

**ILX GROUP PLC**

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**ARTICLES OF ASSOCIATION**

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Company Number: 3525870

**THE COMPANIES ACT 2006**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**ILX GROUP PLC**  
**(the “Company”)**

**(Adopted by special resolution passed on 25 September 2009 and to take effect from 1 October 2009)**

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**PRELIMINARY**

**1. EXCLUSION OF PRESCRIBED ARTICLES**

No regulations or articles prescribed by regulations under the Statutes shall form part of the articles of the Company and all such regulations and articles are hereby excluded.

**2. DEFINITIONS AND INTERPRETATION**

2.1 In these Articles (save where inconsistent with the subject or context), the following words and expressions shall bear the following meanings:

|                      |   |
|----------------------|---|
| “Act”                | the Companies Act 2006;   |
| “address”            | in relation to any document or information sent or supplied by electronic means, includes any number or address (including, in the case of any Uncertificated Proxy Instruction permitted pursuant to Article 75.5, an identification number of a participant in the relevant system concerned) used for the purposes of such communications; |
| “Articles”           | these articles of association as from time to time amended;   |
| “associated company” | the parent undertaking of the Company; or a subsidiary undertaking of the Company or of any such parent undertaking; or an associated undertaking of the Company or any such parent   |

|                                   |   |
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|                                   | undertaking;  |
| <b>“Auditors”</b>                 | the auditors of the Company for the time being;   |
| <b>“business day”</b>             | 9 a.m. to 5 p.m. on any day (other than a Saturday or Sunday) on which clearing banks are open for the transaction of normal banking business in London;  |
| <b>“certificated”</b>             | in relation to a share, a share which is not an uncertificated share nor a share in respect of which a share warrant has been issued and is current;  |
| <b>“clear days”</b>               | in relation to a period of notice, that period excluding the day on which 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;   |
| <b>“CREST”</b>                    | the relevant system operated by EuroClear UK & Ireland Limited in terms of the Regulations;   |
| <b>“Directors”</b>                | the executive and non-executive directors of the Company who make up its board of directors for the time being or (as the context requires) the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present and shall be construed in accordance with Article 2.3.3; |
| <b>“electronic signature”</b>     | anything in electronic form which the Directors require to be incorporated into or otherwise associated with any document or information sent or supplied in electronic form for the purpose of establishing the authenticity or integrity of the document or information;  |
| <b>“entitled by transmission”</b> | in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law;  |
| <b>“holder” or “member”</b>       | in relation to a share, the person whose name is entered in the Register in respect of that share; and shall be construed in accordance with Article 2.2.4;   |
| <b>“London Stock Exchange”</b>    | London Stock Exchange plc or its successor from time to time;   |

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| <b>“Market Rules”</b>                   | the AIM rules for companies published by the London Stock Exchange (including any modification, amendment or replacement thereof) and/or, where the context so requires, the rules from time to time of any other recognised investment exchange on which the securities of the Company are listed, traded or dealt in; |
| <b>“month”</b>                          | a calendar month;   |
| <b>“Ordinary Shares”</b>                | the meaning given to it in Article 5.1;   |
| <b>“paid” or “paid up”</b>              | paid up or credited as paid up;   |
| <b>“recognised investment exchange”</b> | an investment exchange granted recognition under the Financial Services and Markets Act 2000;   |
| <b>“Register”</b>                       | the register of members of the Company kept pursuant to the Statutes and, where the context so requires, any register maintained by the Company of persons holding any renounceable right of allotment of a share;  |
| <b>“registrar’s office”</b>             | the place where the Register is kept for the time being;  |
| <b>“Regulations”</b>                    | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);  |
| <b>“seal”</b>                           | the common seal of the Company;   |
| <b>“Secretary”</b>                      | any person, body corporate or partnership appointed by the Directors to perform any of the duties of the secretary of the Company, including an assistant or deputy secretary; and where two or more persons are appointed to act as joint Secretary, the term shall include any one of those persons;                  |
| <b>“securities seal”</b>                | an official seal kept by the Company pursuant to the Statutes for use for sealing securities issued by the Company or for sealing documents creating or evidencing securities so issued;  |
| <b>“share”</b>                          | a share of any class in the Company;  |
| <b>“Statutes”</b>                       | all statutes (and any regulations subordinate thereto) for the time   |

|   |   |
|---|---|
|   | being in force concerning companies and affecting the Company;  |
| <b>“uncertificated”</b>                   | in relation to a share, a share, title to which is recorded in the Register as being held in uncertificated form and which, by virtue of the Regulations, may be transferred by means of a relevant system;                                 |
| <b>“Uncertificated Proxy Instruction”</b> | the meaning given in Article 75.5;  |
| <b>“United Kingdom” or “UK”</b>           | the United Kingdom of Great Britain and Northern Ireland;   |
| <b>“writing”</b>                          | the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in hard copy, in electronic form or by being made available on a website; and |
| <b>“year”</b>                             | a calendar year.  |

2.2 In these Articles, unless the context otherwise requires:

- 2.2.1 words denoting the singular shall include the plural and *vice versa* and words denoting the masculine shall include the feminine and neuter and *vice versa*;
- 2.2.2 words denoting persons shall include individuals, companies, corporations, bodies corporate, associations, partnerships, firms, government authorities and societies (whether incorporated or not) and references to any of the same include the others;
- 2.2.3 the expression “**debenture**” shall include “**debenture stock**”;
- 2.2.4 the words “**shareholder**”, “**holder**” and “**member**” shall include (subject to these Articles) the bearer of any share warrant;
- 2.2.5 the words “**include**”, “**including**” and “**in particular**” shall be construed as if they were immediately followed by the words “**without limitation**”;
- 2.2.6 references to a document being “**signed**” or to a “**signature**” include references to it being executed under hand or under seal or by any other method and, in the case of a document in electronic form, are to its bearing an electronic signature;

- 2.2.7 references to a document being “**executed**” include references to its being executed under hand or under seal or by any other method except by means of an electronic signature; and
- 2.2.8 references to a “**relevant system**” shall be deemed to relate to the relevant system in which the particular share or class of shares or renounceable right of allotment of a share concerned in the capital of the Company is a participating security for the time being and all references in these Articles to the giving of an instruction by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Regulations and the giving of such instructions shall be subject to:
- (a) the facilities and requirements of the relevant system;
  - (b) the extent permitted by the Regulations; and
  - (c) the extent permitted by or practicable under the rules, procedures and practices from time to time of the operator of the relevant system.
- 2.3 In these Articles:
- 2.3.1 powers of delegation shall not be restrictively construed but the widest possible interpretation shall be given to them and, except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other person who is for the time being authorised to exercise it under these Articles or under another delegation of the power;
- 2.3.2 no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
- 2.3.3 references to “**Directors**” in the context of the exercise of any power contained in these Articles includes reference to any committee consisting of one or more Directors from time to time, any Director from time to time holding executive office and any local or divisional board, managers or agents of the Company to which or, as the case may be, to whom the power in question has been delegated.
- 2.4 A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles. The expression “**special notice**”

shall mean notice given in accordance with the Statutes in any case where special notice of a resolution is required.

- 2.5 Subject as set out in the preceding provisions of this Article 2 and if not inconsistent with the subject or the context in which the word or expression is used, any words or expressions defined in the Act or the Regulations (as the case may be) shall have the same meanings in these Articles but excluding any statutory modification thereof not in force at the date of adoption of these Articles. In particular, the expressions “**operator**”, “**participating issuer**”, “**participating security**” and “**relevant system**” have the same meanings as in the Regulations.
- 2.6 Unless otherwise stated, any reference in these Articles to the provisions of any statute or any regulations subordinate thereto shall extend to and include any amendment or re-enactment of or substitution for the same effected by any subsequent statute or regulations.
- 2.7 In these Articles, the headings are inserted for convenience only and shall not affect the construction or interpretation of these Articles.

## **LIABILITY OF MEMBERS**

### **3. LIABILITY**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## **NAME**

### **4. CHANGE OF NAME**

The Company may change its name by resolution of the Directors.

## **SHARE CAPITAL**

### **5. SHARES**

#### **5.1 Ordinary Shares**

Subject to the superior rights of any other class or classes of shares that are or may be issued by the Company, the rights and restrictions attaching to the ordinary shares of 10 pence each (the “Ordinary Shares”) as regards participation in the profits and assets of the Company shall be as follows:

### 5.1.1 **Income**

Any profits which the Company may determine to distribute in respect of any financial year shall be distributed among the holders of the Ordinary Shares pro rata according to the amounts paid up or credited as paid up on the Ordinary Shares held by them.

### 5.1.2 **Capital**

The capital and assets of the Company on a winding-up or other return of capital shall be applied in repaying to the holders of Ordinary Shares the amounts paid up or credited as paid up on such shares and subject thereto shall belong to and be distributed according to the number of such shares held by them respectively.

## 6. **REDEEMABLE SHARES AND SHARES WITH SPECIAL RIGHTS**

6.1 Subject to the Statutes and without prejudice to any rights attached to any class of shares for the time being in issue, any share may be issued:

6.1.1 on terms that it is, or is liable to be, redeemed at the option of the Company or the holder on such terms and conditions and in such manner as the Directors may, before the allotment of such shares, determine; and

6.1.2 with such preferred, deferred or other rights or subject to such restrictions, whether as regards dividend, return of capital, voting, conversion or otherwise, as the Company may from time to time by ordinary resolution determine.

## 7. **WARRANTS OR OPTIONS TO SUBSCRIBE FOR SHARES**

Subject to the Statutes, these Articles and the Market Rules, the Company may issue warrants or options to subscribe for shares in the Company on such terms and subject to such conditions as the Directors may determine.

## **VARIATION OF RIGHTS**

### 8. **MANNER OF VARIATION OF RIGHTS**

8.1 Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class may, subject to the Statutes, be varied or abrogated:

8.1.1 in such manner (if any) as may be provided by those rights; or

8.1.2 in the absence of such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class (but not otherwise),

and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting, all the provisions of the Statutes and these Articles relating to general meetings of the Company or to the proceedings thereat shall apply *mutatis mutandis* except that:

- 8.1.3 no member shall be entitled to receive notice of such meeting or to attend it unless he is a holder of shares of the class in question and no vote shall be given except in respect of a share of that class;
- 8.1.4 the necessary quorum at any such meeting (other than an adjourned meeting) shall be two individuals, being two members present in person (including, for the avoidance of doubt, a member present through a corporate representative in accordance with Article 77) or by proxy, together holding not less than one third in nominal amount of the issued shares of the class in question (excluding, for the avoidance of doubt, any shares of that class held as treasury shares), unless all the shares of the class are registered in the name of a single member, in which case the quorum shall be that single member; and where a member is present by proxy, he shall be treated as holding only the shares in respect of which that proxy or those proxies are authorised to exercise voting rights;
- 8.1.5 at any adjourned meeting, the necessary quorum shall be one individual, being a member present in person or by proxy, holding shares of the class in question (whatever the number of shares held by him);
- 8.1.6 each holder of shares of the class in question present in person or by proxy and entitled to vote may demand a poll;
- 8.1.7 on a show of hands:
- (a) subject to Article 77.2.1, every holder of shares of the class in question entitled to vote on the resolution who is present in person has one vote;
  - (b) every proxy present who has been duly appointed by one or more holders of shares of the class in question entitled to vote on the resolution has one vote, unless he has been appointed by more than one such holder and has been

