

Company Number: 07105402

The Companies Act 2006

PRIVATE COMPANY LIMITED BY SHARES

**ARTICLES
OF ASSOCIATION**

CottonConnect Limited

Incorporated on 15th December 2009

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
CottonConnect Limited

1 PRELIMINARY

- 1.1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No. 3229) (the "Model Articles") as amended from time to time shall apply to the Company save in so far as they are excluded or modified hereby and such Model Articles and the articles set out below shall be the Articles of Association of the Company (the "Articles").
- 1.2 In these Articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.3 Model Articles 11(2), 14, 19(5), 24, 26(5), 28(3), 30(1) and 30(6) do not apply to the Company.
- 1.4 The headings used in these Articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of these Articles.
- 1.5 In these Articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.

2 DEFINED TERMS

- 2.1 Model Article 1 shall be varied by the inclusion of the following definitions:-

"Affiliate" means with respect to any entity, any other entity that, directly or indirectly, whether through one or more intermediaries, controls, is controlled by or is under common control with such entity;

"Affiliated Party" means with respect to any entity, any Affiliate or a person which is a group undertaking (as defined in section 1161 of the Companies Act 2006) of such entity;

"Allocation Notice" has the meaning given in Article 21.10;

"appointor" has the meaning given in Article 8.1;

"Changing Party" has the meaning given in Article 26.1;

"Competitor" has the meaning given in Article 26.2;

"Continuing Shareholders" has the meaning given in Article 22.8;

"Constant Party" has the meaning given in Article 26.1;

"directors" or "board of directors" means all of the directors of the Company from time to time and each a "director";

"First Offer Period" has the meaning given in Article 22.8;

"lien enforcement notice" has the meaning given in Article 10.4;

"Non-Purchasing Shareholder" has the meaning given in Article 25.1;

"permitted transferee" is a person to whom a share may be transferred pursuant to Article 24;

"Relevant Event" has the meaning given in Article 23.1;

"secretary" means the secretary of the Company, if any, appointed in accordance with Article 7.1 or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; and

"Sale Shares" has the meaning given in Article 22.4;

"Second Offer Period" has the meaning given in Article 22.9;

"Seller" has the meaning given in Article 22.4;

"Transfer Notice" has the meaning given in Article 22.4;

"Transfer Price" has the meaning given in Article 22.4;

"working day" means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the Company is registered.

3 PURPOSE OF THE COMPANY

3.1 The Company has unrestricted objects in accordance with section 31 of the Companies Act 2006. Nothing in these articles is intended to restrict the Company's objects.

3.2 Notwithstanding article 3.1, the general purpose for which the Company has been incorporated in the promotion of sustainable cotton production and supply chains.

4 PROCEEDINGS OF DIRECTORS

4.1 The Company shall be managed by a board of directors comprised of not less than three directors.

4.2 In addition to the powers of appointment under article 17(1) of the Model Articles, each member (for so long as it and its permitted transferees holds not less than 30 per cent of the ordinary shares in issue) shall be entitled to nominate one person to act as a director of the Company by notice in writing addressed to the Company from time to time. The identity of the nominated director shall be subject to the consent of the other member(s), such consent not to be unreasonably withheld, and the other members shall not vote their shares so as to remove that director from office. Each such member shall be entitled to remove its nominated director so appointed at any time by notice in writing to the Company served at its registered office and to appoint another person (whose identity shall be subject to the consent of the member(s), such consent not to be unreasonably withheld) to act in his place.

4.3 An appointment or removal of a director under Article 4.2 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.

4.4 In the event of one or more vacancies on the board of directors because of death, retirement or otherwise, the remaining directors may elect to fill such vacancy in accordance with the Companies Act 2006.

4.5 The board of directors may choose from among its members a chairman who shall have a casting vote in accordance with Model Article 13. It may also choose a secretary, who need not be a director, who shall be responsible for keeping the minutes of the meetings of the board of directors.

4.6 Any director may act at any meeting of the board of directors by appointing in writing an alternate in accordance with Article 9.

4.7 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is three.

4.8 Decisions of the board of directors shall be taken by majority vote of the directors present or represented at such meeting. Each director has one vote.

- 4.9 Resolutions in writing approved and signed by all directors shall have the same effect as resolutions voted at directors' meetings.
- 4.10 The minutes of any meeting of the board of directors shall be signed by the chairman or, in his absence, by the director who presided at such meeting.
- 4.11 Copies or extracts of such minutes, which may be produced in judicial proceedings or otherwise shall be signed by the chairman, by the secretary or by two directors.
- 4.12 Subject to Article 4.13, notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 4.13 If the directors propose to exercise their power under section 175(4)(b) of the Companies Act 2006 to authorise a director's conflict of interest, the director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.
- 4.14 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) he has declared to the directors the nature and extent of any direct or indirect interest of his, a director, notwithstanding his office:-
- a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested; and
 - c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.
- 4.15 The board of directors shall conduct its affairs and manage its business in accordance with the provisions of any terms of reference agreed from time to time as applying to the directors (provided that no third party shall be affected in any way as a result of the board failing to act in compliance with such terms of reference).
- 4.16 The directors shall exercise all powers and authorities on behalf of the Company. The following matters shall, however, be subject to the prior agreement of the members passed by special resolution (or by written resolutions passed by members representing not less than 75% of the total voting rights of eligible members (as defined by s. 289 Company Act 2006)), provided that a third party shall not be required to enquire whether any such agreement has been obtained, and any arrangement entered into between the Company and a third party shall not be invalidated as a result of any failure to have obtained the consent provided for by this article 4.16:
- a) any sale of all or substantially all of the assets of the Company;
 - b) dissolution of the Company;
 - c) registration of any transfer of shares in the Company from a member to a third party;
 - d) the borrowing by the Company of any sum from a member of the Company, and the terms on which such borrowing is effected;
 - e) the establishment of any branch or permanent place of business of the Company;
 - f) the acquisition by the Company of any shares or other equity interest in any other company or entity;
 - g) the acquisition or disposal of any real property or rights in respect of real property.

5 UNANIMOUS DECISIONS

- 5.1 Model Article 8(2) shall be amended by the deletion of the words "copies of which have been signed by each eligible director" and the substitution of the following "where each eligible director has signed one or more copies of it" in its place. Model Article 8(2) shall be read accordingly.

6 TERMINATION OF DIRECTOR'S APPOINTMENT

- 6.1 Subject to article 4.2, a director may be removed at any time by a unanimous resolution of the members at a general meeting.
- 6.2 In addition to the events terminating a director's appointment set out in Model Article 18(a) to (d) inclusive and (f), a person ceases to be a director as soon as:-
- a) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or which wholly or partly prevents that person from personally exercising any powers or rights which that person otherwise would have; or
 - b) that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors make a decision to vacate that person's office.

7 SECRETARY

- 7.1 The directors may appoint a secretary to the Company for such period, for such remuneration and upon such conditions as they think fit; and any secretary so appointed by the directors may be removed by them.

8 ALTERNATE DIRECTORS

- 8.1 a) Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by a decision of the directors, to:-
- i) exercise that director's powers; and
 - ii) carry out that director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- b) Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors. The notice must:-
- i) identify the proposed alternate; and
 - ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of his appointor.
- 8.2 a) An alternate director has the same rights to participate in any directors' meeting or decision of the directors reached in accordance with Model Article 8, as the alternate's appointor.
- b) Except as these Articles specify otherwise, alternate directors:-
- i) are deemed for all purposes to be directors;
 - ii) are liable for their own acts or omissions;
 - iii) are subject to the same restrictions as their appointors; and
 - iv) are not deemed to be agents of or for their appointors.

- c) A person who is an alternate director but not a director:-
 - i) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and
 - ii) may sign or otherwise signify his agreement in writing to a written resolution in accordance with Model Article 8 (but only if that person's appointor has not signed or otherwise signified his agreement to such written resolution).

No alternate may be counted as more than one director for such purposes.

- d) An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration payable to that alternate's appointor as the appointor may direct by notice in writing made to the Company.
- e) Model Article 20 is modified by the deletion of each of the references to "directors" and the replacement of each such reference with "directors and/or any alternate directors".

8.3 An alternate director's appointment as an alternate terminates:-

- a) when his appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor would result in the termination of the appointor's office as director;
- c) on the death of his appointor; or
- d) when his appointor's appointment as a director terminates.

9 ISSUE OF SHARES

- 9.1
 - a) Shares are only to be issued as fully paid.
 - b) Unless the members of the Company by special resolution direct otherwise, all shares which the directors propose to issue must first be offered to the members in accordance with the following provisions of this Article.
 - c) Shares must be offered to members in proportion as nearly as may be to the number of existing shares held by them respectively.
 - d) The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
 - e) After the expiration of the period referred to in (d) above, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; and such further offer shall be made in the like terms in the same manner and limited by a like period as the original offer.
 - f) Any shares not accepted pursuant to the offer referred to in (d) and the further offer referred to in (e) or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or dispose of the same to such persons, on such terms, and in such manner as they think fit.
 - g) In accordance with section 567 of the Companies Act 2006, sections 561 and 562 of the said Act are excluded.

10 LIEN

- 10.1 The Company has a first and paramount lien on all shares (whether or not such shares are fully paid) standing registered in the name of any person indebted or under any liability to the Company, whether it is the sole registered holder thereof or is one of two or more joint holders, for all moneys payable by it to the Company (whether or not such moneys are presently due and payable).
- 10.2 The Company's lien over shares:-
- a) takes priority over any third party's interest in such shares; and
 - b) extends to any dividend or other money payable by the Company in respect of such shares and (if the Company's lien is enforced and such shares are sold by the Company) the proceeds of sale of such shares.
- 10.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.
- 10.4 a) Subject to the provisions of this Article, if:-
- i) a notice of the Company's intention to enforce the lien ("lien enforcement notice") has been sent in respect of the shares; and
 - ii) the person to whom the lien enforcement notice was sent has failed to comply with it,
- the Company may sell those shares in such manner as the directors decide.
- b) A lien enforcement notice:-
- i) may only be sent in respect of shares if a sum is payable to the Company by the sole registered holder or one of two or more joint registered holders of such shares and the due date for payment of such sum has passed;
 - ii) must specify the shares concerned;
 - iii) must include a demand for payment of the sum payable within 14 days;
 - iv) must be addressed either to the holder of such shares or to a person entitled to such shares by reason of the holder's death, bankruptcy or otherwise; and
 - v) must state the Company's intention to sell the shares if the notice is not complied with.
- c) If shares are sold under this Article:-
- i) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
 - ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:-
- i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - ii) second, in payment to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.

- e) A statutory declaration by a director or the secretary that the declarant is a director or the secretary and that a share has been sold to satisfy the Company's lien on a specified date:-
 - i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - ii) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share.

11 SHARE CERTIFICATES

- 11.1
 - a) The Company must issue each member with one or more certificates in respect of the shares which that member holds.
 - b) Except as is otherwise provided in these Articles, all certificates must be issued free of charge.
 - c) No certificate may be issued in respect of shares of more than one class.
 - d) A member may request the Company, in writing, to replace:-
 - i) the member's separate certificates with a consolidated certificate; or
 - ii) the member's consolidated certificate with two or more separate certificates.
 - e) When the Company complies with a request made by a member under (d) above, it may charge a reasonable fee as the directors decide for doing so.
- 11.2
 - a) Every certificate must specify:-
 - i) in respect of how many shares, and of what class, it is issued;
 - ii) the nominal value of those shares;
 - iii) the amount paid up on those shares; and
 - iv) any distinguishing numbers assigned to them.
 - b) Certificates must:-
 - i) have affixed to them the Company's common seal; or
 - ii) be otherwise executed in accordance with the Companies Acts.

12 CONSOLIDATION OF SHARES

- 12.1
 - a) This Article applies in circumstances where:-
 - i) there has been a consolidation of shares; and
 - ii) as a result, members are entitled to fractions of shares.
 - b) The directors may:-
 - i) sell the shares representing the fractions to any person including the Company for the best price reasonably obtainable; and
 - ii) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.
 - c) Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

- d) A person to whom shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- e) The transferee's title to the shares is not affected by any irregularity in or invalidity of the process leading to their sale.

13 DIVIDENDS

- 13.1 Distributable profits shall be retained and applied in the development of the Company's business and activities, unless the members resolve by special resolution that all or part of the Company's profits available for distribution should be distributed by way of dividend.
- 13.2 Model Article 30(4) shall be modified by the definition of the words "or directors' decision to pay a dividend".

14 WRITTEN RESOLUTIONS OF MEMBERS

- 14.1
 - a) Subject to Article 14.1(b), a written resolution of members passed in accordance with Part 13 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the Company.
 - b) The following may not be passed as a written resolution and may only be passed at a general meeting:-
 - i) a resolution under section 168 of the Companies Act 2006 for the removal of a director before the expiration of his period of office; and
 - ii) a resolution under section 510 of the Companies Act 2006 for the removal of an auditor before the expiration of his period of office.
- 14.2
 - a) Subject to Article 14.2(b), on a written resolution, a member has one vote in respect of each share held by it.
 - b) No member may vote on a written resolution unless all moneys currently due and payable in respect of any shares held by it (notwithstanding the provisions of article 9.1(a)) by which members are to respond to a proposed resolution have been paid.
- 14.3 Any member (whether or not holding the requisite percentage of voting rights for the purposes of s.292 Company Act 2006) or the board of directors may propose a written resolution of the members. The relevant member or board of directors shall specify the date by which members are to respond to a proposed resolution but such date may not be less than fourteen days after the date the resolution documents are distributed to all of the members of the Company.
- 14.4 The resolution documents shall be deemed to have been properly served on all members when they have been sent to the address last notified in writing by the member(s), or by such other method as is permitted pursuant to Part 13 of the Companies Act 2006.
- 14.5 The notice setting out the request for the adoption of a resolution shall set out all items to be resolved, specify the exact procedure, and state the last date for voting.
- 14.6 Votes which have been cast by members cannot be withdrawn within the voting deadline (as set out in Article 14.3).
- 14.7 All written resolutions shall be filed and recorded in the Company's files.

15 NOTICE OF GENERAL MEETINGS

- 15.1
 - a) Every notice convening a general meeting of the Company must comply with the provisions of:-
 - i) section 311 of the Companies Act 2006 as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and

- ii) section 325(1) of the Companies Act 2006 as to the giving of information to members regarding their right to appoint proxies.
- b) Every notice of, document, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the members, directors, and to the auditors (if any) for the time being of the Company.
- c) Notice of any members' meeting shall be given to all members at least thirty days prior to the date of the meeting. Subject to complying with the Companies Act 2006, the members can agree on a shorter notice period from time to time.
- d) If all of the members are present or represented at a meeting of members, and if they so agree, the meeting may be held without prior notice or by shorter notice than required by article 15.1(c).

16 QUORUM AT GENERAL MEETINGS

- 16.1 a) If and for so long as the Company has one member only, one member entitled to vote on the business to be transacted, who is present at a general meeting in person or by one or more proxies or, in the event that the member is a corporation, by one or more corporate representatives, is a quorum.
- b) If and for so long as the Company has two or more members, two members, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by one or more proxies or, in the event that any member present is a corporation, by one or more corporate representatives, are a quorum.
- c) Model Article 41(1) is modified by the addition of a second sentence as follows:-
- "If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved".

17 VOTING AT GENERAL MEETINGS

- 17.1 In the event that a share is held by more than one person, the Company has the right to suspend the exercise of all rights attached to that share until one person has been appointed as the sole owner of that share in the Company.
- 17.2 a) Subject to Article 17.3 below, on a vote on a resolution at a general meeting on a show of hands:-
- i) each member who, being an individual, is present in person has one vote;
 - ii) if a member (whether such member is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote; and
 - iii) if a corporate member appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Companies Act 2006, one vote.
- b) Subject to Article 17.3 below, on a resolution at a general meeting on a poll, every member (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him.
- 17.3 No member may vote at any general meeting or any separate meeting of the holders of any class of shares in the Company, either in person, by proxy or, in the event that the member is a corporation, by corporate representative in respect of shares held by that member unless all moneys currently due and payable by that member in respect of any shares held by that member have been paid.
- 17.4 If the Company has only one member, such sole member exercises all the powers of the members at the general meeting provided that the decisions of the sole member are recorded

in minutes or drawn-up in writing. Contracts entered into between the sole member and the Company are to be recorded in minutes or drawn-up in writing.

18 DELIVERY OF PROXY NOTICES

- 18.1 Model Article 45(1) is modified, such that a "proxy notice" (as defined in Model Article 45(1)) and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.

19 COMMUNICATIONS

- 19.1 Subject to the provisions of the Companies Act 2006, a document or information may be sent or supplied by the Company to a person by being made available on a website.
- 19.2
- a) A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to it or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such member is entitled to receive any notices from the Company.
 - b) If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.
- 19.3
- a) If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting.
 - b) If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.
 - c) If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website.
 - d) For the purposes of this Article 19.3, no account shall be taken of any part of a day that is not a working day.

20 TRANSMISSION OF SHARES

- 20.1 Model Article 27 is modified by the addition of new Model Article 27(4) in the following terms:-
- "Nothing in these Articles releases the estate of a deceased member from any liability in respect of a share solely or jointly held by that member."
- 20.2 All the Articles relating to the transfer of shares apply to:-
- a) any notice in writing given to the Company by a transmittee in accordance with Model Article 28(1); and
 - b) any instrument of transfer executed by a transmittee in accordance with Model Article 28(2),

as if such notice or instrument were an instrument of transfer executed by the person from whom the transferee derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

21 SHARE TRANSFERS

21.1 The directors may refuse to register any transfer of a share which is not made in compliance with these articles, and, if they do so, the instrument of transfer must be returned to the transferee together with a notice of refusal giving reasons for such refusal as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged for registration, unless the directors suspect that the proposed transfer may be fraudulent.

22 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

22.1 In this article, references to a transfer of a share include the transfer or assignment of a beneficial or other interest in that share or the creation of a trust or encumbrance over that share and reference to a share includes a beneficial or other interest in a share.

22.2 Except where the provisions of article 23 (obligatory transfers) and article 24 (permitted transfers) apply, any transfer of shares by a shareholder shall be subject to the restrictions and pre-emption rights in this article.

22.3 No shareholder shall transfer any share other than in accordance with article 23 or 24 unless each of the other shareholders has consented to the transfer, and (unless such other shareholders have otherwise consented) in any event subject to compliance with the remaining provisions of this article 22.

22.4 A shareholder ("Seller") who wishes to transfer its shares ("Sale Shares") shall, before transferring or agreeing to transfer any shares, give a notice ("Transfer Notice") to the company specifying:

- a) the number of Sale Shares;
- b) the name of any proposed third party transferee, if identified by the Seller at that stage;
- c) the price which is agreed upon by the Seller and the directors, or in the absence of agreement, which the auditors of the Company (acting as experts and not as arbitrators) certify to be in their opinion the fair value of the Sale Shares as at the date of the Transfer Notice and as between a willing seller and a willing buyer contracting on arm's length terms, having regard to the fair value of the business of the Company and its subsidiaries as a going concern but without taking into account (if it be the case) that the Sale Shares constitute a minority interest ("Transfer Price"); and
- d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold ("Minimum Transfer Condition").

22.5 Once given (or deemed to have been given) under these articles, a Transfer Notice may not be withdrawn.

22.6 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

22.7 As soon as practicable following the receipt of a Transfer Notice, the board of directors shall offer the Sale Shares for sale to the shareholders in the manner set out in article 22.8. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

22.8 a) The board of directors shall offer the Sale Shares to all shareholders other than the Seller ("Continuing Shareholders") inviting them to apply in writing within 15 business days of the date of the offer ("First Offer Period") for the maximum number of Sale Shares they wish to buy.

- b) If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this article 22.8 and article 22.9 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- c) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the board of directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- d) If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the board of directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (“Initial Surplus Shares”) shall be dealt with in accordance with article 22.9.

- 22.9
- a) At the end of the First Offer Period, the board of directors shall offer any Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within 15 business days of the date of the offer (“Second Offer Period”) for the maximum number of Initial Surplus Shares they wish to buy.
 - b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the board of directors shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.
 - c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (“Second Surplus Shares”) shall be dealt with in accordance with article 22.12.

22.10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the board of directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under articles 22.8 and 22.9, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

- a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- b) allocations under article 22.8 and, if necessary, article 22.9 have been made in respect of some or all of the Sale Shares,

the board of directors shall give written notice of allocation (“Allocation Notice”) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (“Applicant”). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (“Consideration”) and the place and time for completion of the transfer of the Sale Shares.

22.11 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice. If the Seller fails to comply with the requirements of the Allocation Notice:

- a) the chairman of the Company (or, failing him, one of the other directors, or some person nominated by a resolution of the board of directors) may, on behalf of the Seller:
 - i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - ii) receive the Consideration and give a good discharge for it; and
 - iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the shares purchased by them; and
- b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant shares (or an indemnity, in a form reasonably satisfactory to the board of directors, in respect of any lost certificate, together with such other evidence (if any) as the board of directors may reasonably require to prove good title to those shares) to the Company.

22.12 If no Allocation Notice is served (because no Continuing Shareholder has applied to purchase Sale Shares) or if an Allocation Notice does not relate to all of the Sale Shares then, subject to article 22.13 and within twelve weeks following service of the Allocation Notice, or if there has been no Allocation Notice, within fifteen weeks of the offer being sent to all shareholders pursuant to article 22.8, the Seller may subject to article 25 transfer all the Sale Shares or (as the case may be) the Second Surplus Shares to any person at least equal to the Transfer Price.

22.13 The Seller's right to transfer shares under article 22.12 does not apply if the board of directors reasonably considers that:

- a) the transferee is a person (or nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the company (or with a subsidiary undertaking of the Company); or
- b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the board of directors to enable it to form the opinion mentioned above.

22.14 The restrictions imposed by this article may be waived in relation to any proposed transfer of shares with the consent of the shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this article.

23 OBLIGATORY TRANSFERS

23.1 For the purposes of this article, the following shall be deemed to be a "Relevant Event":

- a) a sale or other disposition of any beneficial interest in a share (whether or not for consideration) by a member otherwise than in accordance with these articles and whether or not made in writing;
- b) a corporate member entering into liquidation (other than a members' voluntary liquidation for the purpose of reconstruction or amalgamation) or an administrative receiver or a receiver being appointed over any of its assets or an administration order being made against it;
- c) the death or bankruptcy of an individual member.

23.2 If a Relevant Event occurs in relation to a member, it shall be deemed to have given a Transfer Notice in respect of all shares of each class held by it or by any nominee for it immediately prior to the Relevant Event and the provisions of article 22 shall apply.

23.3 For the purpose of ensuring that a proposed transfer of shares is duly made in compliance with this article and article 22, or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given, the directors may require a member, the liquidator of a corporate member or a person named as transferee in a transfer lodged for registration to furnish to the Company such information and evidence as the directors think fit regarding any matter they deem relevant to that purpose. In a case where the information or evidence discloses that a Transfer Notice ought to have been given in respect of any shares, the directors shall be entitled within a reasonable time to require, by notice in writing given to the registered holder, that a Transfer Notice be given in respect of the shares concerned. If the directors require that a Transfer Notice be given and it is not duly given within one month from the date of its being required, the Transfer Notice shall be deemed to have been given at the expiration of the month and the provisions of article 22 shall take effect accordingly.

24 PERMITTED TRANSFERS

24.1 The restrictions on transfer contained in article 22 shall not apply to:

- a) a transfer approved in writing by all the shareholders;
- b) a transfer by a corporate shareholder to an Affiliated Party. If the transferee shareholder ceases to be an Affiliated Party of the transferor shareholder, the transferee shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all shares transferred to it unless it re-transfers the shares to the transferor company;
- c) a transfer by a corporate shareholder to a company formed to acquire the whole or a substantial part of its undertaking and assets as part of a scheme of amalgamation or reconstruction;
- d) a transfer by an individual shareholder to:
 - i) his or her spouse or civil partner;
 - ii) his or her children or grandchildren (including step and adopted children);
 - iii) the step and adopted children of his or her children; or
 - iv) a trust or settlement set up wholly for the benefit of that individual shareholder and/or his or her relations as listed in articles 24.1(d)(i)-(iii).

If the transferee shareholder ceases to be the spouse or civil partner of the transferor shareholder (whether by reason of divorce or otherwise), the transferee shareholder shall be deemed to have given a Transfer Notice immediately prior to that event in respect of all shares transferred to him or her, unless he or she re-transfers the shares to the transferor shareholder.

24.2 It must be proved to the reasonable satisfaction of the directors that the transfer bona fide falls within one of these exceptions.

25 TAG-ALONG

25.1 Any Continuing Shareholders which have not applied to purchase Sale Shares in accordance with article 22 ("Non-Purchasing Shareholders") shall have tag-along rights as set out in this article 25 in relation to shares to be sold to third parties pursuant to article 22.

25.2 Non-Purchasing Shareholders shall have the right to participate in any proposed sale of shares to third parties pursuant to article 22. A Non-Purchasing Shareholder which participates in such sale shall be entitled to sell such number of shares held by it which, as a proportion of the total number of shares to be acquired by the relevant third party buyer, is equal to the proportion which the Non-Purchasing Shareholder's shares comprises of the aggregate number of shares

available for purchase by the third party comprising shares held by the Seller and all Non-Purchasing Shareholders which wish to exercise tag-along rights pursuant to this article 25.

- 25.3 A Non-Purchasing Shareholder which wishes to exercise tag-along rights pursuant to this article 25 shall give notice to the Company indicating such wish within 15 business days of the date on which Sale Shares were offered for sale to the Continuing Shareholders in accordance with article 22.8.
- 25.4 In the event that tag-along rights are exercised pursuant to this article 25, the Seller and the relevant Non-Purchasing Shareholder(s) shall agree between themselves the number of shares (in accordance with this article 25) to be transferred by each relevant shareholder to a third party buyer. In the event of disagreement, the board of directors shall determine the matter.

26 CHANGE OF CONTROL

- 26.1 If any third party which is (i) not an Affiliate of any of the members and (ii) a Competitor (as defined below) of one or more of the other members ("Constant Party") alone or together with other third parties which also meet the conditions set out at (i) and (ii) above directly or indirectly acquires control of more than one half of the voting rights a member (the "Changing Party"), the Changing Party shall notify the Constant Parties of this fact in writing without delay. At the same time as such notice is given, or ought to have been given, the Changing Party shall in addition deliver to the Company a Transfer Notice in respect of all the shares registered in its name (or, in default of such delivery, shall be deemed to have delivered a Transfer Notice) in accordance with article 22.
- 26.2 A "Competitor" for the purposes of article 26.1 means any person or entity which, at the time it acquires control of more than one half of the voting rights in the Changing Party, carries on or is engaged, concerned or interested in any activity, in one or more of the same territorial markets, which is the same as or substantially similar to the business of the relevant Constant Party as then carried out.
- 26.3 The board of directors shall be provided with all information and documentation which it may reasonably request in order to investigate and determine whether a Competitor has acquired control of a member in the manner contemplated by this article 26. The board's determination of such issue shall be final.

27 ANNUAL ACCOUNTS

- 27.1 The annual accounts of the Company are drawn up by (or on the instructions of) the board of directors following the end of each fiscal year and will be kept at the registered office of the Company. Each member may inspect, at any time, the annual accounts and the general books of the Company at the registered office of the Company.

28 LIQUIDATION

- 28.1 In the event of a member's voluntary liquidation of the Company, liquidation shall be carried out by one or several liquidators (who may be individuals or legal entities) appointed by the meeting of members effecting such liquidation and which shall determine their powers and their compensation.
- 28.2 Once the liquidation is concluded, the remaining assets of the Company shall be allocated to the members proportionally to the shares they hold in the Company.