the Transferor has failed to deliver up the relevant share certificate(s)) shall (subject to so receiving the purchase money) cause such Approved Transferee to be registered as the holder of such Shares. The transfer and the receipt of the Company for the purchase money shall constitute a good title to the Sale Shares and the receipt shall be a good discharge to the Approved Transferee who shall not be bound to see to the application of the purchase money and whose title to the Sale Shares

shall not be affected by any irregularity in or invalidity of the proceedings relating to their disposal under this article.

6.14

6.14.1 If the Company shall not, prior to the expiry of the Prescribed Period, find Approved Transferees willing to purchase some, or, if the relevant Transfer Notice validly contains a Total Transfer Condition, all, of the Sale Shares, it shall, as soon as practicable following such expiry, give notice in writing thereof to the Transferor and the Transferor at any time thereafter up to the expiration of 60 days from the date of such notice, shall (subject as provided below) be at liberty to transfer those of the Sale Shares not purchased by Approved Transferees or all the Sale Shares (as the case may be) to the Proposed Transferee or, where the Transfer Notice did not contain details of a Proposed Transferee (including, for the avoidance of doubt, in the case of a Mandatory Transfer Notice), to any one person on a bona fide sale at any price not being less than the Sale Price. The Directors may require the Transferor to provide evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate, allowance or indulgent terms whatsoever to the purchaser thereof and if not so satisfied may refuse to register the instrument of transfer and/or serve a Disenfranchisement Notice with the effect set out in article 7.8.2 in respect of such Shares as shall have been so sold.

6.14.2 The provisions of article 6.14.1 shall not apply to any Sale Shares which so became by virtue of the holder thereof having been deemed to have given a Mandatory Transfer Notice in respect thereof. In such event, such holder shall not be permitted to transfer all or any of the same as provided in article 6.14.1 above (and, accordingly, the provisions in article 6 shall apply if such holder subsequently determines to seek to transfer the same).

6.15 Any Share required to be transferred by a Transferor to an Approved Transferee pursuant to this article shall be transferred free from any mortgage, charge, lien, option or other encumbrance and with the benefit of all rights and entitlements attaching thereto and if, in determining the Sale Price, there was taken into account any entitlement to any dividend which has been paid prior to the date on which the transfer is registered then the Transferor shall be liable to account to the Approved Transferee for the amount thereof (and the Approved Transferee, when making payment for such Share, may set off such amount against the Sale Price payable).

## **7. Share transfers: mandatory transfer notices**

7.1 If any person shall purport to transfer or otherwise dispose of any Share or any interest in or right arising from any Share otherwise than as permitted under article 5.1 or in accordance with the provisions of these Articles, such person and any Associate of such person who is a Member shall, unless and to the extent (if

any) that the Directors otherwise determine at the relevant time, be deemed to have given, on the date on which the Directors give notice to such person that they have become aware of the purported transfer or other disposal (or on the date (if any) specified in such notice), a Transfer Notice in respect of all Shares of which such person and any such Associate of such person is then the holder.

7.2 If any person:

7.2.1 becomes entitled to Shares in consequence of the death, bankruptcy or liquidation of a Member (other than a person who becomes entitled to Shares in consequence of the death or bankruptcy of Roger Gabb) then (unless a transfer to such person would be a Permitted Transfer or the Directors and the Lead Investors determine otherwise at the relevant time) a Transfer Notice shall be deemed to have been given on the date on which the Directors become aware that such entitlement has arisen in respect of all Shares held by the Member and any Associate(s) of such Member or such later date as is provided in article 7.2.2 in relation to a Founder; or

7.2.2 becomes entitled to Shares in consequence of the death of a Founder, a Transfer Notice shall not be deemed to have been given and the giving of the Transfer Notice may be delayed by up to twelve calendar months after the death of the relevant Founder provided always that (a) during such period prior to the Transfer Notice being served the relevant Shares shall not confer any right to attend, speak or vote at any general meeting of the Company or any class meeting or to sign a resolution in writing having the same effect as a resolution passed at a general meeting or to exercise any other rights conferred by membership in relation to any such meeting; (b) during such period prior to the Transfer Notice being served the Shares so held shall be disregarded for the purpose of determining to whom Shares shall be offered and the proportion of Shares to be offered pursuant to article 6; and (c) a Transfer Notice shall be deemed to have been given in respect of any such Shares on the day which falls twelve calendar months after the death of the relevant Founder.

7.3 Save in respect of any Founder or the Glendower Trust Director or an Exempt Member, if at any time any Director or employee of or consultant to any Group Company shall cease (for whatever reason including (without limitation) death, bankruptcy or liquidation) to be such a Director or employee or consultant (a "**Leaver**") and such person and/or any Associate(s) of such person shall be the holder of any Shares, then the Shares held by the Leaver and his Associates shall be subject to the following:

7.3.1 the date on which the Leaver ceases to be a Director of or an employee of or a consultant to a Group Company shall be the "**Cessation Date**" for the purposes of these Articles, provided always that where a Leaver who is an employee of or a consultant to a Group Company ceases to be an employee or consultant in circumstances where he has served notice on a Group Company or a Group Company has served notice on him

terminating his employment or consultancy (as the case may be) then, if the Directors shall so notify the Leaver in writing, the Cessation Date shall be deemed to be the date of service of such notice;

- 7.3.2 there shall be deemed to have been given on the Cessation Date (or such later date (if any) as the Directors may determine and notify in writing to the person concerned) a Transfer Notice in respect of all Shares then held and/or beneficially owned by the Leaver and any Associate(s) of the Leaver;
- 7.3.3 if the Leaver is a Bad Leaver the Sale Price of all the Shares the subject of the Transfer Notice shall be the Bad Leaver Price;
- 7.3.4 if the Leaver is not a Bad Leaver, then the Sale Price for all the Shares the subject of the Transfer Notice shall be the fair value of such Shares as agreed or determined pursuant to articles 6.6 and 6.7;
- 7.3.5 if at any time a former director or former employee of or former consultant to any Group Company shall, after ceasing to be such a director, employee or consultant, acquire (or any Associate of his shall acquire) any Shares pursuant to an option, conversion or like right which was granted to or otherwise vested in him prior to such cessation then the provisions of article 7.3.1 above shall apply as if reference in article 7.3.1 to "Cessation Date" were reference to the date on which he acquires such Shares.

7.4 If at any time any Founder shall cease (for whatever reason including (without limitation) bankruptcy but not including death) to be a Director or employee or consultant of any Group Company (a "**Founder Leaver**") and such person and/or any Associate(s) of such person shall be the holder of any Shares, then the Shares held by the Founder Leaver and his Associates shall be subject to the following:

- 7.4.1 the date on which the Founder Leaver ceases to be a Director of or an employee of or a consultant to a Group Company shall be the "**Founder Cessation Date**" for the purposes of these Articles, provided always that where a Founder Leaver who is an employee of or a consultant to a Group Company ceases to be an employee or consultant in circumstances where he has served notice on a Group Company or a Group Company has served notice on him terminating his employment or consultancy (as the case may be) then, if the Lead Investors so notify the Company and the Founder Leaver in writing, the Founder Cessation Date shall be deemed to be the date of service of such notice;
- 7.4.2 save as provided by articles 7.4.5 and 7.4.6 there shall be deemed to have been given on the Founder Cessation Date a Transfer Notice in respect of all Shares then held and/or beneficially owned by the Founder Leaver and any Associate(s) of the Founder Leaver;
- 7.4.3 (unless and to the extent that the Lead Investors agree otherwise with the Founder Leaver) if the Founder Leaver is a Level 1 Bad Leaver, then

the Sale Price for all the Shares the subject of the Transfer Notice shall be the Bad Leaver Price;

7.4.4 (unless and to the extent that the Lead Investors agree otherwise with the Founder Leaver) if the Founder Leaver is a Level 2 Bad Leaver, then the Sale Price for all the Shares the subject of the Transfer Notice shall be the Founder Bad Leaver Price;

7.4.5 (unless and to the extent that the Lead Investors agree otherwise with the Founder Leaver) if the Founder Leaver is a Level 3 Bad Leaver, then:

(a) the Sale Price for all the Shares the subject of the Transfer Notice shall be the Founder Bad Leaver Price;

(b) the Transfer Notice shall not be deemed to have been given on the Founder Cessation Date and the giving of the Transfer Notice by such Founder Leaver may be delayed by up to six calendar months after the Founder Cessation Date at the option of the Founder Leaver;

(c) from the Founder Cessation Date the Shares held by the Founder Leaver and any Associate(s), shall during such period prior to the service of a Transfer Notice in respect thereof no longer confer any right to attend, speak or vote at any general meeting of the Company or at any class meeting or to sign a resolution in writing having the same effect as a resolution passed at a general meeting or to exercise any other rights conferred by membership in relation to any such meeting and the Shares shall be disregarded for the purpose of determining to whom Shares shall be offered and the proportion of Shares to be offered pursuant to article 6; and

(d) provided always that a Transfer Notice shall be deemed to have been given in respect of any Shares which are held by the Founder Leaver and any Associate(s) on the day which falls six calendar months after the Founder Cessation Date; and

7.4.6 if the Founder Leaver is a Founder Good Leaver, no Transfer Notice shall be deemed to have been given in respect of any Shares held by him and any Associate(s).

7.5

7.5.1 If any Transfer Notice is deemed to be given pursuant to articles 7.3 or 7.4, the Company shall forthwith give written notice of such occurrence (such notice to include details of all the Shares to which such Transfer Notice relates) to each holder of Ordinary Shares. If within 21 days of the giving of such notice by the Company the Board requires by written notice to the Company (a "**Priority Notice**") that all or any Shares to which such Transfer Notice relates should be made or kept available either for any person or persons who is or are (an) existing director(s)

and/or employee(s) of a Group Company or a person or persons (whether or not then ascertained) whom in the opinion of the Board it will be necessary or expedient to appoint as (a) director(s) and/or employee(s) of a Group Company whether or not in place of the person by whom the relevant Transfer Notice was deemed to be given then the provisions of article 7.5.2 shall apply.

- 7.5.2 If a Priority Notice is given, then, in relation to the Shares the subject thereof (the “**Priority Shares**”), the provisions of article 6.8 shall not apply and the Priority Shares shall either:
- (a) be offered to the person(s) (and, in the case of more than one, in the proportions) specified in the Priority Notice (conditional, in the case of any prospective director and/or employee upon his taking up his proposed appointment with a Group Company (if not then taken up)); or
  - (b) if the relevant Priority Notice so requires, be offered to not less than two persons designated by the Directors (“**Custodians**”) to be held (in the event of their acquiring the Priority Shares) on and subject to the terms referred to in article 7.5.3.
- 7.5.3 If Custodians become the holders of Priority Shares, then (unless and to the extent that the Directors with Lead Investor Approval otherwise agree from time to time) they shall hold the same on, and subject to, the following terms:
- (a) they may exercise the voting rights (if any) for the time being attaching to such Shares as they think fit;
  - (b) they shall not encumber the same;
  - (c) they will (subject as provided in article 7.5.4) transfer the legal title to such Shares and all such other interests as they may have therein to (and only to) such person or persons and at such time or times and otherwise on such terms as the Directors may from time to time direct by notice in writing to the Custodians PROVIDED THAT the Custodians may not be required to enter into any agreement or otherwise take any action if and to the extent that they would or might incur any personal liability (whether actual or contingent) or suffer any personal loss;
  - (d) if an offer is made to them for the Priority Shares (whether as part of a general offer or otherwise) then they shall seek instructions from the Directors as to what (if any) actions they should take with regard thereto but, absent instructions from the Directors within 21 days of seeking the same, the Custodians may accept or decline to accept such offer, as they think fit.

- 7.5.4 The Directors may not direct the Custodians to transfer all or any Priority Shares other than to a person who is an existing director and/or employee of a Group Company or who has agreed (subject only to Priority Shares being transferred to him) to accept appointment as such a director and/or employee.
- 7.6 If a corporation which is a holder and/or beneficial owner of any Share in the Company ceases to be controlled by the person or persons who were in control of the corporation at the time when the corporation became a Member of the Company, it shall, within seven days of such cessation of control, give notice in writing to the Company of that fact and unless the Directors determine otherwise at the relevant time there shall be deemed to have been given as from the date on which the Directors become aware of such cessation (however they become so aware) a Transfer Notice in respect of all Shares held and/or beneficially owned by such corporation and any Associate(s) of such corporation. For the purposes of this article 7.6 "control" shall have the same meaning as in section 416 Income and Corporation Taxes Act 1988.
- 7.7 If a person in whose favour a Permitted Transfer was made pursuant to article 5.1.3 shall cease to be an Associate of the person by whom such transfer was made then he shall, within seven days of such cessation, give notice in writing to the Company of that fact and unless the Directors determine otherwise at the relevant time there shall be deemed to have been given as from the date on which the Directors become aware of such cessation (however they become so aware) a Transfer Notice in respect of all Shares held by such person (as is first-mentioned in this article 7.7) and any Associate(s) of such person.
- 7.8 For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is required or may be deemed to have been given under any provision of article 6 or this article 7, the Directors may from time to time require any Member or the personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or any person who was, is or may be an Associate of any of the foregoing 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. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors may by notice in writing stipulate that a Mandatory Transfer Notice shall as from the date of such notice or on such future date as may be specified therein be deemed to have been given by the holders of those Shares and/or their Associates in respect of all or any of such Shares. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled:
- 7.8.1 to refuse to register the transfer in question or, in case no transfer is in question, to require by notice in writing to the holder(s) of the relevant Shares that a Transfer Notice be given in respect of all such Shares (and such notice may stipulate that if a Transfer Notice is not given within a specified period then, upon the expiry of such period, a Mandatory

Transfer Notice shall be deemed to have been given in respect of all the relevant Shares); and/or

7.8.2 to give to the holder(s) of the Shares in question a notice (a **“Disenfranchisement Notice”**) stating that such Shares shall as from the date of such notice no longer confer any right (a) to attend, speak or vote at any general meeting of the Company or at any class meeting or to sign a resolution in writing having the same effect as a resolution passed at a general meeting or to exercise any other rights conferred by membership in relation to any such meeting; or (b) to receive or be entitled to receive any dividend or other distribution, until such time as the Directors shall think fit and, as from such date, such Shares shall no longer confer any such rights accordingly.

7.9 A Director shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not (unless prior written consent from the Directors is obtained) be entitled to vote in relation to) any matter which requires to be determined or otherwise decided upon by the Directors pursuant to or for the purposes of any of articles 4, 5 or 6 or this article 7 to the extent such matter relates to any Shares held by such Director or any Associate of such Director or in which such Director is otherwise interested.

7.10 In any case, where a Mandatory Transfer Notice has been deemed to have been given by a Member, such Member shall, upon demand by the Company, deliver up to and lodge with the Company the share certificate(s) in respect of the relevant Shares.

## 8. **Transfer of a Controlling Interest**

8.1 For the purposes of this article:

8.1.1 the expression **“Buyer”** means any one person (whether or not an existing Member of the Company) but so that any Associate of any such person shall be deemed to be included in such person;

8.1.2 the expression **“acquire”** means to be or become the legal or beneficial owner of any Share (or the right to exercise the votes attaching to any Share), whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether all at one time or not;

8.1.3 the expression **“Associate”** means:

(a) the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including adopted child) or other lineal descendant of the relevant person;

(b) the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person and/or any



other Associate of the relevant person is or is capable of being a beneficiary;

- (c) any nominee or bare trustee for the relevant person or for any other Associate of the relevant person;
- (d) if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company;
- (e) any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of section 839 Income and Corporation Taxes Act 1988; and
- (f) any person with whom the relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Take-overs and Mergers as for the relevant time being current);

8.1.4 the expression a “**Controlling Interest**” means Shares (or the right to exercise the votes attaching to Shares) which confer in the aggregate 50 per cent. or more of the total voting rights conferred by all the Shares for the relevant time being in issue and conferring the right to vote at all general meetings.

8.2 Notwithstanding anything to the contrary contained in these Articles, no Buyer shall be entitled or permitted to acquire, and no person shall transfer, any Shares (or any interest therein) and the Directors shall refuse to register the transfer of such Shares if, as a result, a Buyer (any Shares or any interest in any Shares held by an Associate of the Buyer being treated as being held by the Buyer for this purpose) would acquire a Controlling Interest in the Company (otherwise than pursuant to a Permitted Transfer) unless and until the Buyer has first made offers in accordance with articles 8.3 and 8.4 to all the holders of all Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them their entire holdings of Shares in the capital of the Company.

8.3 Each such offer as is referred to in article 8.2 (an “**Offer**”) must, in respect of each class of the Company’s share capital, provide for the consideration per share to be not less than the highest consideration given or agreed to be given by the Buyer for shares of that class during the period when the Offer remains open for acceptance or within 12 months prior to its commencement (the “**relevant period**”). For these purposes, “**highest consideration**” means:

8.3.1 if only cash is offered under the Offer, or if the Buyer has acquired any shares of that class for cash in the relevant period, the highest amount of cash per share thus offered or paid;

- 8.3.2 if, in the absence of this article, a non-cash consideration with a cash alternative would be offered under the Offer, or if the Buyer has acquired any shares of that class for cash in the relevant period, the highest amount of cash per share thus offered or paid;
- 8.3.3 if, in the absence of this article, a non-cash consideration with no cash alternative would be offered under the Offer, but the Buyer has acquired any shares of that class for cash in the relevant period, the highest amount of cash per share thus paid; and
- 8.3.4 if, in the absence of this article, a non-cash consideration with no cash alternative would be offered under the Offer, and the Buyer has not acquired any shares of that class for cash in the relevant period, the highest non-cash consideration per share thus offered.
- 8.4 In addition, any Offer must be made in writing, must be open for acceptance and irrevocable for a period of not less than 30 and not more than 60 days, must not save with Lead Investor Approval contain any requirement for either the Lead Investors or an Exempt Member to give any representation, warranties or undertakings other than as to its capacity and capability to sell the relevant Shares and all rights thereto and interests therein free from any option, lien, charge or other encumbrance and must not be subject to any condition save only, if the Buyer so wishes, that acceptances must be received for a specified percentage of all the Shares in respect of which the Offer is made.
- 8.5 If within 60 days of the making of an Offer the Buyer has not acquired a Controlling Interest then such Offer shall be deemed not to have been made and the Buyer shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until he has made a further Offer.
- 8.6 If a Buyer receives (within the period of 60 days referred to in article 8.5) acceptances of an Offer which will result in the Buyer together with its Associates owning not less than 50 per cent. of all the issued Ordinary Shares then the Buyer may extend the Offer and give written notice to those Members who have not accepted the Offer requiring them so to do in which event each of such non-accepting Members shall upon the giving of such notice:
- 8.6.1 be deemed to have accepted the same in respect of all Shares held by him in accordance with the terms of the Offer; and
- 8.6.2 become obliged to deliver up to the Buyer an executed transfer of such Shares and the certificate(s) in respect of the same.
- 8.7 If any such non-accepting Member as is referred to in article 8.6 shall not, within 14 days of becoming required to do so, execute transfers in respect of the Shares held by such Member, the Directors shall be entitled to, and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer(s) and the Company may receive the purchase money in trust for him and (notwithstanding (if such is the case) that he has failed to deliver up the relevant share certificate(s)) shall (subject to so receiving the purchase money) deliver such

transfer(s) to the Buyer (or its agents) and cause the Buyer (or its nominees) to be registered as the holder(s) of such Shares. The transfer(s) and the receipt of the Company for the purchase money shall constitute a good title to the Shares and the receipt shall be a good discharge to the Buyer, who shall not be bound to see to the application of the purchase money and whose title to the Shares shall not be affected by any irregularity in or invalidity of the proceedings relating to their disposal under this article.

8.8 In calculating the price at which an Offer is required to be made for the purposes of this article there shall be brought into account any other consideration (in cash or otherwise) received or receivable by any Member or former Member (or any Associate of such Member or former Member) which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable (or to be provided) for the Shares in question.

8.9 For the purpose of ensuring:

8.9.1 that no Buyer has acquired or may acquire a Controlling Interest otherwise than as permitted by this article (and to that end for the purpose of determining whether one person is an Associate of another);  
or

8.9.2 that a price offered or proposed to be offered for any Shares is in accordance with article 8.3;

the Directors or the Lead Investors may from time to time require any Member to furnish to the Company or to the Lead Investors such information and evidence as the Directors or the Lead Investors may reasonably think fit regarding any matter which they may deem relevant for such purposes.

## 9. Lien

9.1 The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all moneys (whether presently payable or not) payable or otherwise owing by the holder of such Share (or any Associate of such holder) to the Company or any other Group Company. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this article. The Company's lien on a Share shall extend generally as aforesaid as well as to any amount payable in respect of it.

9.2 The Company may sell any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 Clear Days after notice in writing has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold. The provisions of article 6 shall apply to any sale of Shares made by the Company pursuant to this article (on the basis that a Mandatory Transfer Notice shall be deemed to have been given upon the expiry of such period of 14 Clear Days as is above referred to).

## 10. Forfeiture

The provisions of article 6 shall apply in relation to any proposed sale, re-allotment or other disposal of a Share pursuant to regulation 20 of Table A (on the basis that a Mandatory Transfer Notice in respect of such Share shall be deemed to be given on such date as the Directors determine for this purpose).

## 11. Appointment, retirement and removal of Directors

11.1 The Directors shall have power at any time, and from time to time, to appoint any person (willing to act) to be a Director, either to fill a casual vacancy or as an additional Director.

11.2 The Company may by ordinary resolution appoint a person (willing to act) to be a Director either to fill a vacancy or as an additional Director.

11.3 No Director shall be required to vacate his office as a Director, nor shall any person be ineligible for appointment as a Director, by reason of his having attained any particular age.

11.4 In addition to the circumstances provided in regulation 81 of Table A, the office of a Director shall also be vacated if:

11.4.1 he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or

11.4.2 in the case of a person who is also an employee of the Company or another Group Company, he ceases to be such an employee and the Directors resolve that his office be vacated; or

11.4.3 (other than in the case of the Consensus Director and the Glendower Trust Director and subject to article 3.1.3) all the other Directors unanimously resolve that his office be vacated.

## 12. Proceedings of Directors and Remuneration

12.1 Subject to article 7.9, a Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

12.2 The Directors, or a committee of the Directors, may hold meetings by telephone either by conference telephone connection(s) or by a series of telephone conversations. The views of the Directors, or a committee of the Directors, as ascertained by such telephone conversations and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting

of the Directors (or, as the case may be, of that committee) duly convened and held. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

- 12.3 A Director may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) in such manner as the Board or any committee authorised by the Board may decide.

### **13. Indemnity**

- 13.1 Subject to, and to the extent not avoided by, the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled:

13.1.1 every Director, secretary or other officer of the Company other than an auditor may be indemnified out of the assets of the Company to the extent the Directors may determine against any costs, charges, expenses, losses and liabilities sustained or incurred by him in the actual or purported execution of his duties or in the exercise or purported exercise of his powers or otherwise in connection with his office, whether or not such liability attaches to him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;

13.1.2 the Directors shall have power to provide funds to meet any expenditure incurred or to be incurred by any Director, secretary or other officer of the Company other than an auditor in defending any criminal or civil proceeding in which he is involved by reason of his office, or in connection with any application under the Act, or in order to enable him to avoid incurring such expenditure; and

13.1.3 every auditor of the Company may be indemnified out of the assets of the Company to the extent the Directors may determine against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the Company.

- 13.2 The Directors shall have power to purchase and maintain for any director, secretary, auditor or other officer of the Company, or of any subsidiary undertaking of the Company, insurance against any such liability as is referred to in section 309A(1) of the Act.

- 13.3 Subject to the provisions of the Act, a Director shall (in the absence of some other material interest as is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors provided that for the purposes of this article 13.3 insurance shall mean only insurance against the costs, charges, expenses, losses and liabilities incurred by a Director as are referred to in article 13.2 or any other

insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors.

**14. Subsidiary Undertakings**

The Company shall procure that each other Group Company shall comply with those provisions of these Articles which are expressed to apply to a Group Company and that no Group Company shall do or permit to be done any act, matter or thing which if it were done or permitted to be done by the Company would constitute a breach by the Company of any provision of these Articles or would require any consent, approval or sanction under these Articles, unless in such latter case such consent, approval or sanction has first been obtained.