

Company No: 02652922

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES

RESOLUTIONS IN WRITING

of

ATRAVERDA ("Company")

Passed the day of 21 Sept 2012

WEDNESDAY



A36 *A1IS67MP* 03/10/2012 #77
COMPANIES HOUSE

By a written resolution agreed to in accordance with Chapter 2 of Part 13 of the Companies Act 2006 by or on behalf of the required number of the members of the Company who, at the date of circulating the resolution, were entitled to vote on the the following resolution(s) of the Company were duly passed

SPECIAL RESOLUTIONS

1. **THAT** the Members of the Company hereby irrevocably
 - 1.1 approve the variation to the terms of the secured convertible loan notes 2012, created on 2 July 2012 (the "**Loan Notes (as varied)**") and the issue of the further secured convertible Loan Notes 2012 in the sum of £502,250 to be issued on or about today's date to certain Members which are capable of being converted into B1 Preferred Ordinary Shares in the capital of the Company in accordance with their terms; and
 - 1.2 waive their pre-emption rights under article 3 1 of the Articles of Association of the Company (the "**Articles**") in connection with (i) the issue of the 58,595,831 new B1 Preferred Ordinary Shares to be issued in connection with the issue of the further Loan Notes (as varied) and (ii) the issue of any new B1 Preferred Ordinary Shares which may, in the future, be issued on conversion pursuant to the terms of the Loan Notes (as varied).
- 2 **THAT** the Members of the Company hereby waive their anti-dilution rights pursuant to article 13 of the Articles on the issue of new B1 Preferred Ordinary Shares pursuant to resolution 1.1 and the issue of any further B1 Preferred Ordinary Shares which may, in the future, be issued pursuant to the terms of the Loan Notes (as varied) pursuant to resolution 1 2
3. **THAT** each shareholder hereby undertakes to pass any resolutions necessary to permit the Company to comply with the terms of the Loan Notes (as varied) issued by the Company to certain of Members as at the date hereof.
- 4 **THAT**
 - 4.1 The Articles of Association set out in the document produced to this meeting and signed by the Chairman of the meeting for the purposes of identification be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association of the Company.
 - 4.2 For the avoidance of any doubt, it has been agreed by the parties hereto that the Articles of Association produced to the meeting shall not specify any authorised share capital and the directors shall be free to allot shares in the capital of the Company subject to Resolution 5 below.

5. **THAT** pursuant to section 551 Companies Act 2006 the Directors are prohibited from allotting shares in the Company or from granting rights to subscribe for or to convert any security into such shares in the Company except to the extent:

5.1.1 authorised by the Company in general meeting, or

5.1.2 as envisaged by the resolutions passed by the Members on 24 August 2011; or

5.1.3 as envisaged by the Loan Notes or the Loan Notes (as varied); or

5.1.4 as authorised by the above resolutions.

6. **That** Finance Wales Investments (3) Limited as Security Trustee ("FW") be and is hereby authorised to execute an Inter-creditor Deed to be dated on or about the date of this resolution (to supersede the Inter-creditor deed dated 2 July 2012 between FW (as security trustee) and the Company), governing the priorities of various creditors of the Company in the event of repayment of the Loan Notes (as varied) and/or enforcement of the related debenture issued in connection with the Loan Notes (as varied).

Signed *CR Davies*
Director/Secretary

Dated *21st September* 2012

ARTICLES OF ASSOCIATION
of
ATRAVERDA LIMITED

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

As Amended pursuant to a Shareholders resolution dated September 2012



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THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
Articles of Association of Atraverda Limited

MANAGEMENT

COMPANIES HOUSE

Company number 02652922

Adopted by special resolution on

2012

1 Interpretation

In these articles the undernoted expressions shall have the meanings set opposite them below

- | | |
|----------------------------|---|
| “A Conversion Rate” | the conversion rate of the A Ordinary Shares as set out in article 8 1 1, |
| “the Act” | the Companies Acts 1985 and 2006 including any statutory modification or re-enactment for the time being in force, |
| “Additional Shares” | any Equity Shares issued after the date of adoption of these Articles but excluding <ul style="list-style-type: none">(a) any shares issued under the ESOP up to a maximum of 15,703,122 Ordinary Shares,(b) any shares issued under the management incentive scheme up to a maximum of 100,000 MIS Ordinary Shares,(c) any shares which the Company is required to issue by reason of a right attached to shares under these articles,(d) any shares issued as consideration for the acquisition of the assets or shares of any company, which acquisition is approved by the Board (including three of the five Investor Directors),(e) any shares being less than 1% of the then issued equity share capital of the company issued in connection with a bona fide debt financing as approved by the Board (including three of the five Investor Directors), and(f) any shares being less than 1% of the then issued equity share capital of the Company issued in connection with |

	any strategic partnering transactions as approved by the Board (including the three of the five Investor Directors),
	(g) any shares issued on a Qualifying IPO,
"A Ordinary Shares"	redeemable preferred A ordinary shares of £0.01 each in the capital of the Company,
"Annual Budget"	means the annual budget prepared by the Board and approved by an Investor Majority,
"Approved Circumstances"	death, illness or a disability of the Employee Member, retirement of the Employee Member at normal retirement age, cessation of employment for any reason after the later of 22 March 2010 and the date on which the Employee Member became an executive director or employee of the Company or any of its subsidiaries or such other reason as in any individual case may be approved by the board of the Company and an Investor Majority,
"Auditors"	the auditors for the time being of the Company,
"Base Hurdle"	means fifteen million pounds (£15,000,000),
"B Conversion Rate"	the conversion rate of the B Ordinary Shares as set out in article 8.1.2,
"B Ordinary Shares"	redeemable preferred B ordinary shares of £0.01 each in the capital of the Company,
"B1 Preferred Shareholders"	the holders of the B1 Preferred Shares,
"B1 Preferred Shares"	redeemable preferred B1 ordinary shares of 0.000001p each in the capital of the Company,
"BI"	means BI New Energy Solutions II K/S,
"Board"	means the board of Directors from time to time,
"Capitalisation Issue"	any increase in the issued Share capital of the Company by way of an allotment of Shares credited as fully or partly paid pursuant to a capitalisation of profits or reserves (including any share premium account or capital redemption reserves),
"Connected Person"	a connected person as defined in Section 1122 of the Corporation

	Tax Act 2010,
“Controlling Interest”	an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that Company,
“Deemed Transfer Notice”	means a Transfer Notice (as defined in article 10 1), that is deemed to be given in accordance with article 9 4 1,
“Director”	means any director of the Company and/or its subsidiaries from time to time,
“Disposal”	the completion of the sale or transfer of the whole or a substantial part of the undertaking or assets of the company and/or its subsidiaries (in one transaction or a series of transactions),
“EBITDA”	earnings before interest, taxation, depreciation and amortisation,
“ECP II”	means EnerTech Capital Partners II L P of Building D, Suite 105, 625 W Ridge Pike, Conshohocken, PA 19428 USA,
“ECP II Interfund”	means ECP II Interfund L P of Building D, Suite 105, 625 W Ridge Pike, Conshohocken, PA 19428 USA,
“Employee Member”	a person who is or has been an executive director and/or an employee of the Company or any of its subsidiaries,
“Employee Trust”	a trust approved by an Investor Majority and whose beneficiaries are the bona fide employees of the Company or any of its subsidiaries,
“EnerTech”	means together ECP II and ECP II Interfund,
“Equity Shares”	the A Ordinary Shares, the B Ordinary Shares, the B1 Preferred Shares, the MIS Ordinary Shares and the Ordinary Shares, and the expression “equity share capital” shall be construed accordingly,
“ESOP”	an employee share option scheme the terms of which have been approved by an Investor Majority,
“ES Ventures”	means ESPÍRITO SANTO VENTURES - SOCIEDADE DE CAPITAL DE RISCO, S A , a company formed under the laws of Portugal (Registration Number 507 527 909) with its registered office at Avenida da Liberdade, No 195, 1269-161, Lisboa, Portugal, in its capacity as trustee of the ESV Trust (meaning

Fundo de Capital de Risco para Investidores Qualificados ES Ventures II, registered under the laws of Portugal with Registration Number 889),

"Exit"

means any of (i) any liquidation, dissolution or winding up of the Company (other than for the purposes of reconstruction) (ii) any other return of capital by the Company to shareholders (other than by way of capitalisation of reserves), (iii) any Sale, or (iv) any Disposal,

"Exit Value"

the aggregate amount received by the holders of Equity Shares on an Exit (including any distribution made immediately prior to such Exit and in contemplation of it) after deduction of all reasonable professional fees, costs and expenses,

"Expert"

an umpire (acting as an expert and not as arbiter) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) and the costs of which shall be paid by the Company,

"Family Trust"

a trust which only permits the settled property or the income from the settled property to be applied for the benefit of

- (a) the settlor and/or a Privileged Relation of that settlor, or
- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities)

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor For purposes of this definition "**settlor**" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased Member,

"Fixed Dividend"

means the fixed dividend payable on the A or B Ordinary Shares in accordance with the provisions of Article 4,

“FWI”	means Finance Wales Investments Limited incorporated under the Companies Acts under number 02032847 and having its registered office at 3rd Floor, Oakleigh House, Park Place, Cardiff CF10 3DQ,
“FW(5)”	means Finance Wales Investments (5) Limited incorporated under the Companies Acts under number 06350427 and/or Finance Wales Investments (3) Limited incorporated under the Companies Acts under number 05210122 both having their registered office at 3rd Floor, Oakleigh House, Park Place, Cardiff CF10 3DQ,
“Group Directors”	the Directors and their Connected Persons (excluding any Investor Directors),
“Investor Director”	any Director appointed pursuant to article 18 4, 18 5 2, 18 5.4 or 18 5 5,
“Investor Majority”	the holder or holders of at least 50% (or in respect of any shares held by a nominee, the beneficial holder of such shares) in number of the Preferred Ordinary Shares voting as a class,
“Investors”	shall mean any holder of Preferred Ordinary Shares from time to time and “an Investor” shall be construed accordingly,
“Investor’s Group”	means in respect of any Investor, any general or limited partner for the time being in that Investor and any subsidiary or holding company from time to time of any limited or general partner of that Investor and any subsidiary of such holding company and any other fund or scheme managed from time to time by that Investor’s manager and any nominee of any of the foregoing and any subsidiary or holding company of an Investor or any subsidiary of any holding company of an Investor and “member of the EnerTech Investor Group, the Sagentia Investor Group, the ITF Investor Group, the SEP II Investor Group, the OnPoint Investor Group, the FWI Investor Group, the ES Investor Group and the BI Investor Group” shall be construed accordingly,
“Issue Price”	the amount paid per Equity Share at the time of issue together with any premium thereon,
“ITF”	means Inter IKEA Finance SA Holding of Val Sainte Croix 223, L-1371, Luxembourg, whose address for all purposes is c/o Inter IKEA Holdings Services SA, Dreve Richelle 161, Bat D, 1410

Waterloo, Belgium,

“Listing”	the listing of any of the Company’s securities on a Recognised Investment Exchange which Listing shall be treated as occurring on the day on which trading in the securities begins,
“Loan Notes”	the Loan Notes 2011 and the Loan Notes 2012,
“Loan Notes 2011”	the secured convertible loan notes 2011 issued by the Company on 24 August 2011,
“Loan Notes 2012”	the secured convertible loan notes 2012 issued by the Company on 2 July 2012 (as varied pursuant to a shareholders resolution dated on or about the date of adoption of these Articles),
“LP Value”	the aggregate of the amounts calculated in accordance with Articles 5 1 1 and 5 1 2 1 plus an amount equal to the value of any sums outstanding in connection with the Loan Notes;
“Member”	a holder of shares in the Company,
“MIS Exit Entitlement”	<p>shall only arise if the Exit Value exceeds the Base Hurdle and until the payments due in accordance with Article 5 1 2 1 have been made in full (all as more fully described in the MIS Option Rules dated 24 November 2011), in which case</p> <ol style="list-style-type: none"> (i) if the LP Value is less than the Exit Value, the entitlement shall be an amount equal to the LP Value less five million pounds (£5,000,000) multiplied by the MIS Exit Payment Percentage, or (ii) if the LP Value is equal to, or greater than, the Exit Value, the entitlement shall be an amount equal to the Exit Value less five million pounds (£5,000,000) multiplied by the MIS Exit Payment Percentage
“MIS Exit Payment Percentage”	<p>either.</p> <ol style="list-style-type: none"> (i) ten percent (10%) if 100,000 MIS Ordinary Shares are in issue, or (ii) if less than 100,000 MIS Ordinary Shares are in issue then such percentage as shall be equal to ten percent (10%) multiplied by the X% where X is calculated in accordance with the formula next following

$$X = ((A/100,000) \times 100)$$

Where

A = number of MIS Ordinary Shares in issue

"MIS Ordinary Shares"	preferred MIS ordinary shares of £0.01 each in the capital of the Company,
"on an as converted basis"	as if the anti-dilution provisions contained in article 13 had operated,
"OnPoint"	OnPoint Technologies Inc of Maitland Promenade, 485 North Keller Road, Suite 100, Maitland, FL 32751, U S A,
"Ordinary Shares"	the ordinary shares of £0.01 each in the capital of the Company,
"Original Member"	a member of the Company on 10 December 2004,
"Preferred Ordinary Shares"	the A Ordinary Shares, the B Ordinary Shares and the B1 Preferred Shares,
"Privileged Relations"	the spouse of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children,
"Preferential Payment"	as defined in Article 5.1,
"Proceeds"	shall mean the gross aggregate consideration received (whether in one or several instalments) or receivable by the Company and/or any of the shareholders in respect of an Exit and shall without limitation include (i) the amount of any deferred consideration (ii) any consideration given otherwise than in cash and (iii) any consideration (in cash or otherwise) received by the Company and/or any of the shareholders which having regard to the substance of the transaction can reasonably be regarded as an addition to the price paid, and (iv) any expenses of the Company or any of the shareholders incurred in connection with the Exit which are met by any third party, and shall take account of any adjustment to the consideration by reference to completion accounts PROVIDED THAT (i) if the consideration is satisfied wholly or partly by an issue of shares in a company which is listed or quoted on a Recognised Investment Exchange, the value attributable to such shares shall be the average of the closing mid prices during the ten days ending on the day immediately prior to the date on which the calculation is made and (ii) if the

consideration is satisfied wholly or partly by an issue of shares in a company which is not listed or quoted on a Recognised Investment Exchange, the value attributable to such shares shall be determined by agreement between the Company and the Investors and PROVIDED FURTHER THAT in the event of any dispute as to the consideration received for receivable or to the value attributable to any non cash consideration the matter shall be referred to an Expert whose decision shall be final and binding,

"Qualifying IPO"

means the becoming effective of a fully underwritten Listing with price per share equal to or greater than 45 pence and with gross proceeds of £15,000,000 or more,

"Qualifying Issue"

an A Qualifying Issue and/or a B Qualifying Issue and/or a B1 Qualifying Issue as such terms are defined in Articles 13 1 1, 13 1 2 and 13 1 3,

"Recognised Investment Exchange"

shall have the meaning ascribed to it in section 285 of the Financial Services and Markets Act 2000 (as the same may be amended from time to time),

"Relevant Shares"

in relation to an Employee Member means all Ordinary Shares held by

- (c) the Employee Member, and
- (d) by any persons who acquired the shares while they were the Employee Member's Privileged Relations other than those shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Employee member or by reason of their relationship with the Employee Member,

"Sagentia"

The Sagentia Group AG - Reference "Sagentia", Bodmerstrasse 7, CH-8002, Zurich, Switzerland,

"Sale"

the sale of shares to any person resulting in that person (together with any person acting in concert with such person) holding more than 50% of the issued share capital, or any merger, consolidation or acquisition involving the Company if as a result immediately after such merger, consolidation or acquisition, the persons who were shareholders of the Company immediately prior thereto own, in aggregate, shares of the surviving or resulting company of less

than a majority of the total voting power of such company,

“Securities”	means any capital raising instruments issued by the Company, including but not limited to shares, stock, loan notes (other than the Notes), warrants, options or other instruments of a similar kind convertible into any such instrument,
“SEP II”	SEP II, a limited partnership established under the Limited Partnerships Act 1907 under number 3999 and having its place of registration at 17 Blythwood Square, Glasgow, G2 4AD,
“SEP II B”	SEP II B, a limited partnership established under the Limited Partnerships Act 1907 under number 3998 and having its place of registration at 17 Blythwood Square, Glasgow, G2 4AD,
“SEPL”	Scottish Equity Partners Limited, 17 Blythwood Square, Glasgow, G2 4AD,
“Subsequent Financing”	means any transaction in which the Company issues Securities, the gross proceeds of which are in excess of £7,000,000 inclusive of the Loan Notes 2012,
“Termination Date”	means the date on which the contract of employment or contract for services is terminated which in the case where notice is served shall be the date on which such notice expires and in the case where payment in lieu of notice is made shall be the date on which such payment is made and in the case of death shall be the date of death, and
“Valuation”	the valuation (in pounds Sterling) placed upon the whole of the issued equity share capital of the Company (including any bonus shares issued pursuant to these articles) as shown in the prospectus or listing particulars published in connection with a Listing less the gross amount of any new shares issued by the Company at the time of and in connection with such Listing

The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called “**Table A**”) shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the articles hereinafter contained shall be the regulations of the Company

2 Share Capital

2 1 The issued share capital of the Company at the date of the adoption of these articles is £1,595,584 32 divided into 57,569,545 A Ordinary Shares, 69,849,347 B Ordinary Shares, 163,193,712 B1 Preferred Shares, and 32,123,221 Ordinary Shares.

2 2 Pursuant to section 551 Companies Act 2006 the Directors are prohibited from allotting shares in the Company or from granting rights to subscribe for or to convert any security into such shares in the Company except for the purposes of issuing shares in connection with

2 2 1 the Loan Notes 2011,

2 2 2 the Loan Notes 2012,

2 2 3 pursuant to any management incentive scheme which has been created by the Company on or around the date of adoption of these Articles, or

2 2 4 to the extent authorised by the Company in general meeting

3 Issue of shares

3 1 No shares of any class may be allotted by the Company unless they are first offered to the holders of Preferred Ordinary Shares (or to such members of an Investor's Group as the relevant Investor shall so direct, each being an "**Authorised Allottee**") in proportion as nearly as may be to the respective numbers of those shares which would be held by such holders on an as converted basis save that, for so long as Sagentia and ITF together retain a shareholding in the Company of 5% of the equity share capital, the proportion of the first offer made to ITF shall be calculated on the basis of the total of its holding of A Ordinary Shares (on an as converted basis) and 5,298,412 of its Ordinary Shares, and the proportionate entitlement of the other holders of A Ordinary Shares and B Ordinary Shares shall be reduced accordingly. The Company does not have to make an offer under this article 3 1 if

3 1 1 the proposed issue is on the exercise of any option,

3 1 2 the proposed issue is on the exercise of options granted under the ESOP, or

3 1 3 the new shares arise solely by way of conversion of Preferred Ordinary Shares into Ordinary Shares

3 2 An offer under article 3 1 shall be open for acceptance for at least 30 days after notice of it is given. Any shares which are not accepted in that period shall first be offered to the holders of Preferred Ordinary Shares and Authorised Allottees (as if they represented one class of shares) who accepted the offer contained in article 3 1, in the same proportions as the first offer was made under article 3 1. Such process shall be repeated until such time as either (i) offers to accept the number of shares to be issued have been received; or (ii) no holder of Preferred Ordinary Shares (or Authorised Allottee who accepted the offer contained in

article 3 1) wishes to participate further Any remaining shares which have not been accepted shall be at the disposal of the Directors who may (within the period of 3 months from the expiry of the last offer made under article 3 1) allot, grant options over or otherwise dispose of those shares to any person and on any terms, but the price per share and other terms offered to such a person cannot be more favourable than the price and terms offered to the members

3 3 Article 3 1 will also apply (with the necessary changes) to the grant of any right to subscribe for shares of any class, other than a grant of options under the ESOP

3 4 Section 89(1) of the Act is excluded, and accordingly shall not apply to the allotment of equity securities (as defined in section 94 of the Act) by the Company

4 Dividends

4 1 The profits of the Company available for distribution shall be applied in paying to each holder of A Ordinary Shares and each holder of B Ordinary Shares (on a pari passu basis), a dividend (the "**Fixed Dividend**") per Preferred Ordinary Share in an amount of 0 764 pence per A Ordinary Share per annum and 1 2 pence per B Ordinary Share per annum

In each case, the accrual and payment dates shall be as follows

Accrual Date	accruing from the day immediately following the final day in the Company's first quarter of positive EBITDA
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Payment Date	on any Exit, Listing, redemption of Preferred Ordinary Shares under article 7 or conversion of Preferred Ordinary Shares under article 8 or earlier at the Company's option
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4 2 Any remaining profits which the Company determines to distribute in any financial year shall, provided that the holders of a majority of the Preferred Ordinary Shares agree in writing, be applied in paying a dividend to the holders of the Ordinary Shares and the Preferred Ordinary Shares (pari passu as if the same were one class of share) provided always that no dividend or other distribution may be paid or made whilst there are accrued but unpaid Fixed Dividends

4 3 Every dividend shall be distributed to the shareholders who held the relevant shares at the end of the period to which the dividend relates pro rata according to the number of fully paid up shares held by them respectively and shall accrue on a daily basis For the avoidance of doubt no dividend shall be paid on any partly paid share All dividends are expressed net and shall be paid in cash The Fixed Dividend is cumulative

4 4 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act or any other provisions of these articles

the Fixed Dividend shall (notwithstanding regulations 102 to 108 of Table A) notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in general meeting be paid immediately on each Payment Date detailed in article 4.1 above. If not so paid on the due date it shall be a debt due by the Company and be payable in priority to any other dividend. For the avoidance of doubt if there are insufficient profits to pay the Fixed Dividend in full the Company shall pay such amount of the Fixed Dividend as it is able in accordance with the Act, on a basis pro-rata to the proportionate entitlement of the holders of A Ordinary Shares and B Ordinary Shares. The balance shall be a debt due by the Company payable in priority to any other dividend. All accrued but unpaid Fixed Dividends shall be paid immediately prior to an Exit.

- 4.5 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of the Fixed Dividend.

5. **Capital**

- 5.1 On a return of assets following an Exit, the Proceeds remaining after the payment of the Company's liabilities shall be applied as follows:

- 5.1.1 first, to the holders of B1 Preferred Shares £0.045 per share in respect of any B1 Preferred Shares issued (on aggregate, the "**B1 LP Value**")

If the Exit Value is lower than the B1 LP Value then the Exit Value will be distributed to the holders of B1 Preferred Shares, in the proportion of their B1 Preferred Shares holdings.

- 5.1.2 second, in paying on a pari passu basis:

- 5.1.2.1 to the holders of the A Ordinary Shares an amount equal to the Issue Price per A Ordinary Share and to the holders of the B Ordinary Shares an amount equal to the Issue Price per B Ordinary Share such payments being made pro rata amongst the holders of A Ordinary Shares and B Ordinary Shares, together with a sum equal to any arrears and accruals of the Fixed Dividend calculated down to the date of the return of capital, and

- 5.1.2.2 to the holders of the MIS Ordinary Shares the MIS Exit Entitlement such payment being made pro rata amongst the holders of the MIS Ordinary Shares.

If the LP Value plus the MIS Exit Entitlement ("**Preferential Payment**") is greater than Exit Value then the payments in Articles 5.1.2.1 and 5.1.2.2 shall be reduced by the relevant percentage. For the purpose of this Article 5.1.2, the relevant percentage is equal to

$100 - ((\text{Exit Value} - \text{B1 LP Value}) - (\text{Preferential Payment} - \text{B1 LP Value}) \times 100)$

- 5 1 3 third, in paying to ITF, provided that at that date it holds at least as many shares in the capital of the Company as it does at the date hereof, the sum of £308,052, and
- 5 1 4 fourth, in distributing the balance of such assets among the holders of the A Ordinary Shares, the B Ordinary Shares, the B1 Preferred Shares and Ordinary Shares *pari passu* as if the same constituted one class of share in proportion to the number of A Ordinary Shares, the B Ordinary Shares, the B1 Preferred Shares and Ordinary Shares held by them respectively with the holders of the A Ordinary Shares, the B Ordinary Shares and the B1 Preferred Shares participating on an as converted basis
- 5 2 In the event that the Proceeds are payable to any party other than the Company, they shall be paid to the Company's solicitor's bank account (or such other account as 75% of the holders of the issued share equity share capital may agree) and distributed in accordance with the provisions of articles 5.1 1, 5 1 2, 5 1 3 and 5.1 4
- 5 3 If a Listing which is not a Qualifying IPO is proposed then immediately prior to and conditional on that Listing taking place, the Company shall allot and issue to each holder of the Preferred Ordinary Shares such number of Ordinary Shares such that the percentage of the equity share capital of the Company held by each holder of Preferred Ordinary Shares following completion of such issue equals the percentage of the Proceeds that such holder of Preferred Ordinary Shares would have received in accordance with this article 5 were the Listing to be an Exit (and assuming the Valuation of the Company immediately prior to the Listing constitutes the Proceeds) The Ordinary Shares to be allotted shall to the extent permitted by law be issued at par fully paid by the capitalisation of any amounts standing to the credit of the share premium account or other available reserve of the Company and shall not require any subscription monies to be paid by such holders of the Preferred Ordinary Shares Immediately after the issue of such additional Ordinary Shares, the holders of the Preferred Ordinary Shares shall be deemed to have served a Conversion Notice pursuant to article 8 in respect of all such Preferred Ordinary Shares held by them and the Preferred Ordinary Shares shall convert to Ordinary Shares in accordance with the provisions of article 8
- 5 4 If the Company is prohibited from effecting a capitalisation of reserves whether by virtue of the Act or for any other reason, the persons entitled to new Ordinary Shares under this article 5 shall be entitled to subscribe in cash at par for such new Ordinary Shares as they would otherwise have been entitled to have received

6 **Class Rights**

Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may only be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of greater than 50% of the issued shares of that class or such greater percentage as the law shall require from time to time. Without prejudice to the generality of this article, the special rights attached to the A Ordinary Shares, the B Ordinary Shares and the B1 Preferred Shares shall be deemed to be varied by the calling of a meeting of the Company to approve the purchase or redemption of any of the Company's shares other than pursuant to these articles of association or pursuant to the exercise by the Company of any option to repurchase such shares from employees, officers, consultants or others who provide services to the Company at cost and have entered into an agreement with the Company in relation to the same.

7 **Redemption of the Preferred Ordinary shares**

7.1 Subject to the provisions of the Act, all of the A Ordinary Shares, the B Ordinary Shares and the B1 Preferred Shares then in issue shall, subject to the prior written consent of an Investor Majority (and by prior written notice to the Company from such investor Majority), be redeemed on 31 December 2015 (and "due date" shall be construed accordingly) and any shares not redeemed upon the due date shall be redeemed forthwith upon redemption becoming permissible under the Act. For the avoidance of doubt, in the event that notice given under this article 7.1.1 is less than thirty days then the applicable due date shall be extended by such number of days as would be required to give the Company thirty days notice of redemption.

7.2 In priority to any redemption of shares pursuant to Articles 7.1.2 and 7.1.3 below, the Company shall firstly pay on each of the B1 Preferred Shares redeemed the greater of (a) the fair value of the B1 Preferred Shares redeemed (determined by agreement between the Board (excluding the Directors appointed by the B1 Preferred Shareholders) and the B1 Preferred Shareholders or in the absence of agreement by the Expert in accordance with the terms of Article 10.2) and (b) the aggregate of the Issue Price of the B1 Preferred Shares.

7.3 Subject to Article 7.1.2, the Company shall pay on each of the A Ordinary Shares redeemed the greater of (a) the fair value of the A Ordinary Shares redeemed (determined by agreement between the Board (excluding the Directors appointed by the A Ordinary Shareholders) and the A Ordinary Shareholders or in the absence of agreement by the Expert in accordance with the terms of the Article 10.2), and (b) the aggregate of the Issue Price of the A Ordinary Shares, together with any arrears or accruals of the Fixed Dividend thereon calculated to the date of redemption. In the absence of any direction to the contrary by the holder of the relevant A Ordinary Share any moneys paid on redemption of such share shall

relate first to the said arrears and accruals of Fixed Dividends. The Fixed Dividends on the shares redeemed shall cease to accrue from the date of redemption.

7.4 Subject to Article 7.1.2, the Company shall pay on each of the B Ordinary Shares redeemed the greater of (a) the fair value of the B Ordinary Shares redeemed (determined by agreement between the Board (excluding the Directors appointed by the B Ordinary Shareholders) and the B Ordinary Shareholders or in the absence of agreement by the Expert in accordance with the terms of Article 10.2) and (b) the aggregate of the Issue Price of the B Ordinary Shares, together with any arrears or accruals of the Fixed Dividend thereon calculated to the date of redemption. In the absence of any direction to the contrary by the holder of the relevant B Ordinary Shares any moneys paid on redemption of such share shall relate first to the said arrears and accruals of Fixed Dividends. The Fixed Dividends on the shares redeemed shall cease to accrue from the date of redemption.

7.5 The redemption price established pursuant to Article 7.1.2, 7.1.3 and 7.1.4 shall continue to be applicable notwithstanding any delay in completion of the redemption as a result of the provisions of the Act. However, Fixed Dividends shall continue to accrue on the outstanding B Ordinary Shares until redemption.

7.6 On the due dates for payment of any redemption monies the Company shall pay to each registered holder of A Ordinary Shares, each registered holder of B Ordinary Shares and each registered holder of B1 Preferred Shares the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled. If any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of Preferred Ordinary Shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings.

8 Conversion of the Preferred Ordinary Shares

The holders of Preferred Ordinary Shares shall be entitled at any time to convert all or part of the Preferred Ordinary Shares held by them into Ordinary Shares and the following provisions shall have effect:

8.1

8.1.1 the basis of such conversion in respect of A Ordinary Shares shall be one Ordinary Share for each A Ordinary Share held subject to adjustment in accordance with article 13 ("**A Conversion Rate**"),

8.1.2 the basis of such conversion in respect of B Ordinary Shares shall be one Ordinary Share for each B Ordinary Share held subject to adjustment in accordance with Article 13 ("**B Conversion Rate**"),

- 8 1 3 the basis of such conversion in respect of B1 Preferred Shares shall be one Ordinary Share for each B1 Preferred Share held subject to adjustment in accordance with Article 13 ("**B1 Conversion Rate**"),
- 8 2 such conversion shall be effected by notice in writing (the "**Conversion Notice**") signed by the holder given to the Company at its registered office for the time being,
- 8 3 such conversion shall take effect immediately upon delivery of the Conversion Notice to the Company,
- 8 4 on the date of conversion the Company shall pay the Fixed Dividend to the holders of the A Ordinary Shares, the B Ordinary Shares or the B1 Preferred Shares as appropriate calculated on a daily basis to the date of conversion and any Fixed Dividend payable to the holders of the A Ordinary Shares, the B Ordinary Shares or the B1 Preferred Shares as appropriate shall rank for dividend in respect of the financial year of the Company current at the date of conversion only,
- 8 5 the Ordinary Shares resulting from such conversion shall for all purposes rank *pari passu* with the Ordinary Shares issued prior to the date of such conversion and such Ordinary Shares so resulting and those so issued shall together constitute one class of share,
- 8 6 forthwith after conversion the holders of the Ordinary Shares resulting from the conversion shall send to the Company the certificates in respect of their holding of Preferred Ordinary Shares that they have converted under this article and the Company shall issue to such holders certificates for the Ordinary Shares resulting from the conversion,
- 8 7 there shall be paid on each of the Preferred Ordinary Shares so converted a sum equal to any arrears, deficiency or accruals of the Fixed Dividend as appropriate thereon to be calculated down to the date of conversion whether such dividends have been declared or earned or not
- 8 8 In the event an Investor Majority elect to convert all or part of their Preferred Ordinary Shares into Ordinary Shares in connection with the exercise of a Drag Along Option, each Investor shall so convert their Preferred Ordinary Shares on a pro rata basis In the event that such conversion occurs in connection with the exercise of a Drag Along Option, the Preferred Ordinary Shares so converted shall be deemed to have consented as holders of Ordinary Shares in favour of such Drag Along Option for the purpose of article 12

Conversion of all (but not some only) of the Preferred Ordinary Shares in accordance with this article 8 shall automatically occur immediately prior to a Qualifying IPO.

9 **Transfer of Shares**

- 9 1 The Directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but (subject to regulation 24 of Table A) shall not otherwise be entitled to refuse to register (and shall register) any transfer of shares For the purpose of

ensuring that a particular transfer of shares is permitted under the provisions of these articles, the Directors may request the transferor, or the person named as the transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.

9.2 Transfer of Investor's Shares

Notwithstanding any other provisions of these articles a transfer of shares in the Company held by any member of an Investor's Group may be made

- 9.2.1 between the member of that Investor's Group holding such shares and any other member of that Investor's Group,
- 9.2.2 to any affiliated or parallel fund or partnership (or nominee thereof) managed or advised by such Investor,
- 9.2.3 to any participant or partner in or member of such fund, partnership or other entity (or nominee thereof) in respect of which the shares to be transferred are held,
- 9.2.4 to such Investor itself or any successor manager of such fund or partnership,
- 9.2.5 to any subsidiary or holding company from time to time of any limited or general partner of such fund or partnership,
- 9.2.6 with the prior written consent of an Investor Majority,
- 9.2.7 in the case of Sagentia and ITF, to any member of the other's Investor Group,
- 9.2.8 in the case of an Investor with an appointed fund manager or fund advisor, to any other company or fund which is managed or advised by that fund manager or fund advisor,

in each case without restriction as to price or otherwise and the Directors shall register any such transfer.

9.3 Original Member Shares

Notwithstanding any other provision in these articles any Original Member may at any time during his lifetime transfer all or any shares held by him to a Privileged Relation and/or Family Trust.

9.4 Employee Members

9 4 1 If an Employee Member ceases to be either a director or an employee of the Company or any of its subsidiaries (and does not continue as or immediately thereupon become a director or employee of any of its subsidiaries) within thirty six months of the date of acquisition of any shares in the Company by that Employee Member (provided that such acquisition occurred after 23 March 2006 and does not arise on the exercise of an option to acquire shares granted before 23 March 2006 then Transfer Notice(s) shall be deemed automatically to have been served by the Employee Member on the relevant Termination Date in respect of all of those shares

9 4 2 If an Employee Member who is the subject of a Deemed Transfer Notice in terms of Article 9 4 1 ceases to be either a director or an employee of the Company or any of its subsidiaries (and does not continue as or immediately thereupon become a director or employee of any of its subsidiaries) after thirty six months but before forty eight months after the date of acquisition of any shares in the Company by that Employee Member then Deemed Transfer Notice(s) shall have been served by the Employee Member on the relevant Termination Date in respect of the number of those shares which results from the application of the following formula

$$Y = \frac{(48 - X)}{12}$$

Where

X equals the number of months which have elapsed in the period from the acquisition of those shares until the Termination Date

Y equals the proportion of the Employee Member's shares which are subject to this article and which will be subject to a Deemed Transfer Notice

9 4 3 From the Termination Date until such time as a transfer to a bona fide third party purchaser who is not (a) a Connected Person of the Employee Member or (b) a former Employee Member of the Company who did not leave in Approved Circumstances is effected, any Relevant Shares of the Employee Member shall lose their voting rights but the holder of the Relevant Shares shall continue to have the right to receive notice of and to attend all general meetings of the Company

9 4 4 Any unexercised options held by an Employee Member through the ESOP shall lapse at the Termination Date unless otherwise provided for in the ESOP

9 4 5 Any unexercised options over MIS Ordinary Shares held by an Employee Member under any management incentive scheme shall lapse at the Termination Date unless otherwise provided for in the scheme

9 4 6 A transfer pursuant to this article 9 4 shall be referred to as a “**Compulsory Employee Transfer**”

9 5 **Corporate Members**

If a corporate member ceases to be within the control (as such term is defined by Section 840 Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shown then be registered in its name provided that this article shall not apply to any member of any Investor’s Group

9 6 Notwithstanding any other provision in these Articles, Sagentia may transfer such number of Ordinary Shares as it holds at 23 March 2006 (up to, for the avoidance of doubt, a maximum of 116,883 Ordinary Shares) to Seapeq Ltd of c/o Whitmarsh Sterland, 62 Hills Road, Cambridge, CB2 1LA without restriction as to price or otherwise and the Directors shall register any such transfer

9.7 **Sagentia and ITF transfers**

Sagentia may transfer up to, in aggregate, 1,370,192 Ordinary Shares to persons nominated by the Company and ITF may transfer up to, in aggregate, 1,140,697 Ordinary Shares to persons nominated by the Company, in either case at a price of 14 19p per Ordinary Share, and the Directors shall register any such transfers

9 8 **MIS Ordinary Share Transfers**

Transfer of MIS Ordinary Shares shall not be permitted other than on an Exit or a Compulsory Employee Transfer

10 **Pre-emption Rights**

10 1 Save as otherwise provided in these articles every member who desires to transfer any shares be it Ordinary Shares or Preferred Ordinary Shares (“**the Vendor**”) shall give to the Company notice in writing of such desire (“**Transfer Notice**”) Subject as hereinafter mentioned a Transfer Notice or Deemed Transfer Notice shall constitute the Company the Vendor’s agent for the sale of the shares specified therein (the “**Sale Shares**”) at the Sale Price

10 2 The Sale Price shall be the price agreed by the Vendor and the Directors or if the Vendor and the Directors are unable to agree a price within 28 days of the Transfer Notice or Deemed

Transfer Notice being given the price which an Expert shall certify in writing to be in his opinion a fair value thereof The expert shall value the shares as follows

- 10 2 1 on a going concern basis as between a willing seller and a willing buyer,
- 10 2 2 ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest, and
- 10 2 3 on the assumption that the Sale Shares are capable of transfer without restriction

The decision of the Expert as to the Sale Price shall be final and binding

- 10 3 In the case of Compulsory Employee Transfers where the Employee Member has not left in Approved Circumstances the Sale Price shall be restricted to the lower of the original subscription price of the Sale Shares and fair value determined in accordance with article 10 5
- 10 4 Save for shares sold pursuant to a Deemed Transfer Notice the Transfer Notice may contain a provision ("**Total Transfer Provision**") that unless all the shares comprised therein are sold pursuant to this article none shall be sold and any such provision shall be binding on the Company
- 10 5 When an Expert is asked to certify the fair value in accordance with articles 10 2 and 10 3 his certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and save for shares sold pursuant to a Deemed Transfer Notice the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost
- 10 6 Upon the price being fixed in accordance with article 10 2 and provided the Vendor has not given a valid notice of cancellation the Company shall forthwith offer the Sale Shares as set out in article 10 8
- 10 7 Unless the Investors agree otherwise any shares being sold by reason of a Compulsory Employee Transfer shall be offered to an Employee Trust (if one has been established) within 14 days of the Sale Price being determined Any shares not sold under this sub-article within 7 days of such offer will be available for sale as set out below
- 10 8 Forthwith upon the Sale Price being determined the Sale Shares shall be offered first to the Company (which shall be entitled to purchase all or part only of the Sale Shares) Any Sale Shares not agreed to be purchased by the Company shall then be offered to all holders of Preferred Ordinary Shares or to such members of an Investor's Group as the relevant Investor shall so direct (other than the Vendor if the Vendor is a holder of Preferred Ordinary Shares)

in proportion as nearly as may be to the respective numbers of those shares which would be held by such holders on an as converted basis save that, for so long as Sagentia and ITF together retain a shareholding in the Company of 5% of the equity share capital, the proportion of the first offer made to ITF shall be calculated on the basis of the total of its holding of A Ordinary Shares (on an as converted basis) and 5,298,412 of its Ordinary Shares, and the proportionate entitlement of the other holders of A Ordinary Shares and B Ordinary Shares shall be reduced accordingly. Such offer shall give details of the number and the Sale Price of such Sale Shares and whether the Sale Shares are subject to a Total Transfer Provision and the method of allocation of the Sale Shares. The Company shall invite each such member as aforesaid to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase and such invitation will set the basis of allocation of the Sale Shares. The Sale Shares shall be allocated in accordance with article 10 9

- 10 9 If the total number of Sale Shares applied for by the Preferred Ordinary Shareholders (or the relevant Investor Group member) is equal to or less than the number of Sale Shares available the Sale Shares shall be allocated in satisfaction of the applications received. If the total number of Sale Shares applied for is more than the number of Sale Shares available, the Directors shall allocate the Sale Shares in satisfaction of each member's application for Sale Shares pro rata according to the proportion that the number of Preferred Ordinary Shares on an as converted basis held by that member save that, for so long as Sagentia and ITF together retain a shareholding in the Company of 5% of the equity share capital, the proportion of the first offer made to ITF shall be calculated on the basis of the total of its holding of A Ordinary Shares (on an as converted basis) and 5,298,412 of its Ordinary Shares, and the proportionate entitlement of the other holders of A Ordinary Shares and B Ordinary Shares shall be reduced accordingly) bears to the total number of Preferred Ordinary Shares (calculated on an as converted basis) held by all members who are (or in respect of whom an Investor Group member is) prepared to acquire Sale Shares but for the avoidance of doubt excluding the Sale Shares but individual allocations shall not exceed the maximum number of Sale Shares for which the relevant member has applied
- 10 10 The Company shall notify the Vendor and each member who applied for Sale Shares of the number of Sale Shares that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed
- 10 11 If the Company and the Preferred Ordinary Shareholders are not willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this article the Board shall have thirty days to nominate a person (the "**Nominated Person**") who is willing to purchase the Sale Shares at no less than the Sale Price and the Vendor shall be obliged to sell to the Nominated Person those of the Sale Shares which the Nominated Person wishes to acquire. If the Board

fails to make such a nomination within such thirty day period the Vendor shall (subject to Article 10 16) at any time within six months after the final offer by the Company to the holders of Preferred Ordinary Shares be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person at a price being no less than the Sale Price. If the Sale Shares were the subject of a Total Transfer Provision, such a sale may only comprise all the Sale Shares and not part only. For the avoidance of doubt, if at the end of the six month period referred to above, the Vendor wishes to transfer any of the Sale Shares not already sold, such Sale Shares must be offered again to the Company, the Preferred Ordinary Shareholders and the Nominated Person in accordance with the provisions of this article 10

10 12 Each Vendor to whom this article applies and who proposes to sell Ordinary Shares (excluding any Additional Shares) (a **"Selling Ordinary Shareholder"**) shall not sell or otherwise dispose of any such shares (or any interest in them), without 1) having observed the procedures set out in articles 10 1 to 10 11 (inclusive) and 2) having observed the procedures set out in articles 10 13 to 10 16 (inclusive)

10 13 The Selling Ordinary Shareholder shall give to each holder of Preferred Ordinary Shares not less than 10 days' notice in advance of the proposed sale (a **"Co-sale Notice"**). The Co-sale Notice shall specify

10 13 1 the identity of the proposed purchaser (the **"Buyer"**),

10 13 2 the price per share which the Buyer is proposing to pay;

10 13 3 the manner in which the consideration is to be paid,

10 13 4 the number of Ordinary Shares which the Selling Ordinary Shareholder proposes to sell, and

10 13 5 the total number of Ordinary Shares held by the Selling Ordinary Shareholder, his/her Privileged Relations and Family Trusts and any Ordinary shareholder in relation to whom the Selling Ordinary Shareholder is a Privileged Relation or Family Trust

10 14 Each holder of Preferred Ordinary Shares shall be entitled, within 10 days after receipt of the Co-sale Notice, to notify the Selling Ordinary Shareholder that they wish to sell a certain number of Preferred Ordinary Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Preferred Ordinary Shares which such holder of Preferred Ordinary Shares wishes to sell. The maximum number of shares which a holder of Preferred Ordinary Shares can sell under this procedure shall be

$$\frac{X}{Y} \times Z$$

where

X is the total number of Ordinary Shares that would be held by that holder of Preferred Ordinary Shares on an as converted basis,

Y is the total number of Ordinary Shares that would be in issue on the conversion of all the Preferred Shares,

Z is the number of Ordinary Shares the Selling Ordinary Shareholder proposes to sell

Any holder of Preferred Ordinary Shares who does not send a counter-notice within such 10 day period shall be deemed to have specified that they wish to sell no shares

10 15 Following the expiry of 10 days from the date the holders of Preferred Ordinary Shares receive the Co-sale Notice, the Selling Ordinary Shareholder shall be entitled to sell to the Buyer on the terms notified to the holders of Preferred Ordinary Shares a number of shares not exceeding the number specified in the Co-sale Notice less any shares which holders of Preferred Ordinary Shares have indicated they wish to sell, provided that at the same time the Buyer purchases from the holders of Preferred Ordinary Shares the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Ordinary Shareholders from the Buyer

10 16 No sale by a Selling Ordinary Shareholder to which a Co-sale Notice applies shall be made more than one month after service of that Co-sale Notice

10 17 The foregoing provisions of this article and article 9 4 shall not apply if an Investor Majority so directs in writing and the Directors shall be obliged to register any such duly stamped transfer and shall cease to apply in its entirety in the event of a Qualifying IPO

10.18 A Transfer Notice shall be deemed to have been given to the Company by any member who purports to transfer any shares other than in accordance with these articles without giving a Transfer Notice to the Company and, in those circumstances, the Deemed Transfer Notice shall

10 18 1 be deemed to apply to the number and class of shares purported to have been transferred,

10 18 2 entitle the Company to require delivery to it of the certificate for the shares purported to have been transferred

and where the context permits references in these articles to a Vendor shall include a member deemed to have served a Transfer Notice.

10 19 Any purported transfer of shares otherwise than in accordance with the provisions of these articles shall be void and have no effect

11 **Limitation on Transfer**

- 11 1 Notwithstanding any other provision of these articles to the contrary, no sale or transfer of any shares in the share capital of the Company shall be made or registered without the previous written consent of a majority of the holders of Preferred Ordinary Shares if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by any person
- 11 2 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article

12 **Drag Along**

- 12 1 If fifty percent (50%) or more of the holders of the Preferred Ordinary Shares, on an as converted basis, (the "**Selling Shareholders**") wish to transfer all their interest in equity shares (the "**Sellers' Shares**") to a bona fide arms length purchaser (the "**Third Party Purchaser**") the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of equity shares (the "**Called Shareholders**") to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this article.
- 12 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their equity shares (the "**Called Shares**") pursuant to this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article) and the proposed date of transfer
- 12 3 A Drag Along Notice shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve a further Drag Along Notice following the lapse of any particular Drag Along Notice
- 12 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Third Party Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5
- 12 5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise

- 12 6 The pre-emption provisions set out in these articles shall not arise on any transfer of shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served
- 12 7 If any holder of equity shares does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by him the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and the Directors shall, subject to the transfers being duly stamped, forthwith register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced
- 12 8 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or otherwise ("**a New Member**"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice, and the New Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member
- 12 9 In this article
- 12 9 1 the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment,
- 12 9 2 the expression 'shares' includes bearer shares, depository receipts and any other security or instrument into which shares may be converted with a view to a sale,
- 12 9 3 whether or not persons are acting in concert will be determined by the then most recent edition of the City Code on Takeovers and Mergers
- 12 10 All other regulations of the Company relating to the transfer of shares and the rights to registration of transfers shall be read subject to the provisions of this article

13 **Anti-dilution**

13 1

- 13 1 1 If the Company issues any Additional Shares without consideration or for a consideration per share less than the original subscription price of any of the A Ordinary Shares (an "**A Qualifying Issue**") then the A Conversion Rate for each A Ordinary Share (which is not part of a Qualifying Issue) falling to be converted into Ordinary Shares shall be adjusted so that the number of Ordinary Shares into which it shall be converted shall be increased by multiplying the number of Ordinary Shares to be received pursuant to the A Conversion Rate by a factor of X

where

$$X = \frac{\text{OSP} - (\text{OSP} \times A) + (B \times C)}{A + C}$$

For the purpose of this calculation

- OSP** is the original subscription price of the relevant A Ordinary Share to be converted, which shall, for all A Ordinary Shares issued prior to or on the date of adoption of these Articles, be deemed to be 9 553663 1p per A Ordinary Share
- A** is the total number of A Ordinary Shares in issue on the date of conversion less the total number of shares issued on all A Qualifying Issues
- B** is the average subscription price per share paid for shares on A Qualifying Issues calculated by dividing the aggregate of amounts paid or to be paid in respect of the Additional Shares issued pursuant to all A Qualifying Issues by the total number of Additional Shares issued pursuant to all Qualifying Issues
- C** is the total number of shares issued on all A Qualifying Issues

- 13 1 2 If the Company issues any Additional Shares without consideration or for a consideration per share less than the original subscription price of any of the B Ordinary Shares (a "**B Qualifying Issue**") then the B Conversion Rate for each B Ordinary Share (which is not part of a Qualifying Issue) falling to be converted into Ordinary Shares shall be adjusted so that the number of Ordinary Shares into which it shall be converted shall be increased by multiplying the number of Ordinary Shares to be received pursuant to the B Conversion Rate by a factor of X

where

$$X = \text{OSP} - \frac{(\text{OSP} \times A) + (B \times C)}{A + C}$$

For the purpose of this calculation

- OSP** is the original subscription price of the relevant B Ordinary Share to be converted, which shall, for all B Ordinary Shares issued prior to or on the date of adoption of these Articles, be deemed to be 15p per B Ordinary Share
- A** is the total number of B Ordinary Shares in issue on the date of conversion less the total number of shares issued on all B Qualifying Issues
- B** is the average subscription price per share paid for shares on B Qualifying Issues calculated by dividing the aggregate of amounts paid or to be paid in respect of the Additional Shares issued pursuant to all B Qualifying Issues by the total number of Additional Shares issued pursuant to all Qualifying Issues
- C** is the total number of shares issued on all B Qualifying Issues

- 13 1 3 If the Company issues any Additional Shares on or before the final closing of a Subsequent Financing without consideration or for a consideration per share less than the OSP (defined in this Article 13 1 3) of any of the B1 Preferred Shares (a “**B1 Qualifying Issue**”) then the B1 Conversion Rate for each B1 Preferred Share (which is not part of a Qualifying Issue) falling to be converted into Ordinary Shares shall be adjusted so that the number of Ordinary Shares into which it shall be converted shall be increased by multiplying the number of Ordinary Shares to be received pursuant to the B1 Conversion Rate by a factor of X

where

$$X = \text{OSP} \div A$$

For the purpose of this calculation

OSP is the original subscription price (inclusive of any premium) of the relevant B1 Preferred Share to be converted, which shall, for all B1 Preferred Shares issued prior to or on the date of adoption of these Articles, be deemed to be 6p per B1 Preferred Share

A is the average subscription price (inclusive of any premium) per share paid for shares on B1 Qualifying Issues calculated by dividing the aggregate of amounts paid or to be paid (inclusive of any premium) in respect of the Additional Shares issued pursuant to all B1 Qualifying Issues by the total number of Additional Shares issued pursuant to all Qualifying Issues

13 1 4 Subject to Article 13 1 3, in the event that any Additional Shares are issued after the final closing of a Subsequent Financing has taken place without consideration or for a consideration per share less than the OSP (as defined in this Article 13 1 4) of any of the B1 Preferred Shares (a "**Subsequent B1 Qualifying Issue**") then the B1 Conversion Rate for each B1 Preferred Share (which is not part of a Qualifying Issue) falling to be converted into Ordinary Shares shall be adjusted so that the number of Ordinary Shares into which it shall be converted shall be increased by multiplying the number of Ordinary Shares to be received pursuant to the B1 Conversion Rate by a factor of X

where

$$X = \text{OSP} + \frac{(\text{OSP} \times A) + (B \times C)}{A + C}$$

For the purpose of this calculation.

OSP is the original subscription price of the relevant B1 Preferred Shares to be converted, which shall, for all B1 Preferred Shares issued prior to or on the date of adoption of these Articles, be deemed to be the lower of (i) 6p per B1 Preferred Share, and (ii) the price per share as adjusted pursuant to Article 13 1 3 so that the original subscription price is the average subscription price (inclusive of any premiums) per share paid on B1 Qualifying Issues

A is the total number of B1 Preferred Shares in issue on the date of conversion less the total number of shares issued on all

Subsequent B1 Qualifying Issues

- B** is the average subscription price per share paid for shares on Subsequent B1 Qualifying Issues calculated by dividing the aggregate of amounts paid or to be paid in respect of the Additional Shares issued pursuant to all Subsequent B1 Qualifying Issues by the total number of Additional Shares issued pursuant to all Qualifying Issues
- C** is the total number of shares issued on all Subsequent B1 Qualifying Issues

13 1 5 For the avoidance of doubt, if on conversion of any preferred Ordinary Shares Qualifying Issues have been made at an issue price less than 9 5536631p per share, firstly the calculation of the adjustment to the A Conversion Rate shall be made and secondly the calculation of the adjustment to the B Conversion Rate shall be made Any additional Ordinary Shares due to be issued to the holders of A Ordinary Shares as a result of the calculation made pursuant to Article 13 1 1 shall not be taken into account in the calculation made under Article 13 1 2 and any additional Ordinary Shares due to be issued to the holders of B Ordinary Shares as a result of the calculation made pursuant to Article 13 1 2 shall not be taken into account in the calculation made under Article 13 1 1

13 1 6 For the avoidance of doubt, if on conversion of any preferred Ordinary Shares Qualifying Issues have been made at an issue price less than £0 06 per share, firstly the calculation of the adjustment to the A Conversion Rate shall be made, secondly the calculation of the adjustment to the B Conversion Rate shall be made and thirdly the calculation of the adjustment to the B1 Conversion Rate shall be made Any additional Ordinary Shares due to be issued to the holders of A Ordinary Shares as a result of the calculation made pursuant to Article 13 1 1 shall not be taken into account in the calculation made under Article 13 1 2, 13 1 3 or 13 1 4 any additional Ordinary Shares due to be issued to the holders of B Ordinary Shares as a result of the calculation made pursuant to Article 13 1 2 shall not be taken into account in the calculation made under Article 13 1 1, 13 1 3 or 13 1 4 and any additional Ordinary Shares due to be issued to the holders of B1 Ordinary Shares as a result of the calculation made pursuant to Article 13 1 3 or 13 1 4 shall not be taken into account in the calculation made under Article 13 1 1 or 13 1 2

13 2 No Additional Shares shall be issued pursuant to Article 13 1 as a result of the issue of any Additional Shares pursuant to the conversion of the Loan Notes in accordance with its terms

- 13 3 If Preferred Ordinary Shares are to convert into Ordinary Shares with a total nominal value greater than the nominal value of the relevant Preferred Ordinary Shares, the Company shall issue additional Ordinary Shares to the relevant holder by way of a bonus issue and such shares will be issued fully paid up by the capitalisation of amounts standing to the credit of the share premium account or any other available reserves of the Company as determined by the Directors. Such capitalisation shall be automatic and shall not require any action on the part of the members and the Directors shall allot the shares arising on such capitalisation to the holders of the Preferred Ordinary Shares in accordance with this article.
- 13 4 Where the total number of Ordinary Shares to be received by a person holding Preferred Ordinary Shares as a result of a capitalisation of reserves under this article would not be a whole number, it will be rounded to the nearest whole number.
- 13 5 In the case of an issue of Additional Shares for a consideration in whole or in part other than cash, in calculating the subscription price of these shares for the purposes of this article, the consideration other than cash shall be the fair value of such consideration as determined by the auditors of the Company (acting as experts and not as arbiters), irrespective of any accounting treatment.
- 13 6 If the Company grants or issues any options or rights to purchase or subscribe for Additional Shares ("**Options**"), securities by their terms convertible into or exchangeable for Additional Shares ("**Convertible Shares**") or options or rights to purchase or subscribe for such convertible or exchangeable securities ("**Convertible Options**"), the following provisions shall apply for all purposes of this article:
- 13 6 1 The aggregate maximum number of Additional Shares which can be issued upon the exercise (assuming the satisfaction of any conditions) of such Options shall be deemed to have been issued at the time such Options were issued and for a consideration equal to that, if any, received by the Company upon issuing such Options plus the minimum exercise price provided in such Options.
- 13 6 2 The aggregate maximum number of Additional Shares which can be issued
- 13 6 2 1 upon the conversion of, or in exchange for, any Convertible Shares (assuming the satisfaction of any conditions on convertibility or exchangeability), or
- 13 6 2 2 upon the exercise of any Convertible Options and subsequent conversion or exchange of such options,
- shall be deemed to be the maximum number of Additional Shares which could have been issued at the time such Convertible Shares or Convertible Options (as appropriate) were issued and for a consideration equal to that, if any, received by the Company for any such Convertible Shares or Convertible Options plus the minimum additional consideration, if

any, to be received by the Company upon the conversion or exchange of such Convertible Shares or the exercise of such Convertible Options.

- 13 7 If the Company is prohibited from effecting a capitalisation of reserves required by this article whether by virtue of the Act or for any other reason, the person entitled to the bonus issue shall be entitled, at any time, to subscribe at par for the Ordinary Shares that he would otherwise have been entitled to have received as a bonus issue by virtue of this article
- 13 8 The Directors and the members of the Company shall use their respective rights and powers to procure, so far as they are able, that the Company has sufficient authorised but unissued Ordinary Shares to meet any obligations which may arise under this article
- 13 9 The Directors shall forthwith supply to any member requesting the same a certificate setting out the A Conversion Rate, the B Conversion Rate and the B1 Conversion Rate

14 General Meetings and Resolutions

- 14 1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and regulation 38 in Table A shall be modified accordingly All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors
- 14 2 Every notice convening a general meeting shall comply with the provisions of Section 325(1) of the Act as to giving information to members in regard to their right to appoint proxies, and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company
- 14 3 Regulation 40 in Table A shall be read and construed as if the words "at the time when the meeting proceeds to business" were added at the end of the first sentence
- 14 4 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefore such adjourned general meeting shall be dissolved.
- 14 5 Regulation 41 in Table A shall not apply to the Company

15 Voting Rights

- 15 1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these articles, every holder of Ordinary Shares who is present in person or

by proxy or (being a corporation) is present by a representative shall have one vote for every Ordinary Share of which he is the holder and every holder of Preferred Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a representative shall have one vote for every Ordinary Share in the capital of the Company of which he would be the holder on an as converted basis and every holder of MIS Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a representative shall have one vote for every MIS Ordinary Share of which he is the holder which shall only be exercised on a resolution to amend the class rights of the MIS Ordinary Shares

15 2 Regulation 54 in Table A shall not apply to the Company

16 **Lien**

The lien conferred by regulation 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company Regulation 8 in Table A shall be modified accordingly

17 **Calls on Shares**

The liability of any member in default in respect of a call shall be increased by addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment"

18 **Directors**

18 1 The Directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) in Table A shall not apply to the Company

18 2 Unless otherwise determined by ordinary resolution in general meeting of the Company the maximum number of Directors (other than alternate Directors) shall be 7 If and so long as the number of Directors shall be one a sole Director may exercise all the authorities and powers which are vested in the Directors and Table A shall be modified accordingly Regulation 64 of Table A shall not apply to the Company

18 3 No person shall be appointed a Director at any general meeting unless either

18 3 1 he is recommended by the Directors, or

18 3 2 not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice executed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed, or

18 3 3 he is an Investor Director

18 4 Subject to article 18 3 above, the Company may by ordinary resolution in general meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director

18 5 Investor Directors

18 5 1 Notwithstanding any limitation on the number of Directors imposed by these articles so long as the members of the SEP II Investor Group hold at least 5% of the shares of the Company SEPL shall be entitled to appoint as a Director any person and to remove from office any person so appointed and to appoint another person in his place Any appointment or removal in terms of this article shall be effected by notice in writing signed by SEPL and delivered to the registered office of the Company The Director appointed in terms of this article shall not be required to hold any share qualification nor shall he be subject to retirement by rotation Upon request by SEPL the Company shall also procure that a Director appointed under the terms of this paragraph be appointed a Director of any subsidiary of the Company

18 5 2 Notwithstanding any limitation on the number of Directors imposed by these articles so long as the members of the OnPoint Investor Group hold at least 5% of the shares of the Company such member(s) shall be entitled to appoint as a Director any person and to remove from office any person so appointed and to appoint another person in his place Any appointment or removal in terms of this article shall be effected by notice in writing signed by such member(s) of the OnPoint Investor Group and delivered to the registered office of the Company The Director appointed in terms of this article shall not be required to hold any share qualification nor shall he be subject to retirement by rotation Upon request by Onpoint Investor Group the Company shall also procure that a Director appointed under the terms of this paragraph be appointed a Director of any subsidiary of the Company.

18 5 3 Notwithstanding any limitation on the number of Directors imposed by these articles so long as the members of the Sagentia Investor Group and the ITF Investor Group together hold at least 5% of the shares of the Company such member(s) shall be entitled to appoint as a Director any person and to remove from office any person so appointed and to appoint another person in his place Any appointment or removal in terms of this paragraph shall be effected by notice in writing signed by such member(s) of the Sagentia Investor and delivered to the registered office of the Company The Director appointed in terms of this article shall not be required to hold any share qualification nor shall he be subject to retirement by rotation Upon request by Sagentia Investor Group the Company

shall also procure that a Director appointed under the terms of this paragraph be appointed a Director of any subsidiary of the Company.

- 18 5 4 Notwithstanding any limitation on the number of Directors imposed by these articles so long as the members of the BI Investor Group together hold at least 5% of the shares of the Company such member(s) shall be entitled to appoint as a Director any person and to remove from office any person so appointed and to appoint another person in his place Any appointment or removal in terms of this paragraph shall be effected by notice in writing signed by such member(s) of the BI Investor Group and delivered to the registered office of the Company The Director appointed in terms of this article shall not be required to hold any share qualification nor shall he be subject to retirement by rotation Upon request by BI Investor Group the Company shall also procure that a Director appointed under the terms of this paragraph be appointed a Director of any subsidiary of the Company
- 18 5 5 Notwithstanding any limitation on the number of Directors imposed by these articles so long as the members of the ES Investor Group together hold at least 5% of the shares of the Company such member(s) shall be entitled to appoint as Director any person and to remove from office any person so appointed and to appoint another person in his place Any appointment or removal in terms of this paragraph shall be effected by notice in writing signed by such member(s) of the ES Investor Group and delivered to the registered office of the Company The Director appointed in terms of this article shall not be required to hold any share qualification nor shall he be subject to retirement by rotation Upon request by ES Investor Group the Company shall also procure that a Director appointed under the terms of this paragraph be appointed a Director of any subsidiary of the Company
- 18 5 6 Notwithstanding any limitation on the number of Directors imposed by these articles a majority of the holders of the A Ordinary Shares shall be entitled to appoint as a Director any person and to remove from office any person so appointed and to appoint another person in his place, provided that any appointment under this article 18.5 4 is approved by a majority of the holders of the Ordinary Shares (acting reasonably). Any appointment or removal in terms of this article shall be effected by notice in writing signed by a majority of the holders of the A Ordinary Shares and delivered to the registered office of the Company The Director appointed in terms of this article shall not be required to hold any share qualification nor shall he be subject to retirement by rotation The remuneration to be paid to him shall be payable by the Company and shall be such sum as shall for the time being be agreed for that purpose between the Company and him, provided that he is not an employee or director of an Investor, in which case he will not be entitled to remuneration The Company shall also

procure that a Director appointed in terms of this paragraph be appointed a Director to any subsidiary of the Company

18 5 7 The Chief Executive of the Company shall, whilst he continues to hold that title and be an employee of the Company, be a member of the Board

18 6 If and for so long as any of EnerTech, FWI, FW(5), Sagentia, SEP II, SEP II B, OnPoint, BI and ES Ventures (or their respective nominees) respectively are the registered owners of any issued Preferred Ordinary Shares, that shareholder shall be entitled by notice in writing to the Board to appoint an observer to attend Board meetings as its representative. Observers shall be given notice of all Board meetings as if they were Directors and provided with copies of all papers circulated to Directors with such notices. Observers shall be entitled to speak at Board meetings, but shall not have the power to vote on any resolutions put to the Board

19 **Alternate directors**

19 1 An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of regulation 66 in Table A shall be modified accordingly

19 2 A Director, or any such other person as is mentioned in regulation 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present

20 **Disqualification of directors**

The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and regulation 81 in Table A shall be modified accordingly

21 **Proceedings of directors**

21 1 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 but provided he has disclosed to the Directors the nature and extent of any interest he has, 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

21 2 The quorum for the transaction of the business of the Directors shall be four and, if any Investor Directors are appointed, the quorum must include two (or one if two or fewer Investor Directors are appointed) of the Investor Directors, provided that in the event that such a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same time and place seven days later at which meeting any three (or all, if there are less than three Directors appointed) Directors shall constitute a quorum

21 3 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company

21 4 Meetings of the Directors may be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the Directors had met in person

22 **Borrowing Powers**

Subject as hereinafter provided the Directors may exercise all the powers of the Company (whether express or implied) -

22 1 of borrowing or securing the payment of money,

22 2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts, and

22 3 of mortgaging or charging the property assets and uncalled capital of the Company and (subject to Section 80 of the Act) issuing debentures, debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party,

23 **The Seal**

Regulation 6 of Table A shall be modified so as to remove the reference to the Company seal and regulation 101 of Table A shall be modified by the insertion of the words "if the Company has one" after the words "The seal" at the beginning of that clause

24 **Indemnity**

24 1 Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in

relation thereto But this article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act

24 2 Regulation 118 in Table A shall not apply to the Company

25 Notices

25 1 Regulation 112 of Table A shall be modified by the addition at the end of the first sentence of "or by facsimile to such facsimile number as may be notified to the Company by the member from time to time and by the addition at the end of the final sentence of "unless the member is a holder of A Ordinary Shares or B Ordinary Shares, in which case he shall be entitled to receive all notices from the Company"

25 2 Any notice sent by post to an address within the United Kingdom shall be deemed to have been given within twenty-four hours, if prepaid as first class, and within forty-eight hours, if prepaid as second class, after the same shall have been posted Any such notice sent by post to an address outside the United Kingdom shall be deemed to have been given within seventy-two hours, if sent by post In proving the giving of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, prepaid and posted Any notice not sent by post but left at the relevant address shall be deemed to have been given on the day it was so left Any notice sent by facsimile shall be deemed served at the time of transmission and in proving service it shall be sufficient to produce the facsimile report confirming the addressee's facsimile number

25 3 Regulation 116 of Table A shall be modified by the deletion of the words "within the United Kingdom"

26 General

26 1 In the event of a Capitalisation Issue or any consolidation or sub-division of the capital of the Company ("a **Variation**") any amounts per share specified in these articles and notwithstanding such generality the following articles shall be adjusted to accommodate as nearly as possible the effect of such Variation in such manner as is agreed both by an Investor Majority and by a majority of the holders of Ordinary Shares or, in the absence of agreement, determined by the Auditors acting as Experts

- Article 1 – the price per share required for a Qualifying IPO,
- Article 4 1 – the Fixed Dividend payable per A Ordinary Share and B Ordinary Share from the date of such Variation,
- Article 5 1 2 – the amount payable per A Ordinary Share and B Ordinary Share,
- Article 7 1 and 7 2 – the amount payable per A Ordinary Share and B Ordinary Share respectively,

- Article 11 2 1 1 and 11 2 1 2 – the minimum Specified Price,
- Article 13 – the amount of OSP per A Ordinary Share and B Ordinary Share